



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## State of Washington

For the period July 1, 2022 through June 30, 2023

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**Office of the Washington State Auditor  
Pat McCarthy**

June 6, 2024

The Honorable Jay Inslee  
State of Washington  
Olympia, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the State of Washington's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Agency's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the State of Washington are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We identified deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the State.

#### Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We identified deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.



We issued an unmodified opinion on the State’s compliance with requirements applicable to each of its major federal programs, with the following exceptions:

We issued a disclaimer of opinion on the State’s compliance with requirements applicable to the Child Care and Development Cluster (93.575 Child Care and Development Block Grant and 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund).

We issued an adverse opinion on the State’s compliance with requirements applicable to the 21.023 Emergency Rental Assistance, 21.027 Coronavirus State and Local Fiscal Recovery Funds, and 93.667 Social Service Block Grant programs.

We also issued a qualified opinion on the State’s compliance with requirements applicable to the 93.558 Temporary Assistance for Needy Families program.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
10.551	SNAP Cluster – Supplemental Nutrition Assistance Program
10.558	Child and Adult Care Food Program
10.561	SNAP Cluster – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.649	COVID-19 – Pandemic EBT Administrative Costs
17.225	Unemployment Insurance
17.225	COVID-19 – Unemployment Insurance
17.258	WIOA Cluster – WIOA Adult Program
17.259	WIOA Cluster – WIOA Youth Activities
17.278	WIOA Cluster – WIOA Dislocated Worker Formula Grants
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.023	COVID-19 – Emergency Rental Assistance Program
21.026	COVID-19 – Homeowner Assistance Fund

21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

64.015 Veterans State Nursing Home Care

84.010 Title I Grants to Local Educational Agencies

84.027 Special Education Cluster (IDEA) – Special Education Grants to States

84.027 COVID-19 – Special Education Cluster (IDEA) – Special Education Grants to States

84.126 Rehabilitation Services Vocational Rehabilitation Grants to States

84.173 Special Education Cluster (IDEA) – Special Education Preschool Grants

84.173 COVID-19 – Special Education Cluster (IDEA) – Special Education Preschools Grants

84.425 COVID-19 – Education Stabilization Fund

93.044 Aging Cluster – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.044 COVID-19 – Aging Cluster – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers

93.045 Aging Cluster – Special Programs for the Aging, Title III, Part C, Nutrition Services

93.045 COVID-19 – Aging Cluster – Special Programs for the Aging, Title III, Part C, Nutrition Services

93.053 Aging Cluster – Nutrition Services Incentive Program

93.067 Global AIDS

93.067 COVID-19 – Global AIDS

93.268 Immunization Cooperative Agreements

93.268 COVID-19 – Immunization Cooperative Agreements

93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

93.323 COVID-19 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

93.558 Temporary Assistance for Needy Families

93.566 Refugee and Entrant Assistance State/Replacement Designee Administered Programs

93.568 Low-Income Home Energy Assistance

93.568	COVID-19 – Low-Income Home Energy Assistance
93.575	CCDF Cluster – Child Care and Development Block Grant
93.575	COVID-19 – CCDF Cluster – Child Care and Development Block Grant
93.596	CCDF Cluster – Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658	Foster Care Title IV-E
93.658	COVID-19 – Foster Care Title IV-E
93.659	Adoption Assistance
93.659	COVID-19 – Adoption Assistance
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.767	COVID-19 – Children's Health Insurance Program
93.775	Medicaid Cluster – State Medicaid Fraud Control Units
93.777	Medicaid Cluster – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.777	COVID-19 – Medicaid Cluster – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medicaid Cluster – Medical Assistance Program
93.778	COVID-19 – Medicaid Cluster - Medical Assistance Program
93.791	Money Follows the Person Rebalancing Demonstration
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.959	COVID-19 – Block Grants for Prevention and Treatment of Substance Abuse

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$43,956,802.

The State did not qualify as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

Finding Number	Finding Title
2023-001	The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding Number	Finding Title
2023-002	The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with required monitoring of subrecipients of the Child and Adult Care Food Program.
2023-003	The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Child and Adult Care Food Program.
2023-004	The Office of Superintendent of Public Instruction did not have internal controls over and did not comply with requirements to verify single audits were completed for all subrecipients of the Child and Adult Care Food Program.
2023-005	The Office of Superintendent of Public Instruction did not have adequate internal controls over and was not compliant with requirements to perform risk assessments for subrecipients of the Child and Adult Care Food Program.
2023-006	The Employment Security Department made improper payments to ineligible beneficiaries of the Unemployment Insurance program.
2023-007	The Employment Security Department did not have adequate internal controls to ensure it submitted accurate financial reports for the Unemployment Insurance program.

2023-008	The Employment Security Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the Unemployment Insurance program.
2023-009	The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.
2023-010	The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it profiled all claimants under the Unemployment Insurance program to identify people likely to need reemployment services and ensure staff providing those services received required training.
2023-011	The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Workforce Innovation and Opportunity grant.
2023-012	The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Highway Planning and Construction program.
2023-013	The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to collect certified payrolls from contractors on projects funded by the Highway Planning and Construction program.
2023-014	The Washington State Department of Transportation did not have adequate internal controls over and did not comply with quality assurance program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.
2023-015	The Washington State Department of Transportation did not have adequate internal controls over and did not comply with cash management requirements for the Formula Grants for Rural Areas program.
2023-016	The Washington State Department of Transportation did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Formula Grants for Rural Areas program.
2023-017	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients

	of the Emergency Rental Assistance program were allowable and properly supported.
2023-018	The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Emergency Rental Assistance program.
2023-019	The Department of Commerce did not have adequate internal controls over reporting requirements for the Emergency Rental Assistance program.
2023-020	The Department of Commerce did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Emergency Rental Assistance program.
2023-021	The Department of Commerce did not have adequate internal controls over federal requirements to ensure subawards for the Emergency Rental Assistance program contained the correct federal award identification elements.
2023-022	The Housing Finance Commission did not have adequate internal controls over eligibility requirements for the Homeowner Assistance Fund program.
2023-023	The Housing Finance Commission did not have adequate internal controls over earmarking requirements for the Homeowner Assistance Fund program.
2023-024	The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.
2023-025	The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.
2023-026	The Office of Financial Management did not have adequate internal controls over and did not comply with requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used for only allowable activities.
2023-027	The Department of Commerce did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.

2023-028	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to monitor subrecipients and to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.
2023-029	The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.
2023-030	The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.
2023-031	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.
2023-032	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Coronavirus State and Local Fiscal Recovery Fund.
2023-033	The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it filed all reports required by the Federal Funding Accountability and Transparency Act for the Title I, Part A program.
2023-034	The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirements for the Special Education program.
2023-035	The Office of Superintendent of Public Instruction improperly charged \$42,265 to the Special Education Cluster.
2023-036	The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program.
2023-037	The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.

2023-038	The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal reporting requirements for the Education Stabilization Fund program.
2023-039	The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.
2023-040	The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Aging Cluster Programs.
2023-041	The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Aging Cluster programs obtained required single audits.
2023-042	The University of Washington did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.
2023-043	The University of Washington did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it followed up on findings and issued management decisions.
2023-044	The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.
2023-045	The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.
2023-046	The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Epidemiology and Laboratory Capacity for Infectious Diseases program.



2023-047	The Department of Health did not have adequate internal controls over and did not comply with suspension and debarment requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.
2023-048	The Department of Health did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.
2023-049	The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Epidemiology and Laboratory Capacity for Infectious Diseases program received required single audits, and that it appropriately followed up on findings and issued management decisions.
2023-050	The Department of Health did not have adequate internal controls over and did not comply with fiscal monitoring requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.
2023-051	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with Temporary Assistance for Needy Families funds were allowable and property supported.
2023-052	The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Refugee and Entrant Assistance program.
2023-053	The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Refugee and Entrant Assistance programs received required single audits, and that it followed up on findings and issued management decisions.
2023-054	The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to perform fiscal and program monitoring of subrecipients for the Refugee and Entrant Assistance programs.
2023-055	The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Low-Income Home Energy Assistance Program.
2023-056	The Department of Commerce did not have adequate internal controls over and did not comply with federal requirements to ensure subawards for the

	Low-Income Home Energy Assistance Program contained the federal award identification elements.
2023-057	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments and monitor subrecipients of the Low-Income Home Energy Assistance Program.
2023-058	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the Child Care and Development Fund Cluster programs were allowable and properly supported.
2023-059	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with client eligibility requirements for child care services paid with the Child Care and Development Fund and Temporary Assistance for Needy Families funds.
2023-060	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the Child Care and Development Fund Cluster.
2023-061	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with period of performance requirements for the Child Care and Development Fund Cluster.
2023-062	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with financial reporting requirements for the Child Care and Development Fund Cluster.
2023-063	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Child Care and Development Fund.
2023-064	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with health and safety requirements for the Child Care and Development Fund program.
2023-065	The Department of Children, Youth, and Families did not have adequate controls over and did not comply with certain requirements of its Public Assistance Cost Allocation Plan.
2023-066	The Department of Children, Youth, and Families did not have adequate internal controls to ensure payments to providers for travel and family

	visits were allowable and adequately supported for the Foster Care program.
2023-067	The Department of Children, Youth, and Families did not have adequate internal controls to ensure monthly foster care maintenance payments to children’s caregivers were adequate and accurate for the Foster Care program.
2023-068	The Department of Children, Youth, and Families did not have adequate internal controls to ensure group care facility employees and adults residing in prospective caregivers’ households had cleared background checks before having unsupervised access to children.
2023-069	The Department of Children, Youth, and Families did not have adequate internal controls over reporting requirements for the Foster Care program.
2023-070	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable and properly supported for the Social Services Block Grant.
2023-071	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure cash draws for the Social Services Block Grant were properly supported.
2023-072	The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with reporting requirements to ensure reports were complete and accurate for the Social Services Block Grant program.
2023-073	The Health Care Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.
2023-074	The Health Care Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and Children’s Health Insurance Program.
2023-075	The Health Care Authority improperly charged \$3,491 to the Medicaid program.
2023-076	The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure timely review of hospital complaints.

2023-077	The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program.
2023-078	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid intermediate care facilities.
2023-079	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid nursing homes.
2023-080	The Department of Social and Health Services' Aging and Long-Term Support Administration did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.
2023-081	The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.
2023-082	The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.
2023-083	The Department of Social and Health Services did not have adequate internal controls to ensure individuals are eligible to receive benefits for the Money Follows the Person program.
2023-084	The Health Care Authority did not have adequate internal controls to ensure payments to providers for the Block Grants for Prevention and Treatment of Substance Abuse program were allowable and met period of performance requirements.
2023-085	The Health Care Authority did not have adequate internal controls over earmarking requirements for the Block Grants for Prevention and Treatment of Substance Abuse.
2023-086	The Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Prevention and Treatment of Substance Abuse.

2023-087	The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse program received required single audits, and that it appropriately followed up on findings and issued management decisions.
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## SECTION IV – SUMMARY OF QUESTIONED COSTS

<b>Federal Grantor</b>	<b>State Agency</b>	<b>ALN</b>	<b>Federal Program</b>	<b>Known Questioned Costs</b>	<b>Likely Improper Payments</b>	<b>Finding Number(s)</b>
U.S. Department of Labor	Employment Security Department	17.225	Unemployment Insurance	\$603	\$208,975	2023-006
U.S. Department of Transportation	Washington State Department of Transportation	20.509	Formula Grants for Rural Areas	\$41,555	\$298,218	2023-015
U.S. Department of the Treasury	Department of Commerce	21.023	Emergency Rental Assistance Program	\$4,123,486	\$11,511,399	2023-017
U.S. Department of the Treasury	Department of Commerce	21.027	Coronavirus State and Local Fiscal Recovery Funds	\$75,346,785	\$102,916,211	2023-027, 2023-028
U.S. Department of the Treasury	Department of Social and Health Services	21.027	Coronavirus State and Local Fiscal Recovery Funds	\$312,659,850	-	2023-029
U.S. Department of the Treasury	Office of Financial Management	21.027	Coronavirus State and Local Fiscal Recovery Funds	\$300,000,000	-	2023-026
U.S. Department of Education	Office of Superintendent of Public Instruction	84.027, 84.173	Special Education Cluster	\$420,471	-	2023-034, 2023-035
U.S. Department of Health and Human Services	Department of Health	93.268	Immunization Cooperative Agreements	\$416,027	\$599,937	2023-044
U.S. Department of Health and Human Services	Department of Health	93.323	Epidemiology and Laboratory Capacity for Infectious Disease	\$1,735	\$46,169	2023-046

U.S. Department of Health and Human Services	Department of Children, Youth and Families	93.558	Temporary Assistance for Needy Families	\$107,338,725	-	2023-051
U.S. Department of Health and Human Services	Department of Children, Youth and Families	93.575	Child Care and Development Fund Cluster	\$356,042,172	-	2023-058
U.S. Department of Health and Human Services	Department of Children, Youth and Families	93.667	Social Services Block Grant	\$10,022,586	-	2023-070, 2023-071
U.S. Department of Health and Human Services	Department of Social and Health Services	93.775, 93.777, 93.778	Medicaid Cluster	\$576,072	\$1,563,625	2023-077
U.S. Department of Health and Human Services	Health Care Authority	93.775, 93.777, 93.778	Medicaid Cluster	\$3,491	\$3,451,692	2023-075
U.S. Department of Health and Human Services	Health Care Authority	93.959	Block Grants for Prevention and Treatment of Substance Abuse	\$3,447,346	-	2023-084

# SCHEDULE OF AUDIT FINDINGS AND RESPONSES

## State of Washington July 1, 2022 through June 30, 2023

### **2023-001 The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.**

#### *Background*

State management is responsible for designing, implementing and maintaining internal controls that provide reasonable assurance financial statements are fairly presented and financial reporting is reliable. We identified deficiencies in internal controls that could adversely affect the State's ability to prevent—or quickly detect and correct—misstatements in the financial statements.

*Government Auditing Standards*, prescribed by the Comptroller General of the United States, requires the auditor to communicate significant deficiencies in internal controls, as defined below in the Applicable Laws and Regulations section, as a finding.

#### *Health Care Authority*

The Health Care Authority (HCA) contracted with a vendor, which uses a system called ProviderOne, to process Medicaid payments. During the previous ten audits, we identified and communicated deficiencies in controls over the ProviderOne system. For fiscal year 2023, ProviderOne processed about 147 million transactions totaling \$17.9 billion.

#### *Employment Security Department*

The Employment Security Department (ESD) provides economic security to Washington's residents by helping them find jobs and bridging gaps in employment. ESD delivers employment services, manages unemployment insurance benefits, and collects and analyzes labor market information. Occasionally, ESD overpays claimants. Overpayments are assessed when benefits are retroactively determined to be incorrectly paid. This can happen due to a claimant receiving conditional payment while the claim is being reviewed, the claimant not providing additional information, errors, and various other reasons. In these instances, receivables (net of the amounts estimated to be uncollectible) are reported in the general ledger at fiscal year-end.



## ***Description of Condition***

We identified the following deficiencies that, when taken together, represent a significant deficiency in internal controls over financial reporting:

### *HCA*

HCA relies on internal controls that the vendor performs, but it has not obtained a service organization control audit report (also called a SOC 2 report) for the ProviderOne system for fiscal year 2023. This report is essential because it determines whether the vendor has properly designed its controls and that they are operating as intended in the processing and recording of Medicaid payments. This issue has been reported as a finding every other fiscal year since fiscal year 2013.

### *ESD*

ESD incorrectly calculated the amount of receivables they estimate to be uncollectible related to claimant overpayments

## ***Cause of Condition***

### *HCA*

HCA and its vendor did not adequately outline in their original contract the responsibilities, controls and requirements for monitoring the ProviderOne system. Specifically, the contract did not require the vendor to provide a SOC 2 report to demonstrate that its internal controls were effective. At the time of the contract, HCA management did not completely understand the extent of its monitoring responsibilities for the ProviderOne system.

### *ESD*

Management is responsible for ensuring the calculation of receivables expected to be uncollectible is accurate. The error in the calculation was not detected during management's review.

## ***Effect of Condition***

### *HCA*

HCA's failure to ensure that the vendor conducted an internal control audit of the ProviderOne system and provide a report of the audit could lead to:

- Inaccurate financial reporting in the state's General Fund
- Misuse, loss or misappropriation, inaccurate payments, and unauthorized software changes to the ProviderOne system

ESD

We found the amount of receivables estimated to be uncollectible related to claimant overpayments to be overstated and net receivables to be understated by \$330.5 million. This error was corrected in the state's financial statements.

## **Recommendation**

HCA

We recommend HCA work with its vendor each year to obtain a SOC 2 report that covers an entire fiscal year.

ESD

We recommend ESD perform a thorough review of the allowance for uncollectible receivables to ensure it is calculated correctly.

## **State's Response**

*The State recognizes the significance and priority of internal controls over recording and reporting financial transactions.*

*The State disagrees that annual assurances over ProviderOne controls are necessary, and the Authority did not address monitoring in its ProviderOne contract language. Currently, the vendor provides an independent service organization control (SOC2) audit every other year. The estimated additional cost to purchase an annual SOC2 audit report is \$470,000 each biennium.*

*In 2023, the Authority has requested funding from the legislature to contract for the additional SOC2 audit report to resolve the audit finding. If the decision package is approved, the contract would be amended in July 2025 and audits would begin on a yearly basis.*

*In addition, the State understands the importance of correctly calculating receivables that are estimated to be uncollectible as it relates to claimant overpayments. ESD plans to implement accounting training specifically for financial statement reporting purposes during this fiscal year so that staff have the skills and abilities needed to understand generally accepted accounting principles.*

## *Auditor's Remarks*

We appreciate the State's commitment to resolve this finding and thank OFM for its cooperation and assistance during the audit. We recognize the challenges of gaining assurance about controls performed by vendors. However, given the importance of these controls to the ProviderOne system, we continue to conclude that annual assurance is necessary. We reaffirm our finding and will review the corrective action taken during the next audit of the State's annual comprehensive financial report.

## *Applicable Laws and Regulations*

*Government Auditing Standards*, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.88.160 Fiscal management – Powers and duties of officers and agencies, states in part:

(4) In addition, the director of financial management, as agent of the governor, shall:

(a) Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by classes of agencies, depending on the level of resources at risk.

The Office of Financial Management's *State Administrative and Accounting Manual* (SAAM), states in part:

Section 20.15.30 – Annual requirements for agencies related to statewide reporting

The Office of Financial Management (OFM) prepares the state's Annual Comprehensive Financial Report (ACFR) annually. While OFM has final responsibility for the contents of the ACFR, the data in the financial statements and many of the notes to the financial statements are generated from Agency Financial Reporting System (AFRS) transactions input by agencies. Because agencies are in control of transactions entered into AFRS, OFM relies on agency internal control systems and the monitoring of those systems to assert in writing that the ACFR is correct and complete.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-002 The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with required monitoring of subrecipients of the Child and Adult Care Food Program.**

<b>Assistance Listing Number and Title:</b>	10.558 Child and Adult Care Food Program
<b>Federal Grantor Name:</b>	U.S. Department of Agriculture
<b>Federal Award/Contract Number:</b>	237WAWA3N2020; 227WAWA3N2020
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Child and Adult Care Food Program (CACFP) reimburses child and adult care institutions and family or group day care homes for providing nutritious meals and snacks that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and people with disabilities.

In Washington, the Office of Superintendent of Public Instruction administers CACFP. The Office spent about \$45.5 million in federal funds, more than \$44.8 million of which it paid to subrecipients.

The Office is responsible for monitoring all institutions participating in CACFP to ensure compliance with meal pattern, recordkeeping, and other program requirements. Institutions that provide meals can participate through a sponsoring organization that will be financially and administratively responsible, or they can apply directly to the state agency and operate as an independent center.

Federal regulations require the Office to monitor the activities of subrecipients to ensure they use subawards for authorized purposes and in compliance with federal statutes, regulations, and the terms and conditions of the subaward. This monitoring must include reviewing financial and performance reports, and taking timely and appropriate action on all deficiencies pertaining to the federal award.

The federal grantor, the U.S. Department of Agriculture (USDA), requires states to monitor subrecipients at least once every three years. During the COVID-19 pandemic, the USDA granted a gap year and subsequently provided the Office with a waiver reducing the monitoring frequency to once every four years. Based on the waiver and a total of 503 active subrecipients during fiscal year 2023, the Office was required to monitor at least 125 subrecipients.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Office did not have adequate internal controls over and did not comply with required monitoring of subrecipients of the CACFP.

During the audit period, the Office identified 239 subrecipients that required monitoring and assigned them to a monitoring plan for fiscal year 2023. This monitoring plan would meet the USDA's minimum required monitoring of 125 subrecipients, as well as allow the Office to catch up on all monitoring that was behind schedule since the pandemic gap year.

We examined the Office's review schedule and quality assurance tool to assess the monitoring completed or started during the audit period and compared it to this plan. We identified 84 reviews that were started during the audit period, but only 50 of them were completed. We found that the program did not start or perform monitoring for 155 subrecipients (65 percent) in its plan, including:

- 115 subrecipients (48 percent) that the program postponed until fiscal year 2024.
- Eight subrecipients (3 percent) misidentified in the plan because they no longer participated in the program.

We examined a sample of 17 subrecipients that received financial and programmatic monitoring by the Office during the audit period, to ensure they were performed properly. We found all 17 subrecipients received adequate monitoring.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Due to the pandemic and gap year during 2020 where no monitoring was completed, the Office fell significantly behind schedule on its minimum required monitoring of subrecipients. The program has more than 500 subrecipients, some requiring monitoring annually depending on various risk criteria. The program was understaffed, which presented a significant obstacle for the Office to get its monitoring plan back on schedule.

### ***Effect of Condition***

Without establishing adequate internal controls, the Office cannot reasonably ensure that it can meet the minimum monitoring requirements imposed by the federal grantor or maintain the schedule identified by an internal monitoring plan. In addition, without proper and timely monitoring of financial and programmatic performance, the Office does not have reasonable assurance that each subrecipient has complied with the terms and conditions of the subaward.

### ***Recommendation***

We recommend the Office strengthen internal controls to ensure it monitors subrecipients according to the grantor's minimum requirements and other federal regulations.

### ***Office's Response***

*Multiple staff vacancies were a significant contributor to the Office not completing the planned monitoring.*

### ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities.

Title 2 CFR) Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-003 The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Child and Adult Care Food Program.**

<b>Assistance Listing Number and Title:</b>	10.558 Child and Adult Care Food Program
<b>Federal Grantor Name:</b>	U.S. Department of Agriculture
<b>Federal Award/Contract Number:</b>	237WAWA3N2020; 227
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Child and Adult Care Food Program (CACFP) reimburses child and adult care institutions and family or group day care homes for providing nutritious meals and snacks that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and people with disabilities.

In Washington, the Office of Superintendent of Public Instruction administers CACFP. The Office spent about \$45.5 million in federal funds, more than \$44.8 million of which it paid to subrecipients.

The Office is responsible for monitoring all institutions participating in CACFP to ensure compliance with meal pattern, recordkeeping and other program requirements. Institutions that provide meals can participate through a sponsoring organization that will be financially and administratively responsible, or they can apply directly to the state agency and operate as an independent center.



Federal regulations require pass-through entities to ensure that every subaward is clearly identified to a subrecipient as a subaward, and that it includes 14 federal award identification elements. These elements include the subrecipient's unique entity identifier, the Federal Award Identification Number (FAIN), name of the federal awarding agency, the program's Assistance Listing Number and title, obligation amounts, project periods, and more. When some of this information is not available, the pass-through entity must provide the best information available to describe the federal award and subaward. In addition, pass-through entities must impose requirements on subrecipients so that they use the program funds in accordance with federal statutes, regulations, and the terms and conditions of the federal award.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Office did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to CACFP subrecipients.

We identified 291 nonprofit subrecipients of the program who were paid with federal funds during fiscal year 2023 and were subject to the Uniform Guidance requirements. We examined the various methods that the Office used to communicate the required federal award identification elements to subrecipients. These methods included periodic permanent agreements, an annual application process, and program communications during the current program year. We found that these methods did not constitute official subawards and did not properly communicate all federal award elements, terms and conditions, and other federal award requirements to the subrecipient.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management responsible for ensuring compliance were not familiar with subrecipient monitoring requirements. As a result, management did not know that the program must identify and communicate the federal award identification elements to subrecipients, and that permanent agreements and annual application renewals do not constitute or substitute for a formal subaward.

### ***Effect of Condition***

Without proper identification and communication of the federal award, the Office cannot properly notify subrecipients about the required federal award elements, nor impose requirements so the

subrecipients use the federal award in accordance with its terms and conditions, federal statutes, and regulations. Further, the Office cannot impose any additional requirements of the pass-through entity on the subrecipient to meet its own responsibilities to the federal awarding agency, as well as other requirements as specified in the Uniform Guidance.

### ***Recommendations***

We recommend the Office:

- Establish policies and procedures to ensure subawards are clearly identified as a subaward and communicate all required information according to the Uniform Guidance
- Establish internal controls to formally communicate federal award information and requirements to subrecipients
- Consult with the grantor for additional guidance on subrecipient monitoring requirements

### ***Office's Response***

*The Office concurs with the finding.*

### ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities.

Title CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-004 The Office of Superintendent of Public Instruction did not have internal controls over and did not comply with requirements to verify single audits were completed for all subrecipients of the Child and Adult Care Food Program.**

<b>Assistance Listing Number and Title:</b>	10.558 Child and Adult Care Food Program
<b>Federal Grantor Name:</b>	U.S. Department of Agriculture
<b>Federal Award/Contract Number:</b>	237WAWA3N2020; 227WAWA3N2020
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Child and Adult Care Food Program (CACFP) reimburses child and adult care institutions and family or group day care homes for providing nutritious meals and snacks that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and people with disabilities.

In Washington, the Office of Superintendent of Public Instruction administers CACFP. In fiscal year 2023, the Office spent about \$45.5 million in federal funds, more than \$44.8 million of which it paid to subrecipients.

The Office is responsible for monitoring all institutions participating in CACFP to ensure compliance with meal pattern, recordkeeping, and other program requirements. Institutions that provide meals can participate through a sponsoring organization that will be financially and administratively responsible, or they can apply directly to the state agency and operate as an independent center.

Federal regulations require the Office to monitor its subrecipients' activities. This includes:

- Verifying that subrecipients obtain a single audit if they spend \$750,000 or more in federal awards during a fiscal year
- Following up and ensuring that subrecipients take timely and appropriate action on all deficiencies pertaining to the federal award
- Issuing a management decision to the subrecipient for applicable audit findings pertaining to the federal award

Federal regulations requires recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Office did not have internal controls over and did not comply with requirements to verify single audits were completed for all CACFP subrecipients.

The Office had processes in place to monitor that subrecipients received single audits. During the audit period, the Office had 503 CACFP subrecipients, and 47 of them were local education agencies (LEAs), or school districts. The Office's federal compliance staff had a centralized process for LEAs to ensure they received the required audits, and we found these controls were effective.

For the 456 subrecipients that were not LEAs, the Office used information in the Federal Audit Clearinghouse (FAC) to identify subrecipients requiring a single audit. If a subrecipient that required a single audit did not complete or file its audit report timely, then the information in the FAC database would lead the Office to erroneous conclusions. As a result, we determined that the Office did not have adequate controls to identify all subrecipients that required a single audit.

We also determined the Office did not have adequate documentation that this single audit tracking process was completed during the audit period. We identified 62 subrecipients in this documentation that program staff compiled from the FAC database, and we used a statistical sampling method to randomly select and examine 12 of those subrecipients. We also judgmentally selected one subrecipient that had a program-related finding during the audit period, for a total of 13 testing samples. We found that one of these subrecipients required a single audit, but did not complete or did not submit its audit report during the audit period. The Office did not have any record that staff followed up with this subrecipient regarding the missing audit report.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The program staff responsible for the single audit tracking process retired, and the Office could not determine if the process was completed during the audit period. In addition, management was not aware that using the FAC database did not provide reasonable assurance that the Office identified all subrecipients requiring a single audit.

### ***Effect of Condition***

Without establishing adequate internal controls, the Office cannot ensure that all subrecipients requiring a single audit receive one, that timely and appropriate action is taken for subrecipients that did not obtain a single audit, and that subrecipients with audit findings receive required management decisions.

### ***Recommendations***

We recommend the Office:

- Establish effective internal controls to ensure it identifies all subrecipients requiring single audits and follows up on any program-related findings, if applicable
- Follow up with the subrecipient we identified as not having an audit to ensure it obtains its required single audit

### ***Office's Response***

*The Office concurs with the finding.*

### ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Audit findings, establishes requirements for pass-through entities.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-005 The Office of Superintendent of Public Instruction did not have adequate internal controls over and was not compliant with requirements to perform risk assessments for subrecipients of the Child and Adult Care Food Program.**

<b>Assistance Listing Number and Title:</b>	10.558 Child and Adult Care Food Program
<b>Federal Grantor Name:</b>	U.S. Department of Agriculture
<b>Federal Award/Contract Number:</b>	237WAWA3N2020; 227WAWA3N2020
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Child and Adult Care Food Program (CACFP) reimburses child and adult care institutions and family or group day care homes for providing nutritious meals and snacks that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and people with disabilities.

In Washington, the Office of Superintendent of Public Instruction administers CACFP. In fiscal year 2023, the Office spent about \$45.5 million in federal funds, more than \$44.8 million of which it paid to subrecipients.

The Office is responsible for monitoring all institutions participating in CACFP to ensure compliance with meal pattern, recordkeeping, and other program requirements. Institutions that provide meals can participate through a sponsoring organization that will be financially and administratively responsible, or they can apply directly to the Office and operate as an independent center.

Federal regulations require the Office to monitor the activities of subrecipients to ensure they are properly using federal funds for allowable activities and expenditures. To determine the appropriate level of monitoring, federal regulations require the Office to evaluate each subrecipient's risk of noncompliance with federal statutes and regulations and the terms and conditions of the subaward.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Office did not have adequate internal controls over and was not compliant with requirements to perform risk assessments for subrecipients of the CACFP.

As part of the audit, we requested the Office to identify the key internal controls it had in place to ensure it complied with the requirement to perform risk assessments for subrecipients. However, we determined the Office did not perform formal risk assessments, as required by federal law.

We consider these internal control deficiencies to be a material weakness that lead to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The program staff were not aware of the Uniform Guidance requirements to perform risk assessments and were relying on their other program monitoring that followed USDA guidance to identify risks for subrecipients.

### ***Effect of Condition***

Without performing risk assessments, the Office cannot determine the appropriate amount of monitoring required for each subrecipient. It also makes it less likely the Office will detect a subrecipient's noncompliance with federal statutes and regulations and the terms and conditions of the subaward.

### ***Recommendation***

We recommend that the Office establishes adequate internal controls to ensure it performs risk assessments for each subrecipient to determine the appropriate level of monitoring.



## ***Office's Response***

*The Office believed it was meeting risk assessment requirements per USDA guidance. After discussion with the SAO regarding requirements in the Uniform Guidance, additional areas will be addressed to ensure compliance.*

## ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Audit findings, establishes requirements for pass-through entities.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-006 The Employment Security Department made improper payments to ineligible beneficiaries of the Unemployment Insurance program.**

<b>Assistance Listing Number and Title:</b>	17.225 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	UI-34528-20-60-A-53; UI-34748-20-55-A-53; UI-35682-21-55-A-53; UI-35977-21-60-A-53; UI-37098-21-55-A-53; UI-37256-22-55-A-53; UI-37313-22-55-A-53; UI-38013-22-60-A-53; UI-38163-22-55-A-53; UI-38511-22-55-A-53; UI-38580-22-75-A-53; UI-39303-23-55-A-53; UI-39355-23-55-A-53; UI-34092-20-55-A-53
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed, Eligibility
<b>Known Questioned Cost Amount:</b>	\$603
<b>Prior Year Audit Finding:</b>	No

## *Background*

The Unemployment Insurance (UI) program was created by the Social Security Act, and provides benefits under the Unemployment Compensation program to people for periods of involuntary unemployment. It provides a stabilizing effect on the economy by maintaining the spending power of eligible workers while they are between jobs. The Employment Security Department administers the state's UI program. During fiscal year 2023, the Department paid more than \$1.1 billion in unemployment insurance benefits to people in Washington.

In 2020, the U.S. Department of Labor (DOL) established new unemployment compensation programs, including Pandemic Unemployment Assistance (PUA), to provide additional unemployment assistance benefits to eligible workers affected by the COVID-19 pandemic. These programs were extended and modified through the American Rescue Plan Act of 2021.

Under the temporary programs, which expired on September 6, 2021, states must process and pay benefits to eligible people for all weeks of unemployment ending on or before the date of termination or eligibility expiration (whichever comes first). People eligible for PUA included those not eligible for regular unemployment compensation, such as people who have already exhausted their regular UI benefits, are self-employed, seeking part-time employment, or lack sufficient work history. The first week in which claimants were eligible to receive PUA benefits began on January 27, 2020.

During the pandemic, people applying for PUA benefits were required to self-certify that they were unemployed, partially unemployed, or unable or unavailable to work due to COVID-19. However, in January 2021, DOL announced a change to federal law through Unemployment Insurance Program Letter (UIPL) 16-20, Change 4. This change required that people receiving PUA benefits on or after December 27, 2020, submit proof of documentation to the state substantiating their employment, self-employment, or planned start of employment or self-employment in order to receive their benefits, regardless of when their benefits are actually paid. This includes people requesting retroactive payments of PUA benefits that are not received until after December 27, 2020.

## *Description of Condition*

The Department did not ensure that payments were made only to eligible beneficiaries of the UI program.

We found the Department had adequate internal controls to ensure it paid UI benefits to eligible people, and it materially complied with the federal requirements. However, we identified questioned costs for benefits awarded to PUA claimants.

We used a statistical sampling method to randomly select and examine 78 out of a total population of 20,447 claims for weekly PUA benefits. For these claims, the Department was required to

determine the eligibility of each claimant to receive benefits, including verifying proof of employment, self-employment, or planned start of employment or self-employment.

We found three instances (5.1 percent) where the Department paid weekly benefits without requesting and reviewing documentation from the claimant substantiating employment, self-employment, or planned start of employment or self-employment, as required by the federal grantor. These three claims resulted in \$603 in known overpayments of PUA benefits by the Department, as each claim was paid after December 27, 2020, and during our audit period.

Federal regulations require the auditor to issue a finding when the known or estimated questioned costs identified in a single audit exceed \$25,000. We are issuing this finding because, as stated in the Effect of Condition and Questioned Costs section of this finding, the estimated questioned costs exceed that threshold.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

Department officials did not correctly interpret the guidance outlined in the UIPL change to reflect that claimants were required to provide documentation substantiating proof of employment or self-employment in order to receive payments from the state after December 27, 2020. The Department did not request documentation from PUA claimants to substantiate employment prior to paying the claims.

### *Effect of Condition and Questioned Costs*

We identified \$603 in known federal questioned costs and \$208,975 in likely federal questioned costs. We considered these questioned costs because the people receiving the benefit payments did not meet all the program's eligibility requirements at the time of payment.

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflects this conclusion. However, the likely improper payment projections are a point estimate and only represent our "best estimate of total questioned costs," as required by 2 CFR § 200.516(3).

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## **Recommendations**

We recommend the Department:

- Verify people applying for PUA benefits have met all eligibility requirements before issuing weekly benefit payments
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## **Department's Response**

*The Department does not concur with the finding.*

*The State Auditor's Office asserts the Department incorrectly interpreted guidance outlined in the UIPL regarding PUA benefit eligibility requirements. However, citing the UIPL below:*

### UIPL 16-20 change 4

*2. Requirement to submit documentation substantiating employment or self-employment (Section 241 of the Continued Assistance Act) (new).*

*The first full paragraph of section C.2. of attachment I, UIPL 16-20 change 4 says that:*

***"Anyone that receives a payment of PUA on or after December 27, 2020, (the enactment date of the Continued Assistance Act) will be required to submit documentation substantiating employment or self-employment, or the planned commencement of employment or self-employment."** [emphasis added]*

*Under this guidance, the claimant had to first have been issued a payment after the Continued Assistance Act (CAA) became effective (regardless of the week or weeks the payment(s) were for) before the Department could **set** the issue to request the documentation.*

*In the exceptions noted by SAO, the first claimant wasn't paid at all until 2023. Once the payment was issued to the claimant, the PUA Documents Required (PDR) issue was properly set. In the second, the claimant received some payments before 12/27/20 and then had other payment stops on her claim that were not removed until 2023. The removal of those payment stops triggered a payment for the remaining weeks claimed. Because those payments were made after 12/27/20, the PDR issue was set.*

*Under the same section, item c. limits the date the Department can start the denial for failing to comply with the PDR issue:*

*c. Failure to Comply. Individuals who do not provide documentation substantiating employment/self-employment (or planned employment/self-employment) within the required timeframe, as described above, are not eligible for PUA. For DUA, if the individual fails to submit*

documentation substantiating employment or self-employment, the state must establish an overpayment for the entire DUA claim, per 20 C.F.R. 625.6(e)(2). However, as provided in Section 241(b)(2) of the Continued Assistance Act, for PUA, if the individual fails to submit such documentation, the state may only establish an overpayment for **those** weeks of unemployment ending on or **after** December 27, 2020 (the enactment date of the Continued Assistance Act).

For example, an individual has a PUA claim effective on November 1, 2020, and files and is paid for weeks of unemployment ending November 7, 2020, through weeks ending January 9, 2021. Because the individual received a payment for PUA after December 27, 2020, the state must notify the individual on January 4, 2021, about the requirement to provide documentation substantiating employment/self-employment (or planned employment/self-employment) within 90 days (by April 4, 2021).

If, in that timeframe, the individual fails to provide documentation or fails to show good cause to have the deadline extended, **an overpayment must be established for all the weeks paid beginning with the week ending January 2, 2021. This is because the individual cannot be deemed ineligible for a week of unemployment ending before the date of enactment solely for failure to submit documentation** (emphasis added).

In the cases reviewed, the claimants did not respond to the issue or provide their documentation. Because the denial is limited to only claimed weeks following the enactment of the CAA (weeks ending 1/2/21 and later), any weeks from 2020 that were paid in 2023 had no potential for denial and therefore should not be considered to be incorrectly paid, similar to the example given above from the UIPL.

If addition, if claimants never claimed a week ending after the CAA was effective, the PDR issue will set but never be adjudicated because they had never claimed a week that was potentially deniable.

In discussions with SAO, the Office cited paragraph b(ii) of the UIPL, to indicate that any claims paid by the State on or after 12/27/2020 require the claimant to provide documentation substantiating employment or self-employment within 90 days of payment, or when directed to submit the documentation by the state workforce agency, whichever is later. This section of the UIPL solely lays out the requirements for establishing the respond-by dates for providing documentation for review. The deadline for responses is different depending on whether the PUA claim was filed before 1/26/21 or on/after that date. This paragraph does not establish the requirements for payment or non-payment of PUA weeks.

Additionally, the Department received further guidance in a webinar with USDOL on Monday, January 11, 2021, which reinforced the methodology used by the Department in these cases.

## *Auditor's Remarks*

For the claimants in question, we did not receive any documentation from the Department demonstrating that a request was sent to the claimant to provide supporting documentation substantiating employment, nor was there evidence provided that the claims in-question were suspended due to missing documentation from the claimants.

Federal guidance contained in Attachment I to UIPL 16-20, Change 4 – *Pandemic Unemployment Assistance (PUA)* Implementation and Operating Instructions stipulates the following:

“Anyone that receives a payment of PUA on or after December 27, 2020, (the enactment date of the Continued Assistance Act) will be required to submit documentation substantiating employment or self-employment, or the planned commencement of employment or self-employment. This includes any individual who receives any payment of PUA on or after December 27, even if the payment is for a week of unemployment that occurred before December 27, 2020. The deadline for providing such documentation depends on when the individual filed the initial PUA claim.

- Filing New Applications for PUA on or after January 31, 2021. Individuals filing a new PUA application on or after January 31, 2021 (regardless of whether the claim is backdated), are required to provide documentation within 21 days of application or the date the individual is directed to submit the documentation by the State Agency, whichever is later. The deadline may be extended if the individual has shown good cause under state UC law within 21 days.
- Filing Continued Claims for PUA. Individuals who have an existing PUA claim as of December 27, 2020, (the enactment date of the Continued Assistance Act) or who file a new initial PUA claim before January 31, 2021, and who receive PUA on or after December 27, 2020, must provide documentation within 90 days of the application date or the date the individual is instructed to provide such documentation by the state agency (whichever date is later).”

We questioned these payments due to the Department not receiving any supporting documentation substantiating employment or self-employment from these claimants during the audit period, and failing to establish overpayment notices to the claimants during the audit period. For all three payments in-question, the claimant filed for PUA prior to December 27, 2020, and therefore would have been required to submit supporting documentation substantiating employment to the Department within 90 days, or as directed by the Department.

Because the Department did not receive supporting documentation from the claimants for these benefit weeks during the audit period, we could not determine that the payments were allowable and that the claimants met the PUA eligibility requirements for their benefit weeks paid.

We reaffirm our finding and will follow-up on the Department's corrective action during the next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for questioned costs. Part 200.410 establishes requirements for the collection of unallowable costs.

Office of Management and Budget, 2 CFR Part 200, Appendix XI, *Compliance Supplement*, Unemployment Insurance, states in part:

#### **E. Eligibility**

##### 1. Eligibility for Individuals

- a. *PUA* – PUA provides benefits to covered individuals, who are those individuals not eligible for regular unemployment compensation (UC or extended benefits under state or federal law or PEUC, including those who have exhausted all rights to such benefits). Covered individuals also include self-employed, those seeking part-time employment, individuals lacking sufficient work history, and those who otherwise do not qualify for regular unemployment compensation or extended benefits under state or federal law or PEUC.

PUA is payable to individuals who are ineligible for regular UC, EB, or PEUC and are unemployed, partially unemployed, or unable or unavailable to work due to one of the COVID-19 related reasons identified in Attachment I to UIPL No. 16-20, Change 6. Section 2102(a)(3)(A)(ii)(I) of the CARES Act included 10 specific COVID-19 related reasons. The Department, under the authority provided by Section 2102(a)(3)(A)(ii)(I)(kk) of the CARES Act, added additional COVID-19 related reasons three new COVID-19 related reasons with the publication of UIPL No. 16-20, Change 5 on February 25, 2021. All COVID-19 related reasons apply retroactively to the beginning of the PUA program. Additionally, individuals who are paid on or after December 27, 2020,



must submit proof of documentation substantiating employment, self-employment, or the planned commencement of employment or self-employment (see Attachment I, Section C.2. of UIPL No. 16-20, Change 4). This includes individuals requesting retroactive payments that are not received until after December 27, 2020.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

State of Washington  
July 1, 2022 through June 30, 2023

**2023-007 The Employment Security Department did not have adequate internal controls to ensure it submitted accurate financial reports for the Unemployment Insurance program.**

<b>Assistance Listing Number and Title:</b>	17.225 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	UI-34528-20-60-A-53; UI-34748-20-55-A-53; UI-35682-21-55-A-53; UI-35977-21-60-A-53; UI-37098-21-55-A-53; UI-37256-22-55-A-53; UI-37313-22-55-A-53; UI-38013-22-60-A-53; UI-38163-22-55-A-53; UI-38511-22-55-A-53; UI-38580-22-75-A-53; UI-39303-23-55-A-53; UI-39355-23-55-A-53; UI-34092-20-55-A-53
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

## ***Background***

The Unemployment Insurance (UI) program was created by the Social Security Act, and provides benefits under the Unemployment Compensation program to people for periods of involuntary unemployment. It provides a stabilizing effect on the economy by maintaining the spending power of eligible workers while they are between jobs. The Employment Security Department administers the state's UI program. During fiscal year 2023, the Department paid more than \$1.1 billion in unemployment insurance benefits to people in Washington.

The *Unemployment Insurance Reports Handbook No. 401* – published by the U.S. Department of Labor (DOL), Employment and Training Administration, Office of Unemployment Insurance – outlines the requirements for states to submit financial and performance reports to the federal

government so it can evaluate their UI programs. The ETA 9130 – Financial Status Report is submitted quarterly, and is used to report program and administrative expenditures for UI programs. This financial data is reported cumulatively and separately for regular UI programs, as well as Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance, Disaster Unemployment Assistance, Trade Readjustment Assistance, and Reemployment Trade Adjustment Assistance. The Department requires fiscal analysts to prepare these reports, and grants management reviews and approves the reports before submitting them to DOL.

Additionally, the Department is required to submit to DOL the ETA 2112 – UI Financial Transaction Summary. This report provides a monthly summary of UI transactions that accounts for all funds received in, passed through or paid out of the state unemployment fund. The Department’s Assistant Treasury Supervisor is responsible for preparing these reports, and the Treasurer reviews the reports for accuracy and certifies them before they are submitted to DOL.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls to ensure it submitted accurate financial reports for the UI program.

During fiscal year 2023, the Department was required to submit 104 quarterly ETA 9130 financial reports to DOL. We used a non-statistical sampling method to randomly select and examine 15 reports. We found that five of the 15 reports (33 percent) were not certified by the Grants Manager before they were submitted to DOL.

In addition, the Department was required to submit 12 monthly ETA 2112 financial reports to DOL. We used a non-statistical sampling method to randomly select and examine five reports. We found one of the five reports (20 percent) was not reviewed and approved by the Treasurer before it was submitted to DOL.

We consider these internal control deficiencies to be a material weakness.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Department officials said that the Grants Manager responsible for reviewing the ETA 9130 reports for accuracy resigned during the audit period, prior to the due date of the five reports that were not certified. As a result, the Department submitted these reports without a secondary review.

Department officials said that the Treasurer discussed the ETA 2112 report with the Assistant Treasury Supervisor as fiscal analysts prepared the draft. However, the Treasurer did not document their approval of the report, and the Department did not retain any documentation supporting that the Treasurer reviewed and certified the report.

### ***Effect of Condition***

When management does not follow the Department's established internal controls to ensure that all required financial reports are accurate, the Department is at an increased risk of inaccurately reporting financial data to the federal grantor.

### ***Recommendation***

We recommend the Department improve internal controls to ensure that management properly reviews and certifies all required financial reports before they are submitted to the federal grantor. This should include maintaining records to show that management completed these reviews.

### ***Department's Response***

*The Department concurs with the finding and thanks SAO's work to ensure federal requirements are met over the UI grant.*

*The Department has implemented procedures to ensure reports are reviewed prior to submission, and submission dates and approvals are documented.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Office of Management and Budget, 2 CFR Part 200, Appendix XI, Compliance Supplement, Unemployment Insurance, states in part:

## L. Reporting

### 1. Financial Reporting

- d. ETA 9130, Financial Status Report, UI Programs* – This report is used to report program and administrative expenditures. All ETA grantees are required to submit quarterly financial reports for each grant award which they operate, including standard program and pilot, demonstration, and evaluation projects. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period. Additional information on OMB Number 1205-0461 can be accessed at <http://www.dol.gov/agencies/eta/grants/management> and scroll down to the section on Financial Reporting. A separate ETA 9130 is submitted for each of the following: UI, PEUC, and PUA Administration, DUA, TRA/RTAA, and UI Projects (administration and benefits). See TEGP No. 02-16 for specific and clarifying instructions about the ETA 9130 [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=5156](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5156).

*ETA 2112, UI Financial Transaction Summary (OMB No. 1205-0154)* – A monthly summary of transactions, which account for all funds received in, passed through, or paid out of the state unemployment fund (ET Handbook 401).

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-008 The Employment Security Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the Unemployment Insurance program.**

<b>Assistance Listing Number and Title:</b>	17.225 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	UI-34528-20-60-A-53; UI-34748-20-55-A-53; UI-35682-21-55-A-53; UI-35977-21-60-A-53; UI-37098-21-55-A-53; UI-37256-22-55-A-53; UI-37313-22-55-A-53; UI-38013-22-60-A-53; UI-38163-22-55-A-53; UI-38511-22-55-A-53; UI-38580-22-75-A-53; UI-39303-23-55-A-53; UI-39355-23-55-A-53; UI-34092-20-55-A-53
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-005

## ***Background***

The Unemployment Insurance (UI) program was created by the Social Security Act, and provides benefits under the Unemployment Compensation program to unemployed workers for periods of involuntary unemployment. It provides a stabilizing effect on the economy by maintaining the spending power of eligible workers while they are between jobs.

The Employment Security Department administers the UI program. During fiscal year 2023, the Department paid more than \$1.1 billion in unemployment insurance benefits to people in Washington.

The Unemployment Insurance Reports Handbook No. 401—published by the U.S. Department of Labor (DOL), Employment and Training Administration, Office of Unemployment Insurance – outlines the requirements for states to submit financial and performance reports to the federal government so it can evaluate their UI programs. The ETA 9055 – Appeals Case Aging – Lower and Higher Authority Appeals report (OMB No. 1205-0359) is submitted monthly, and it provides information on the inventory of lower and higher-authority single claimant appeals cases that have been filed in court but not yet decided. These reports provide the federal government with information about the number of days from the date an appeal was filed through the end of the month covered by the report, as well as the average and median age of the pending appeals cases. The Department prepares this report using data obtained through interagency data-sharing agreements with the Washington State Office of Administrative Hearings and the Washington State Administrative Office of the Courts.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the UI Program. The prior finding number was 2022-005.

## ***Description of Condition***

The Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the UI program.

During fiscal year 2023, the Department was required to submit monthly ETA 9055 performance reports to DOL. The Department did not require or perform a secondary review of the reports before submitting them. A single Department employee manually prepared the information contained in the reports and submitted them to the federal grantor, and no one verified they were accurate and complete before submission.

We consider this internal control deficiency to be a significant deficiency.

### ***Cause of Condition***

Although Department officials said they implemented a secondary review of the 9055 report in May 2023, management did not monitor the completion of these reports throughout the audit period to determine whether internal controls would be sufficient to detect and correct any potential data entry errors. In addition, management relied on staff knowledge and other agencies to provide accurate and complete information.

### ***Effect of Condition***

By not establishing adequate internal controls to ensure monthly performance reports are complete and accurate, the Department is at an increased risk of inaccurately reporting data to the federal grantor.

### ***Recommendation***

We recommend the Department implement internal controls to ensure it has an effective review process in place before submitting monthly reports to the federal grantor.

### ***Department's Response***

*The Department concurs with the finding and thanks the State Auditor's Office for its work over this area.*

*The Department immediately implemented the secondary review of these reports in response to a prior year finding over this issue. However, the recommendation from the prior year and the Department's implementation occurred after the new state fiscal year had begun. The Department expects the control to be in place and functioning for the entire year in our next audit.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.



The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The U.S. Department of Labor, Employment and Training Administration, Office of Unemployment Insurance, *Unemployment Insurance Reports Handbook No. 401*, Section V: Benefits Time Lapse and Quality, states in part:

#### ETA 9055 – APPEALS CASE AGING

##### Section V-5

##### 1. General Reporting Instructions

Appeals Case Aging measures require states to report data on the universe of all single claimant appeals cases that have not been decided prior to the end of the reporting period. Edit checks can be found in Handbook 402, Unemployment Insurance Required Reports User’s Manual, Appendix C.

##### 4. Pending Lower Authority Single Claimant Appeals Case Aging.

- I. Includes all lower authority single claimant appeals cases, including those remanded by the higher authority for a hearing and decision reopened appeals cases not decided at the end of the month.

##### 5. Pending Higher Authority Single Claimant Appeals Case Aging.

- a. Includes all higher authority single claimant appeals cases, including remanded and reopened appeals cases, not decided at the end of the month. An appeals case that has been remanded to the lower authority for additional evidence and will be returned to the higher authority for a decision is reported in this inventory. An appeals case that has been remanded to the lower authority for a new hearing and decision is not a pending higher authority appeals case and should not be counted as such.

Office of Management and Budget, 2 CFR Part 200, Appendix XI, *Compliance Supplement*, Unemployment Insurance, states in part:

##### L. Reporting

##### 2. Performance Reporting

States are required to submit periodic reporting to evaluate the performance of the states’ UI programs. The auditor should test the information included in the

key reports included below that ensure the timeliness of benefits paid. Detailed information on these reports can be accessed under:

[https://www.dol.gov/sites/dolgov/files/ETA/handbooks/2017/ETHand401\\_5th.pdf](https://www.dol.gov/sites/dolgov/files/ETA/handbooks/2017/ETHand401_5th.pdf)

<b>Report Name</b>	<b>Frequency of Submission</b>	<b>Reference Core Measure</b>	<b>Sections for Test</b>
ETA 9050 – Time Lapse of All First Payments except Workshare	Monthly	First Payment Time Lapse 14/21 days, Interstate and Interstate UI, UCFE and, UCX full and partial weeks	Section A. Do Not include Workshare
ETA 9052 – Nonmonetary Determination Time Lapse Detection	Monthly	Nonmonetary Determinations 21-Day Timeliness	Sections A, B and C
ETA 9055 – Appeals Case Aging – Lower and High Authority Appeals	Monthly	Average Age of Pending Lower and Higher Authority Appeals	Section A. Exclude the test for states that do not have Higher Authority Appeals.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-009** The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.

<b>Assistance Listing Number and Title:</b>	17.225 Unemployment Insurance 17.225 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	UI-34528-20-60-A-53; UI-34748-20-55-A-53; UI-35682-21-55-A-53; UI-35977-21-60-A-53; UI-37098-21-55-A-53; UI-37256-22-55-A-53; UI-37313-22-55-A-53; UI-38013-22-60-A-53; UI-38163-22-55-A-53; UI-38511-22-55-A-53; UI-38580-22-75-A-53; UI-39303-23-55-A-53; UI-39355-23-55-A-53; UI-34092-20-55-A-53
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions: UI Benefits Payments
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-006

### *Background*

The Unemployment Insurance (UI) program was created by the Social Security Act, and it provides benefits under the Unemployment Compensation program to unemployed workers for periods of involuntary unemployment. The program provides a stabilizing effect on the economy by maintaining the spending power of eligible workers while they are between jobs.

The Improper Payment Elimination and Recovery Act of 2010 requires state workforce agencies to maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is the U.S. Department of Labor's quality control system designed to assess the accuracy of unemployment insurance benefit payments and denied claims in separation status. The program estimates error rates and dollar amounts of benefits improperly paid or denied by projecting the results from investigations in a state.

The Employment Security Department administers the state's UI program. During fiscal year 2023, the Department paid more than \$1.1 billion in unemployment insurance benefits to people in Washington.

Under the BAM program, the Department is required to draw a weekly sample of payments and denied claims. The Department must complete this sampling promptly and conduct an in-depth investigation of the claims to determine the degree of accuracy in administering the state's Unemployment Compensation program and compliance with federal law (20 CFR 602.21(d)). The Department has established a dedicated BAM unit to meet these requirements.

The *Benefit Accuracy Measurement State Operations Handbook*, which is published by the U.S. Department of Labor's Employment and Training Administration, indicates the time frame and requirements for conducting BAM program case sampling for paid claims. States must complete reviews of:

- 70 percent of the sampled cases within 60 days of the week ending date of the batch; and
- 95 percent of the sampled cases within 90 days of the week ending date of the batch; and
- 98 percent of sampled cases within 120 days of the ending date of the annual report period.

In addition, states must sample denied claims and review:

- 60 percent of the sampled cases within 60 days of the week ending date of the batch; and
- 85 percent of the sampled cases within 90 days of the week ending date of the batch; and
- 98 percent of the sampled cases within 120 days of the end of the calendar year.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported that the Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the BAM program of the UI program in a timely manner. The prior finding numbers were 2022-006, 2021-005 and 2020-011.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the BAM program of the UI program in a timely manner.

The Department did not effectively recruit, develop and retain staff to ensure it materially complied with the BAM program's case review requirements.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

The Department did not adequately staff its BAM unit with resources sufficient to meet BAM program requirements. Management did not allocate sufficient resources to the BAM unit, and did not effectively retain its investigative staff assigned to the BAM unit to support its minimum required caseload.

### *Effect of Condition*

The Department did not comply with the federally required timelines for completing its case sampling. For paid claims, we found the Department:

- Failed to complete the minimum required annual allocation for sampling for paid claims. The Department completed 472 of the required 480 samples.
- Completed only 425 (90.4 percent) of its 472 sampled cases within 90 days of the week ending date of the batch, failing to meet the federal requirement of 95 percent
- Completed only 446 (94.5 percent) of its 472 sampled cases within 120 days of the ending date of the annual report period, failing to meet the federal requirement of 98 percent

We also found the Department failed to complete the minimum required annual allocation for sampling for denied claims. The Department completed 436 of the required 450 samples for the annual allocation.

By not complying with the federally required timelines for completing case sampling, the Department cannot fully evaluate the accuracy of its claim decisions and is less likely to detect fraudulent payments.

### *Recommendation*

We recommend the Department allocate the necessary staffing resources to ensure it complies with the U.S. Department of Labor's timelines for BAM case sampling.

## ***Department's Response***

*The Department concurs with the finding and recommendation and thanks the State Auditor's Office for its work to ensure the Department meets case sampling requirements.*

*Historically, the Benefit Accuracy Measurement (BAM) unit has been challenged to maintain full levels of staffing. Staff turnover, long training requirements, and unique skill sets make these positions difficult to maintain. The Department continues to hire, develop, and retain staff to fully meet USDOL requirements.*

*The Department further continues to partner and frequently communicate with the U.S. Department of Labor (USDOL) Regional Offices to discuss staffing and training models. The Quality Assurance Manager and the Case Review Supervisor are committed to routinely monitoring caseload, workload, and the overall assurance of meeting the BAM operations performance goals and measures as set forth by USDOL.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 20 CFR Part 602, Quality Control in the Federal-State Unemployment Insurance System, section 21, Standard methods and procedures, establishes the requirements for states to conduct representative case sampling for quality control study of unemployment benefit claims, which state in part:

§602.21 Standard methods and procedures.

Each State shall:

- a. Perform the requirements of this section in accordance with instructions issued by the Department, pursuant to 602.30(a) of this part, to ensure standardization of methods and procedures in a manner consistent with this part;
- b. Select representative samples for QC study of at least a minimum size specified by the Department to ensure statistical validity (for benefit payments, a minimum of 400 cases of week paid per State per year);
- c. Complete prompt and in-depth case investigations to determine the degree of accuracy and timeliness in the administration of the State UC law and Federal programs with respect to benefit determinations, benefit payments, and revenue collections; and conduct other measurements and studies necessary or appropriate for carrying out the purposes of this part;
- d. Furnish information and reports to the Department, including weekly transmissions of case data entered into the automated QC system and annual reports, without, in any manner, identifying individuals to whom such data pertain;

The U.S. Department of Labor, Employment and Training Administration Benefit Accuracy Measurement State Operations Handbook – *ET Handbook No. 395, 5th Edition*, Chapter VI – Investigative Procedures, Section 13: Completion of Cases and Timely Data Entry, states in part:

The following time limits are established for completion of all cases for the year. (The “year” includes all batches of weeks ending in the calendar year.):

- A minimum of 70 percent of cases must be completed within 60 days of the week ending date of the batch, and 95 percent of cases must be completed within 90 days of the week ending date of the batch; and
- A minimum of 98 percent of cases for the year must be completed within 120 days of the week ending date of the calendar year.

*ET Handbook No. 395, 5th Edition*, Chapter VI – Investigative Procedures, Section 12: Sampling Selection, states in part:

The annual sample size for UI paid claims and the three types of denials are fixed by DOL for the calendar year. BAM supervisors may change the weekly sample sizes in the input control

record to accommodate investigator vacation schedule or other staffing contingencies. However, state are expected to pull at least the minimum number of cases each week. States may not over sample during a portion of the year in order to meet the annual sample allocation and then suspend sampling for the remainder of the calendar year. The minimum weekly and quarterly samples, based on current annual sample allocations are:

<b>Sample</b>	<b>Annual Allocation</b>	<b>Normal Weekly</b>	<b>Minimum Weekly</b>	<b>Normal Quarterly</b>	<b>Minimum Quarterly</b>
Paid Claims	360*	7	5	90	81
Paid Claims	480	9	6	120	108
Denials	150/450**	3	2	37-38	32

\*Allocation for ten smallest states in terms of UI workload.

\*\* 150 cases each of monetary, separation, and non-separation denials will be selected each year, for a total of 450 DCA cases.

*ET Handbook No. 395, 5th Edition, Chapter VIII – Denied Claims Accuracy (DCA), Section 7: Completion of DCA Cases and Timely Data Entry, states in part:*

As in paid claims, prompt completion of investigations is important to ensure the integrity of the information being collected by questioning claimant and employers before the passage of time adversely affects recollections. However, due to the fact that contacting the claimant and obtaining claimant information is more difficult than in paid claims, the timeliness standards differ as the following indicates:

- A minimum of 60 percent of cases must be completed within 60 days of the week ending date of the batch, and 85 percent of cases must be completed within 90 days of the week ending date of the batch; and
- A minimum of 98 percent of cases for the year must be completed within 120 days of the ending date of the Calendar Year.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-010** The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it profiled all claimants under the Unemployment Insurance program to identify people likely to need reemployment services and ensure staff providing those services received required training.

<b>Assistance Listing Number and Title:</b>	17.225 Unemployment Insurance 17.225 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance 17.225 COVID-19 Unemployment Insurance
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	UI-34528-20-60-A-53; UI-34748-20-55-A-53; UI-35682-21-55-A-53; UI-35977-21-60-A-53; UI-37098-21-55-A-53; UI-37256-22-55-A-53; UI-37313-22-55-A-53; UI-38013-22-60-A-53; UI-38163-22-55-A-53; UI-38511-22-55-A-53; UI-38580-22-75-A-53; UI-39303-23-55-A-53; UI-39355-23-55-A-53; UI-34092-20-55-A-53
<b>Pass-through Entity Name:</b>	None

<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions – UI Reemployment Programs: Worker Profiling and Reemployment Services (WPRS) and Reemployment Services and Eligibility Assessments (RESEA)
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Unemployment Insurance (UI) program was created by the Social Security Act, and it provides benefits under the Unemployment Compensation program to unemployed workers for periods of involuntary unemployment. The program provides a stabilizing effect on the economy by maintaining the spending power of eligible workers while they are between jobs. The Employment Security Department administers the state’s UI program. During fiscal year 2023, the Department paid more than \$1.1 billion in unemployment insurance benefits to people in Washington.

The Worker Profiling and Reemployment Services (WPRS) and Reemployment Services and Eligibility Assessments (RESEA) programs serve as the primary programs that facilitate the reemployment of UI claimants. RESEA is authorized by Section 306 of the Social Security Act, and it uses an evidence-based integrated approach that combines an assessment for continuing UI eligibility and the provision of reemployment services. The Department uses a RESEA program to satisfy the WPRS mandate in accordance with federal requirements, and its program design is documented in the RESEA State Plan approved by the U.S. Department of Labor.

According to the Department’s RESEA State Plan, the agency profiles unemployment claimants using a scoring model that is built into its Unemployment Tax and Benefit (UTAB) system to identify claimants who are likely to exhaust benefits and are in need of job search assistance to obtain new employment. The profiling model must statistically combine information on the person’s work industry, occupation, education level, county of residence, and other personal characteristics, including veteran and union status, and labor market characteristics to generate a numerical score indicating their likelihood of exhausting regular unemployment benefits before finding work. The claimants are to be ranked in a queue based on their individual score from most likely to least likely to exhaust benefits. On a weekly basis, the Department selects people from this queue for available appointments for reemployment evaluations. In July 2019, the Department implemented an online appointment scheduling system called the Reemployment Appointment Scheduler (RAS) to facilitate the appointment scheduling process for the Department’s WorkSource offices.

In June 2021, the Department deployed a pilot program proposed by the U.S. Department of Labor known as a randomized control trial (RCT), to randomly assign profile scores in lieu of using the risk profile model to profile all unemployment claimants. The objectives of the trial were to assess the impact of the RESEA program concerning duration of unemployment claims, earnings, and employment probability of claimants following the provision of RESEA services, and to assess whether the program improved the identification of claimant eligibility issues and improper payment detection. Under the RCT, the WPRS score used to rank claimants was replaced with a randomly generated score, after excluding the top 5 percent of people with the highest WPRS scores.

The Department's UI staff oversee the RESEA program, which includes participating in the planning, administration and oversight of the program, providing appropriate training to staff conducting applicant eligibility reviews, completing individual reemployment plans, and providing information and access to career and reemployment services, including referrals to other services. All staff working within the RESEA program must, at a minimum, be trained in the programmatic requirements, state laws, rules, and agency policies once a year. Staff are required, by Department policy to take an intensive training before providing reemployment services to claimants, as well as take an annual refresher training once a year. Training includes information regarding job search requirements, reporting requirements, and UI eligibility assessments. In addition, all staff working with RESEA participants must be trained to detect and report potential issues to the UI claims center.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure the Department profiled all claimants under the UI program, to identify those likely to need reemployment services and ensure staff providing reemployment services received required training.

#### *Identification for People Eligible for Reemployment Services*

The Department did not adequately monitor its UTAB scoring model to ensure applicant risk profile scores were accurate to identify those claimants most likely to exhaust their unemployment benefits.

The Department is required to use a scoring model to profile all claimants to identify those likely to need reemployment services. During the audit period, the score calculated by the model was only applied for 5 percent of claimants with the highest score. A random score was assigned to the remaining 95 percent of claimants. The random score assignment did not provide adequate

assurance that those people most likely to exhaust benefits were prioritized to receive reemployment services.

To determine a claimant's profile score, the scoring model assigns 10 different coefficient rates associated with attributes that were determined by the Department to signify how likely a claimant will be to exhaust their unemployment benefits. The Department could not explain the methodology for determining an applicant's profile score based on these 10 attributes, or how to independently recalculate the score.

The Department has not tested the calculation of the profile score to ensure it is functioning as intended and producing accurate results. In addition, management could not provide historical records to demonstrate the calculation had ever been tested since its first implementation. Therefore, the Department has no assurance that the calculation provides an accurate measurement of the risk a claimant will exhaust their benefits.

To test whether the UTAB system correctly determined and assigned coefficients based on the claimant attributes, we created four test scenarios containing specific attributes and the expected assigned coefficient value. The UTAB system did not assign the expected coefficient value for three of the 10 attributes. Department officials did not know how the system determined and assigned the coefficient value for these three attributes or why the value did not agree to the system reference tables. Therefore, we cannot conclude whether the assigned values for these three coefficients or the profile score assigned based on the coefficients are accurate.

In addition, management did not monitor to determine whether the RAS system had received all eligible claimants. There is a daily process to send eligible claimants to the RAS selection queue, but there were no internal controls in place to ensure that all files sent to RAS were received and processed. In addition, RAS does not have a working test environment to test whether the system effectively schedules claimants based on defined rules and requirements.

### *Employee Training*

The Department uses a tracking report to monitor the status of completed training for each RESEA employee. However, the Department did not adequately monitor to ensure staff who administered RESEA services to clients took required training.

We used a statistical sampling method to randomly select and examine 55 out of a total population of 441 employees that Department officials said were available to provided RESEA services during fiscal year 2023. We examined records for all RESEA training courses completed by these employees and found that the Department did not have documentation evidencing that two employees (3.6 percent) completed annual RESEA training during the audit period. Both employees administered RESEA appointments to claimants during the audit period. We also found three employees (5.5 percent) were missing from the Department's tracking report, and four additional employees completed a training course that was not listed on the report.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

#### *Identification for People Eligible for Reemployment Services*

During the implementation of the RCT, the Department did not monitor the profiling and prioritization of claimants for RESEA participation to determine whether claimants prioritized for receiving RESEA services were the most likely to exhaust their unemployment benefits.

Department management asserted in writing that its UTAB risk scoring model was operating during the audit period to ensure claimants were profiled to determine those most likely to exhaust unemployment benefits and need reemployment services. However, after our Office tested the risk scoring model and identified system weaknesses, the Department informed us that the scoring model was not working as intended and disabled during the audit period.

#### *Employee Training*

The Department did not maintain historical records of employee training profiles. Instead, management retained only documents supporting the most recent training course completed by each employee. Additionally, management did not adequately maintain its tracking reports to ensure all completed training sessions were documented for each employee.

### ***Effect of Condition***

#### *Identification for People Eligible for Reemployment Services*

Without monitoring its automated scoring model for effectiveness, the Department cannot ensure that its systems select RESEA participants based on a valid risk profile and priority of need for reemployment services. By disabling the automated scoring model, the Department is not in compliance with provisions in the RESEA State Plan, and it cannot ensure that claimants selected for RESEA appointment services should have received consideration over higher-risk claimants who may be excluded in the RCT.

#### *Employee Training*

By not maintaining adequate training records for its employees, the Department cannot demonstrate that all RESEA staff have been properly trained on unemployment eligibility requirements in order to administer reemployment services to clients, as required in the RESEA State Plan.

## *Recommendations*

We recommend the Department:

- Review the design of its UTAB calculation to determine an applicant's risk profile score, and test the calculation of the score to determine whether the system is accurately identifying claimants most likely to exhaust benefits. This understanding and testing should ensure that coefficient values are correctly determined and assigned by the UTAB system.
- Reconcile the interface between the UTAB system and the scheduling system to ensure that all RESEA eligible claimants were received by the RAS scheduling system
- Consider implementing additional internal controls to ensure claimants are profiled and prioritized for reemployment services based on their risk of exhausting unemployment benefits, in accordance with federal requirements
- Establish adequate internal controls to ensure all employees receive required RESEA training before providing reemployment screening services to claimants
- Verify all staff administering RESEA services on behalf of the Department have completed required training before providing services to claimants

## *Department's Response*

*The Department partially concurs with the finding.*

*UTAB Recommendations:*

- I. *Review the design of its UTAB calculation to determine an applicant's risk profile score, and test the calculation of the score to determine whether the system is accurately identifying claimants most likely to exhaust benefits. This understanding and testing should ensure that coefficient values are correctly determined and assigned by the UTAB system.*

*Department response:*

*The Department concurs with the recommendation. For clarification, the coefficient values are calculated outside of UTAB. The coefficients are then input into UTAB which then calculates the profile score. The Department will review processes to effectively validate profile scores based upon new coefficients.*

- II. *Reconcile the interface between the UTAB system and the scheduling system to ensure that all RESEA eligible claimants were received by the RAS scheduling system.*

Department response:

*The Department partially concurs with the recommendation.*

*Regarding the recommendation, there is no interface between UTAB and RAS to reconcile. The UTAB system is capable of generating an “exit file” which indicates the profile score for all the applicants that have a work search requirement. This file is sent and input into the RAS scheduler which automatically assigns the applicant. The Department will review its processes to verify that the RAS properly sets appointments from the UTAB exit file.*

- b. Consider implementing additional internal controls to ensure claimants are profiled and prioritized for reemployment services based on their risk of exhausting unemployment benefits, in accordance with federal requirements.*

Department Response:

*The Department does not concur with this recommendation. In the Background section above, SAO stated “In June 2021, the Department deployed a pilot program proposed by the U.S. Department of Labor known as a randomized control trial (RCT), to randomly assign profile scores in lieu of using the risk profile model to profile all unemployment claimants.”*

*The pilot program was not implemented in lieu of the risk model, but concurrently as described above. In brief, all applicants are scored and provided both a risk scoring profile based on established standards, and a random score, as described in the pilot program. Based on the risk scoring model, the top scores are automatically selected for RESEA. The remainder of the applicants are assigned based on the random score. The use of the top scorers and the random scoring methodology allows for the Department to meet the both the standard requirements by RESEA and the pilot program.*

*Considering this, the Department believes it is compliant with both the risk based and random scoring profile requirements.*

Training Recommendations:

- Establish adequate internal controls to ensure all employees receive required RESEA training before providing reemployment screening services to claimants.*

Department Response:

*The Department does not concur with the recommendation. In the Background stated above, SAO noted “All staff working within the RESEA program must, at a minimum, be trained in the programmatic requirements, state laws, rules, and agency policies once a year. Staff are required, by Department policy to take an intensive training before providing reemployment services to claimants, as well as take an annual refresher training once a year.”*

*For accuracy, staff are required by the US DOL as follows (UIPL 08-24) page 15: Required Engagement of UI Staff – UI staff must be engaged in the administration of the RESEA program. This includes, but is not limited to:*

- I. Participating in the planning, administration, and oversight of the RESEA program;*
- II. Providing all appropriate staff training on UC eligibility requirements;*
- III. Ensuring accurate data are provided in the RESEA-required reports; and*
- IV. Conducting eligibility determinations and redeterminations resulting from issues identified through RESEA participation.*

*The first day of RESEA Intensive Training is UI eligibility training which is designed and conducted by UICS Trainers. The Policy 4050-1 indicates that staff are required to have yearly training, but this is not specified by Policy definition and provides for the ad hoc and monthly trainings put on by programs. Additionally, there is no RESEA Department “policy” regarding training. The current program team fulfills the UIPL mandated UI Eligibility requirement through the required RESEA Intensive Training for all RESEA staff - as has been the process since 2020. The refresher trainings were implemented by programs to bring those trained, non-regular RESEA staff and local leaders up to date on changes, address in an effort to improve performance and reinforce staff confidence in their work. This is an internal process.*

*The Department does have controls in place to ensure all employees receive required RESEA training, an internal spreadsheet, updated by training staff which was provided to the auditors. The two exceptions of the 55 sampled were staff who completed RESEA Intensive Training prior to the fiscal year audited. USDOL requires only that RESEA staff be trained and RESEA Policy indicates that training can occur as needed and in any form (monthly program call, ad hoc office training, etc.). Formal training is completed every 6 weeks and ad hoc trainings are provided on a monthly basis at a minimum.*

*Therefore, the Department believes it meets the minimum standards as required by USDOL.*

- Verify all staff administering RESEA services on behalf of the Department have completed required training before providing services to claimants.*

*Department Response:*

*The Department does not concur with the recommendation. The Cause of the Condition for the training requirements as noted by SAO is a determination that ESD did not maintain training records.*



*The exceptions noted in this area appear to be centered around two seasonal staff who were trained, though their training records were found outside the audit period. As stated in our response above, USDOL does not require yearly training. ESD implemented this programmatically in Fall of 2022. RESEA Policy 4050-1 indicates that staff should receive regular training, but intentionally does not specify the formality, format or content, allowing us to provide this in regular program calls and in ad hoc office trainings.*

*Specifically the policy states “(3.A): \*Staff training requirement for RESEA services - Staff working in the RESEA program must, at a minimum, be trained in the program’s requirements, including state laws, rules, and agency policies related to job search, reporting requirements and UI eligibility assessments, prior to providing direct services to claimants and then receive annual refresher training thereafter. All staff working with RESEA participants must be trained to detect and report potential issues to the unemployment insurance claims centers.”*

*The RESEA lead trainer provided other documentation to the auditors - both from the LMS and our ESD’s own internal spreadsheets. Program records reflect the same information as LMS records but for the lone retiree (who showed up in our records but was archived from the LMS records). The two non-regular/seasonal staff who provided services in the audit period but did not have a record of that training in the audit period had previously completed required intensive training - which is more than the minimum required by USDOL.*

## ***Auditor’s Remarks***

### ***Identification for People Eligible for Reemployment Services***

The Department could not explain how the calculation of a claimant’s profile score occurred in UTAB in order to demonstrate that the automated calculation is working as intended to ensure claimants who are most likely to exhaust their unemployment benefits and need reemployment services are correctly identified. By implementing the RCT instead of assessing each claimant’s risk of exhausting unemployment benefits, and rank-ordering each claimant for RESEA selection based on that risk, the Department’s claimant selection design does not ensure that it prioritizes selecting claimants more likely to exhaust their benefits over other claimants with a lower likelihood of exhausting their benefits. This approach does not meet the federal requirement to ensure those individuals likely to exhaust their unemployment benefits are prioritized for RESEA services.

Without monitoring to ensure all claimants determined eligible to receive RESEA services are transmitted to RAS, the Department cannot ensure that claimants selected to receive RESEA appointments represent those claimants who are most likely to exhaust their regular unemployment benefits and are most in-need of reemployment services. Additionally, by not reconciling claimants selected for appointments in RAS with claimants profiled in UTAB, the Department

cannot reasonably ensure that all claimants eligible to receive RESEA services have been considered for appointment selection.

### *Employee Training*

The Department's policy 4050-1 stipulates that the annual refresher course is required to be completed by staff rendering RESEA services to claimants. Our testing focused on those individuals available to provide RESEA services to claimants during the audit period, and therefore we concluded that these individuals were required to receive an annual refresher training course during the audit period. The Department stated in its response that it implemented the programmatic annual refresher training requirement in Fall 2022, however Department policy 4050-1 became effective on October 15, 2020.

The Department did not accurately track employee training completed during the audit period using its internal monitoring spreadsheet. Without monitoring to ensure all training records have been accurately reflected in the spreadsheet, management cannot ensure that all staff providing RESEA services have completed required training programs and therefore does not have reasonable assurance of compliance with RESEA training requirements as outlined in the Department's policy.

Furthermore, we disagree with the Department's assertion that annual training is not required for all RESEA staff. Both the Policy 4050-1 and the RESEA State Plan state that staff providing direct services to claimants must receive annual refresher training from the Department in addition to initial training on program requirements, state laws, rules and agency policies.

We reaffirm our finding and will review the status of the Department's corrective action during our next audit.

### *Applicable Laws and Regulations*

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 *United States Code*, Chapter 7 – Social Security, Subchapter III – *Grants to States for Unemployment Compensation Administration*, § 503 – State laws, states in part:

(j) Worker profiling

(1) The State agency charged with the administration of the State law shall establish and utilize a system of profiling all new claimants for regular compensation that –

(A) Identifies which claimants will be likely to exhaust regular compensation and will need job search assistance services to make a successful transition to new employment;

(B) Refers claimants identified pursuant to subparagraph (A) to reemployment services, such as job search assistance services; available under any State or Federal law;

Revised Code of Washington (RCW), Title 50, *Unemployment Compensation*, Section 50.20.011, Profiling system to identify individuals likely to exhaust benefits – Confidentiality of information – Penalty, states in part:

1. The commissioner shall establish and use a profiling system for new claimants for regular compensation under this title that identifies permanently separated workers who are likely to exhaust regular compensation and will need job search assistance services to make a successful transition to new employment. The profiling system shall use a combination of individual characteristics and labor market information to assign each individual a unique probability of benefit exhaustion. Individuals identified as likely to exhaust benefits shall be referred to reemployment services, such as job search assistance services, to the extent such services are available at public expense.
2. The profiling system shall include collection and review of follow-up information relating to the services received by individuals under this section and the employment outcomes for the individuals following receipt of the services. The information shall be used in making profiling identifications.

Washington State Employment Security Department, Wagner-Peyser Employment Service Policy 4050, Reemployment Services and Eligibility Assessments (RESEA) program, states in part:

3. Policy:

A. Staff Training requirements for RESEA Services

Staff working in the RESEA program must, at a minimum, be trained in the program's requirements, including state laws, rules, and agency policies related to job search, reporting requirements and UI eligibility

assessments, prior to providing direct services to claimants and then receive annual refresher training thereafter. All staff working with RESEA participants must be trained to detect and report potential issues to the unemployment insurance claims centers.

#### B. Claimant selection for RESEA services

RCW 50.20.11 states, in part, that a profiling system must be established to identify new permanently separated claimants most likely to exhaust regular UI benefits and that are in need of job search assistance services to make successful transitions to new employment. This system uses a combination of individual characteristics and labor market information to assign each individual a unique probability of benefit exhaustion known as the profile score. Claimants with a work search requirement will be given a profile score. Those still attached to an employer will not receive a profile score.

Based on ranked scoring, claimants are selected and added to an electronic list as eligible to receive RESEA services. Claimants identified as most likely to exhaust, or as UCX receive top priority.

Selection occurs between the second and fifth week of a valid claim. Claimants waiting on decisions or for their claims to become valid are not selected until they have valid claims and are eligible for benefits.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-011 The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Workforce Innovation and Opportunity grant.**

<b>Assistance Listing Number and Title:</b>	17.258 Workforce Innovation and Opportunity Adult Program 17.259 Workforce Innovation and Opportunity Youth Activities 17.278 Workforce Innovation and Opportunity Dislocated Worker Formula Grants
<b>Federal Grantor Name:</b>	U.S. Department of Labor
<b>Federal Award/Contract Number:</b>	AA-34801-20-55-A-53 AA-36352-21-55-A-53 AA-38562-22-55-A-53
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Employment Security Department administers the Workforce Innovation and Opportunity Act (WIOA) grant to help job seekers access employment, education, training and support services to succeed in the labor market. WIOA provides employment and training programs for adults, dislocated workers, and youth. In fiscal year 2023, the Department spent about \$69.7 million in WIOA federal funding, including about \$65 million paid to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the Department is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Department must report subawards by the end of the month following the month in which it made the subaward (or subaward amendment). The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.

When a new subaward is executed, Department staff prepare the Fund Manager Spreadsheet that contains the required reporting information for the subawards. Staff then submit the report based on the Fund Manager Spreadsheet. There were 20 WIOA subawards and amendments that were required to be reported in fiscal year 2023, totaling \$52,126,097.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Act for the WIOA grant.

The Department does not have written procedures over this reporting process. During the audit period, Department officials said that management reviews the reports to ensure they are accurate and submitted timely. However, there was no documentation to demonstrate the reviews occurred.

During the audit period, the Department was required to report 20 subawards totaling about \$52 million of program funds that was awarded to 12 subrecipients. We used a non-statistical sampling method to randomly select and examine seven out of the total population of 20 subawards. We found:

- Two out of seven subawards (29 percent), totaling \$94,618, were not reported in FSRS.
- The other five subawards (71 percent), totaling \$23,067,323, had the incorrect subaward obligation/action dates, and we were unable to determine if they were submitted timely.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department did not have procedures in place to ensure management's review was documented and effective, reports were retained when submitted, and FSRS login credentials were retained with staff changes. The manager responsible for reviewing this report is no longer with the Department. This person was the only staff with FSRS login credentials for the subawards we tested, so other Department officials were not able to log into the system to see when the subawards were submitted.

### ***Effect of Condition***

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending.

### ***Recommendations***

We recommend the Department:

- Establish effective internal controls to ensure it submits all required reports timely and accurately
- Establish policies and procedures for filing reports
- Provide training for employees who prepare the reports

### ***Department's Response***

*The Department concurs with the finding and thanks SAO's work to ensure federal requirements are met over the WIOA grant.*

*The Department has implemented procedures to ensure reports are submitted timely, reviewed and submission dates are documented. Additionally, the Department has expanded FFATA requirements training to all personnel within the Grants Management Unit to ensure the accuracy of reporting.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

### Appendix A to Part 170 – Award Term

#### I. Reporting Subawards and Executive Compensation

##### a. *Reporting of first-tier subawards.*

*Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

##### 2. *Where and when to report.*

- i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.
- ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-012 The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Highway Planning and Construction program.**

<b>Assistance Listing Number and Title:</b>	20.205 Highway Planning and Construction
<b>Federal Grantor Name:</b>	U.S. Department of Transportation
<b>Federal Award/Contract Number:</b>	Too numerous to list. All approved subaward projects under the Federal Highway Administration Stewardship and Oversight Agreement.
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Washington State Department of Transportation's Local Programs Office administers Highway Planning and Construction Program funding to local agencies throughout the state for highway construction projects. The Department spent about \$603 million on highway projects during fiscal year 2023. Of that amount, it passed through about \$331 million to local agencies through subawards for 378 new and existing projects across the state.

Pass-through entities are required to monitor the activities of their subrecipients to ensure they are properly using federal funds. To determine the appropriate level of monitoring, federal regulations require the Department to evaluate each subrecipient's risk of noncompliance with federal statutes and regulations and the terms and conditions of the subaward.

For the subawards made during fiscal year 2023, Department management delegated the responsibility to complete risk assessments for individual projects to the Local Programs Engineers

who were assigned to the regional office that oversees the project. When the Department prepares to monitor or review a subrecipient, it selects an open and active project and evaluates the subrecipient based on its performance under that project.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Highway Planning and Construction program.

We randomly selected and examined 55 of the 378 projects awarded funding during the audit period to determine if the Department performed a risk assessment of each project to determine the appropriate level of monitoring required for the subrecipient. We found the Department did not complete risk assessments for 17 of the 55 projects (30 percent). These risk assessments were signed and dated by Department staff after the audit period had ended. In addition, we found that 13 of the 17 assessments were not signed until after our Office requested them.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management did not ensure the Local Programs Engineers performed the risk assessments for each subrecipient project awarded program funds.

### ***Effect of Condition***

Not performing risk assessments makes the Department less likely to detect subrecipients' noncompliance with federal regulations and the grant's terms and conditions. Without verifying the Local Programs Engineers completed risk assessments for each awarded project, the Department cannot ensure it is performing risk assessments consistently and using the proper criteria to determine the appropriate amount of monitoring required for each subrecipient project.

## ***Recommendations***

We recommend the Department:

- Ensure it properly performs and documents the required risk assessments, which would allow management to evaluate the results and demonstrate compliance with federal requirements
- Improve its monitoring of regional Local Programs Engineers to ensure they complete risk assessments for each program-funded project

## ***Department's Response***

*The Washington State Department of Transportation (WSDOT) appreciates the State Auditor's Office audit of the Highway Planning and Construction program. WSDOT is committed to ensuring our programs comply with federal regulations.*

*Risks assessments for subrecipients in this FHWA grant program are the responsibility of WSDOT's Regional Local Programs Engineers, located in the six WSDOT Regions. While every attempt is made to complete a risk assessment at each phase of a project, staff turnover contributed to the lack of consistency and timeliness in completing these assessments. To help ensure consistency, the Department has updated position descriptions for Local Programs Engineers to reflect this requirement.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, section 332, Requirements for pass-through entities, establishes requirements for pass-through entities to evaluate each subrecipients' risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate level of subrecipient monitoring.

Title 2 CFR Part 200, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-013** The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to collect certified payrolls from contractors on projects funded by the Highway Planning and Construction program.

<b>Assistance Listing Number and Title:</b>	20.205 Highway Planning and Construction 20.205 COVID-19 Highway Planning and Construction
<b>Federal Grantor Name:</b>	U.S. Department of Transportation
<b>Federal Award/Contract Number:</b>	Too numerous to list. All approved subaward projects under the Federal Highway Administration Stewardship and Oversight Agreement.
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions – Wage Rate Requirements
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Washington State Department of Transportation receives federal funding under the Highway Planning and Construction Program for highway construction projects throughout the state. Some of these projects are awarded to contractors who perform the work on behalf of the Department. The Department spent about \$706 million in federal Highway Planning and Construction program funds during fiscal year 2023. Of that amount, it spent more than \$343 million on state-administered construction projects.

All laborers and mechanics employed by contractors or subcontractors to work on construction contracts exceeding \$2,000 financed by federal assistance funds must be paid wages that are no less than those established for the locality of the project (prevailing wage rates) by the Department of Labor. All contractors and subcontractors are required to submit a copy of their payroll and a statement of compliance (certified payrolls) on a weekly basis, for each week in which any applicable contract work is performed. The Department's construction projects typically involve both a prime contractor and subcontractors to complete work on the project.

The Department requires field inspectors to be onsite during construction work to ensure projects are completed in accordance with contract specifications. For every day of the week when contract work is performed, the inspector completes an Inspector Daily Report (IDR) and documents if there was any labor or mechanical work performed on that day. The IDRs are submitted to the Project Engineer, Project Manager, or Chief Inspector overseeing construction, who then reviews them to determine if any contractors must submit certified payrolls for that work week. Project Engineers are also required to document which contractors are required to submit certified payrolls each week by using a tracking report and maintaining it to identify all certified payrolls received from contractors and ensure they are documented and verified.

The Department publishes the *Standard Specifications for Road, Bridge, and Municipal Construction* (Standard Specifications), in addition to the *Construction Manual (M.41-01.41)*, which applies to its construction contracts, and is approved by the U.S. Federal Highway Administration of the Department of Transportation. These specifications require contractors to submit certified payrolls to the Department on a weekly basis for each weekly payroll period. The Standard Specifications further stipulate that contractors must use the Washington State Department of Labor and Industries Prevailing Wage Intents and Affidavit System (PWIA) to submit weekly certified payrolls on federal projects. The Department's Project Engineers are required to verify that contractor's certified payrolls are submitted on a weekly basis in PWIA. If the contractor's certifications are not submitted in a timely manner, the specifications allow the Department to withhold payment from contractors and enact other sanctions as necessary.

The *Construction Manual* also requires contractors to submit a Request to Sublet to gain authorization to use a subcontractor on a project.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to collect certified payrolls from contractors on projects funded by the program.

We found that the Department's internal controls were not adequate to ensure all contractors and subcontractors submitted certified payrolls on a weekly basis, as required by federal law and the Standard Specifications.

We used a statistical sampling method and randomly selected 58 out of a total 3,931 of weeks in which contract work was performed on federally funded construction projects, to determine whether the Department received certified payrolls from the prime contractor and all subcontractors performing work on the project on a weekly basis, as required by federal law. We identified all 58 weeks required a total of 245 certified payrolls to be submitted to the Department.

### *Collecting certified payrolls*

The Department did not collect all certified payrolls from the prime contractor and subcontractors on a weekly basis for 48 of the 58 weeks we examined (83 percent). For 45 of those weeks, we determined the Project Engineer did not notify the contractor in PWIA to submit the required payrolls. The Department provided no documentation demonstrating it withheld payments from or imposed additional sanctions upon prime contractors with late or overdue certified payrolls.

Of the 245 total certified payrolls submitted, 153 (62 percent) were not submitted within seven days (or one week) of the payroll week ending date, as required. On average, these payrolls were 23 days late, and 25 payrolls were more than 30 days late. For each of the 48 weeks, between one and 13 certified payrolls were submitted late. The Department requested overdue payrolls from contractors for 13 of those weeks.

We also found 12 weeks where the Project Engineer failed to document that certified payrolls were due for contractors that later submitted them in PWIA.

### *Internal controls and review of certified payrolls*

We found that five of the 58 (9 percent) selected weeks were for projects that did not have an approved Request to Sublet form for all subcontractors on the project, as required by Department policy.

We also found that for 57 weeks, the Project Engineer assigned to oversee the project did not document that all required certified payrolls were received from contractors, as required by Department policy.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management did not adequately monitor to ensure compliance with federal requirements. While the Department's *Construction Manual* and Standard Specifications have documented policies and procedures in place for Project Engineers and regional offices to follow to track certified payrolls, follow-up on late submissions, and issue sanctions, Project Engineers did not consistently follow these policies in monitoring contractors for compliance.

In addition, the Department's *Construction Manual* does not specify how Project Engineers must document certified payrolls due for construction projects, and management does not have a standardized form for Project Engineers to use for tracking certified payrolls. Management did not adequately monitor Project Engineers to ensure they followed the standards outlined in the *Construction Manual*.

### ***Effect of Condition***

When the Department does not collect all certified payrolls timely, it cannot ensure that laborers working on federally funded construction contracts are paid the applicable prevailing wages, as required by law.

In addition, by not collecting certified payrolls on a weekly basis, the Department is not in compliance with federal requirements, and may be subject to actions by the federal grantor.

### ***Recommendations***

We recommend the Department:

- Monitor project offices to ensure contractors are notified when they have not provided certified payrolls for a given week of contract work
- Improve internal controls to ensure project offices monitor the status of certified payrolls due from contractors on a weekly basis, contractors are made aware of delinquent payrolls, and consideration is given to assessing sanctions on noncompliant contractors in accordance with its Standard Specifications, such as withholding any or all payments, as necessary, when contractors do not submit required certified payrolls on a weekly basis
- Ensure certified payrolls are collected from prime contractors and all subcontractors on a weekly basis, in accordance with federal law and the *Construction Manual*



## ***Department's Response***

*The Washington State Department of Transportation appreciate the State Auditor's Office (SAO) audit of the Federal Highway Administration's (FHWA) Program. The Department is committed to ensuring our programs comply with federal regulations.*

*As WSDOT indicated in previous years for similar findings, the draft audit finding does not consider the nature of the contractual relationship between the contractor and WSDOT as the owner. The owner's compliance with the Davis-Bacon Act and regulations cited in the finding is determined by collective actions specified by regulations and not merely by how many payrolls are collected from the contractor within a 7-day window. WSDOT, in close consultation with the FHWA, has established contract administration processes with contingencies built in to address and correct for contractor noncompliance. In addition, WSDOT will not issue project Completion until all certified payrolls are collected (Standard Specifications 1-08.5.2, Time for Completion). FHWA guidance recommends actions to take if a contractor is habitually late in submitting payrolls but leaves it up to WSDOT to determine when sanctions should be imposed. WSDOT's Standard Specifications (1-07.9(5)) on certified payrolls aligns with FHWA guidance. Sanctions are imposed as appropriate during the life of a contract.*

*In FHWA's letter of April 25, 2019, in response to a similar finding for FY 2018, the grantor states "WSDOT's process and policy concerning certified payrolls has been approved by FHWA through the approval of WSDOT's Construction Manual and Standard Specifications. As part of FHWA's approval FHWA agreed that these processes are reasonable and satisfy the intent of the Department of Labor's certified payroll requirements, as FHWA understands them. FHWA believes that the procedures contain the necessary controls to ensure compliance with 29 CFR 5.5 and FHWA Davis-Bacon and Related Acts..."*

*In the July 6, 2020, response from FHWA on a similar finding for FY 2019, FHWA indicated "FHWA believes that WSDOT's procedures contain the necessary controls to ensure reasonable compliance with 29 CFR 5.5 and FHWA Davis-Bacon and Related Acts Questions and Answers. FHWA considers this finding to be resolved."*

*In this year's audit, the State Auditor sampled 58 weeks and the required 245 certified payrolls for contract work performed on federally funded construction projects during that time period. WSDOT collected all of the required 245 certified payrolls. Of these payrolls 153 were received one or more days late, but of these only 28 were 30-days or more late and only 15 (6%) were 60-days or more late. This represents only 1 percent above the exception threshold typically allowed by the State Auditor. At 60-days, the Department has its first opportunity to initiate sanctions against the contractor. Of the 15 payrolls that were at least 60-days late, WSDOT deferred (withheld) 10 payments on 2 of the contracts. Sanctions prior to 60-days, are not feasible, as the contractors are paid monthly for the prior month's work, and WSDOT has 30-days to process payments. The draft finding notes that for several weeks "the Project Engineers did not*

*notify the contractor in PWIA to submit the required payrolls”, however, many notifications were provided via email for 5 of tested contracts, but these were not taken into account, as SAO indicated they did not use the “approved method.” WSDOT is in the midst of delivering its largest and one of its most complex construction programs in our history, and is doing so with lower and less experienced staffing levels than it had to deliver past construction programs. We will continue to look for opportunities to improve our process as well as our documentation to demonstrate compliance with the Davis-Bacon Act requirements. In addition, we will continue consulting with FHWA for any further actions needed to resolve this finding.*

### ***Auditor’s Remarks***

The U.S. Department of Labor establishes the Davis-Bacon Act and related requirements concerning federally-funded construction projects. Title 29 Code of Federal Regulations (CFR) Subpart A – *Davis-Bacon and Related Acts Provisions and Procedures*, Subsection 5.5, requires that the Department collect certified payrolls from its contractors. 5.5(a)(ii)(A) stipulates that contractors and/or subcontractors must submit payrolls weekly and for each week in which Davis-Bacon or Related Acts-covered work is performed. The Department enters into federal-aid construction contracts with its contractors and is therefore required to ensure compliance with these federal requirements for its projects.

Furthermore, the USDOL Wage and Hour Division’s Final Rule (effective October 23, 2023) concerning the Davis-Bacon and Related Acts Regulations, stipulates that “*contractors and subcontractors are required to provide certified payrolls to the contracting agency to demonstrate their compliance with Davis-Bacon Act requirements on a weekly basis,*” and that “*the Department cannot allow contractors to pay required prevailing wages or submit certified payrolls on a basis less frequent than weekly.*”

In its response, the Department states it has established contract administration processes with contingencies built in to address and correct for contractor noncompliance regarding missing and/or late certified weekly payrolls. However, the high rate of noncompliance identified in the audit indicates that these processes are not effective in ensuring that contractors submit the required certified payrolls weekly, as required by federal law and the Department's Construction Manual. Additionally, for each of the 48 weeks we identified in which contractors failed to submit certified payrolls timely, our Office requested from the Department evidence that it imposed sanctions upon the contractors, and the Department provided us with no such documentation.

The Department also states it is not feasible to impose sanctions upon contractors with habitually late payrolls before 60 days have passed from the week(s) of work ending due to its designed payment delivery method. Without ensuring its prime contractors have submitted certified payrolls for their employees and for all approved subcontractors performing work under the contract, the Department cannot ensure the contractor has paid prevailing wages to all laborers and mechanics, and that laborers have been paid on a weekly basis, as required by federal law. Additionally, the

Department electing to pay its contractors up to 30 days after construction work has been performed is not effective to prevent contractor noncompliance with submitting certified payrolls on a weekly basis, as required.

The Construction Manual, Section 1-07.9(5) *Required Documents*, states that certified payroll must be submitted to the Project Engineer through PWIA for each contractor, subcontractor, and each lower tier subcontractor performing work on the project, and that the PWIA system will be used to track requests made for missing certified payrolls. Therefore, we noted in our audit finding the instances when the Department's Project Engineers failed to request overdue certified payrolls from contractors in PWIA, as that is the official system of record required to be used by the Department.

We reaffirm our audit finding and we will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 29 CFR Part 5, *Labor Standards Provisions Applicable to Contract Covering Federally Financed and Assisted Constructed (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standard Act)*, section 5, Contract provisions and related matters, establishes the requirements for including prevailing wage clauses in federal-aid contracts, payment withholding, and required documents.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The Federal Highway Administration Davis-Bacon and Related Acts Questions and Answers, section 56, states that contracting agencies are responsible for properly applying and enforcing prevailing wage requirements in covered contracts including:

- a) Verifying that covered contracts have incorporated the required Davis-Bacon clauses and the applicable wage determination(s);

- b) Verifying that the Davis-Bacon notice and the applicable wage determination(s) are displayed at the site of the work in a conspicuous location in clear view of everyone;
- c) Reviewing certified payrolls in a timely manner;
- d) Conducting employee interviews;
- e) Conducting reviews and investigations of covered contracts in conjunction with FHWA as appropriate;
- f) Forwarding refusal to pay and/or debarment consideration cases to the USDOL Wage and Hour Division for appropriate action; and
- g) Submitting enforcement reports and semi-annual enforcement reports to the USDOL Wage and Hour Division.

The Washington State Department of Transportation's Construction Manual M41-01.41, December 2022 edition, section 1-07.9, *Wages*, states in part:

#### Federal Prevailing Wage

##### Enforcement of Federal Prevailing Wage Provisions

In addition to the requirements of Standard Specifications Section 1-07.9, all Contracts financed with Federal funding includes the Required Contract Provisions for Federal-Aid Construction Contracts (FHWA-1273). These provisions identify Federal wage requirements. The Federal prevailing wage requirements included in these provisions are also commonly referred to as Davis Bacon and Related Acts (DBRA). It is the Project Engineer's responsibility to monitor and enforce these provisions to the degree necessary to ensure full compliance. In order to comply with these requirements, the Contractor must:

Submit weekly certified payrolls to the Project Engineer through LNI's Prevailing Wage Intents and Affidavits (PWIA) system.

Ensure each Subcontractor, and each agent or lower-tier subcontractor submits weekly certified payrolls to the Project Engineer through PWIA.

##### SS1-07.9(5) Required Documents

###### Statement of Intent

Every Contractor, Subcontractor, agent, or lower tier subcontractor performing work on a public works contract must submit a Statement of Intent to Pay Prevailing Wages to LNI for approval. Separate Intents are required for each Request to Sublet submitted on the project. Hiring Contractors are required to file an Intent if they hire a lower tier subcontractor subject to prevailing wages.

Certified payroll must be submitted to the Project Engineer through PWIA for each Contractor, Subcontractor, and each lower tier subcontractor performing work on the project, regardless of funding source or delivery method. Certified payrolls are required from the time each Firm begins performing Contract work until the time the Affidavit is visible in PWIA, or until the Contractor has identified their last certified payroll has been submitted.

A tracking sheet is required to document when Project Office staff verify that certified payrolls are received through PWIA. The frequency of verification depends on the funding source of the project. Weekly verification is required for federally funded projects, while monthly verification is required for state funded contracts. The tracking sheet needs to indicate that all active Contracts have been checked for late or missing certified payrolls. PWIA will be used to track requests made for missing certified payrolls. A separate tracking sheet may be used to track which certified payrolls have been verified for each project.

Federally funded projects require weekly submittals. Further review of the payroll will be required to ensure the Federal prevailed wage rate is met using the Wage Determination included in the Contract Special Provisions.

Federally funded Contracts:

- Weekly submittals
- No leniency on late submittals
- Required for every week, whether work was performed or not
- Enforcement of all Federal requirements will remain WSDOT responsibility

Federally funded projects require weekly submittal of certified payrolls. If the Contractor is unable to submit their payroll electronically using PWIA, they must submit the certified payrolls directly to the Project Office.

Non-compliance or non-submittal could result in the Project Engineer withholding an appropriate portion of payment (see Section SS 1-09.9).

The Washington State Department of Transportation's Construction Manual M41-01.41, December 2022 edition, section 1-09, *Measurement and Payment*, subsection 9, *Payments*, states in part:

#### Withholding of Payments

Withholding payments for the work the Contractor has performed and completed in accordance with the contract should not be done casually. There must be clear contract language supporting the action. The authority to withhold progress

payments is subdelegated to the Regions. Further delegation to the Project Engineers is at the discretion of each Region.

#### Delinquent Contractor Submittals

Missing submittals is a principal source of delays in closing out the project and processing the final estimate. As the project proceeds toward completion, the Project Engineer and the Contractor should attempt to obtain all submittals as the need arises. These might include such things as materials certificates, certified payrolls, extension of time requests, or any other item or document that delay processing the final estimate.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-014** The Washington State Department of Transportation did not have adequate internal controls over and did not comply with quality assurance program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.

<b>Assistance Listing Number and Title:</b>	20.205 Highway Planning and Construction Program
<b>Federal Grantor Name:</b>	U.S. Department of Transportation
<b>Federal Award/Contract Number:</b>	Too numerous to list. All approved subaward projects under the Federal Highway Administration Stewardship and Oversight Agreement.
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions – Quality Assurance Program
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-011

### *Background*

The Washington State Department of Transportation receives federal funding under the Highway Planning and Construction Program for highway construction projects throughout the state. Some of these projects are awarded to contractors who perform the work on behalf of the Department. The Department spent about \$706 million in federal Highway Planning and Construction program funds during fiscal year 2023. Of that amount, it spent more than \$343 million on state-administered construction projects.

Federal regulations require that the Department have a quality assurance (QA) program, approved by the Federal Highway Administration (FHWA), for construction projects on the National Highway System to ensure that materials and workmanship conform to approved plans and specifications. Verification sampling must be performed by qualified testing personnel employed by the Department or its designated agent, excluding the contractor.

The Department's QA program requirements are outlined in the Construction Manual, which is approved by the FHWA. This manual documents how materials are tested for acceptance before being incorporated into construction projects. Materials can be accepted in various ways, such as sample testing, a visual inspection documented by the Field Note Record or Inspector's Daily Report, or a certification of compliance from the manufacturer. If a materials test is required, the Department must ensure that only qualified people perform the testing, including independent testers, consultants or certified Department employees.

To ensure that materials incorporated into a project meet approved plans and specifications, the Department prepares a list of prescribed materials to be used on the project. The Department uploads this list to a program called the Record of Materials (ROM). The ROM sets forth the materials and quantities that are expected to be used on the project, and it documents the proper acceptance criteria, including any test(s) personnel are required to perform on a material. Once created, Project Engineers responsible for managing the construction project update the ROM to indicate the type and quantity of materials incorporated into the project so management can ensure the materials test(s) that are required for acceptance have occurred.

To ensure that only qualified people perform the testing, testers must pass a certification exam, which consists of a written and performance exam. After passing both, the testers are entered into the Qualified Tester Database and are certified for five years, after which they must recertify by passing both exams again. There are two different types of tester qualifications: module and method. Module testers are proficient in multiple method tests that can encompass all method tests for a particular material, whereas method testers may only be proficient in particular tests for any given material.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over and did not comply with QA program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed materials testing for projects funded by the Highway Planning and Construction Cluster. The prior finding numbers were 2022-011, 2021-011, 2020-017 and 2019-019.



## *Description of Condition*

The Department did not have adequate internal controls over and did not comply with QA program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.

We used a statistically valid sampling method to randomly select 58 out of 1,991 materials that were used on federally funded projects during state fiscal year 2023.

### *Materials acceptance testing did not conform to Standard Specifications and the Construction Manual*

For the 58 randomly selected materials, we requested supporting documentation for acceptance and/or testing of the material. We found:

- Three materials (5 percent) where testing did not occur, or the Department was unable to provide documentation justifying the item did not require testing.
- Two additional materials (3 percent) where the Department did not provide adequate supporting documentation to demonstrate the materials we selected were properly tested, according to the Standard Specifications. One of these materials did not meet the minimum acceptance criteria outlined in the Standard Specifications, and the Department paid the contractor for the material used on the project.

### *Testing personnel were not properly certified*

We reviewed documentation to verify whether the testers performing sampling activities for the Department had all required documents to support their certification. We found:

- Four instances (7 percent) where the tester was missing a required exam for certification
- Three instances (5 percent) where the Department was unable to provide documentation to support that the tester met certification requirements. All three instances correspond to materials for which the Department could produce no records demonstrating the items were tested for acceptance.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## ***Cause of Condition***

*Materials acceptance testing did not conform to Standard Specifications and the Construction Manual*

Management did not adequately monitor project offices to ensure required materials testing and acceptance occurred in accordance with the Construction Manual.

*Testing personnel were not properly certified*

Project Engineers did not ensure tester qualifications were current, and management did not ensure that only qualified testers performed materials testing and acceptance on behalf of the Department.

## ***Effect of Condition***

By not adequately monitoring project materials to ensure they conform to approved plans and specifications, the Department does not have reasonable assurance that materials incorporated into projects conform to standard specifications and the Construction Manual.

By not properly verifying and documenting the testers' qualifications, the Department risks improper materials testing. This could result in the Department using materials that may not conform to approved plans and specifications.

## ***Recommendations***

We recommend the Department:

- Improve internal controls, and monitor project offices, to ensure that required sampling activities occur, as required, and permanently incorporated materials conform to standard specifications for all federal aid construction projects
- Strengthen internal controls to ensure testers have completed all required exams—and that they have proper documentation of passing these exams—before performing sampling activities
- Continue to review all testers to ensure they meet the minimum requirements for certification

## ***Department's Response***

*The Washington State Department of Transportation (WSDOT) appreciates the State Auditor's Office (SAO) audit of the Federal Highway Program and the federally required Quality Assurance (QA) program. The Department is committed to ensuring our programs continue to comply with federal regulations and recognizes that there are always opportunities for improvement to its QA program.*

*The Department is working towards replacement of its ROM legacy system; therefore, it was not practical to modify this system to help correct issues reported in a similar finding in the FY 2022 Single Audit. Instead, the Department eliminated its practice requiring updates to the ROM within 30 days of payment and instead relies on the required documentation, as evidence of proper material acceptance. These changes were made during FY2023, which did not allow time to be fully reflected in the current year's audit. In addition, in January 2023 WSDOT modified its practice related to how tester data is reviewed and entered into the tester certification tracking system, as a result of audit recommendations from the FY 2022 audit. All offices now funnel tester data to the Headquarters Quality Assurance Program for review and entry. These changes to practices were communicated to appropriate staff and are reflected in the Construction Manual, which was reviewed and approved by FHWA.*

### Materials Acceptance

*The construction contracts awarded in FY23 utilizing federal funding contained more than 4,700 materials, with approximately 1,100 of them requiring testing. The State Auditor tested 58 materials of the approximately 1,100 requiring testing; however, through our review the Department found only 4 materials (6.8%) where we could not provide documentation to support that testing occurred or was not required.*

### Testing Personnel Certifications

*The State Auditor reviewed documentation for whether the testers performing materials sampling activities for the Department had all required documents to support their certification and took exception to documentation provided. The Department did not provide certification documents for 2 of the testers responsible for 4 of the materials tests included in the audit.*

*The Department has worked closely with the Federal Highway Administration (FHWA) on our QA program and continues to receive feedback from them on the strength of our program. The Department will continue to put improvements in place for the QA program based on the SAO audit recommendations. These issues were discussed at the 2024 Material Assurance Training offered 3/20/2024, and we will continue to deliver other training to Project Engineering Offices to emphasize QA program requirements throughout the year.*

## **Auditor's Remarks**

We thank the Department for its cooperation and assistance during the audit.

We maintain that there are five materials out of 58 (8.6 percent) examined during the audit that did not have adequate supporting documentation to demonstrate the materials met the minimum acceptance criteria according to the Department's Construction Manual. We used a statistical sampling methodology for this test and therefore expect the error rate of 8.6 percent to be representative of the entire population of 1,100 materials.

We reaffirm our audit finding and will follow up on the Department's corrective action during the next audit.

### ***Applicable Laws and Regulations***

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 23 *U.S. Code of Federal Regulations* (CFR) Part 637, Construction Inspection and Approval establishes the following applicable requirements:

#### Section 637.201 Purpose

To prescribe policies, procedures, and guidelines to assure the quality of materials and construction in all Federal-aid highway projects on the National Highway System.

#### Section 637.205 Policy

- a) **Quality assurance program.** Each STD shall develop a quality assurance program which will assure that the materials and workmanship incorporated into each Federal-aid highway construction project on the NHS are in conformity with the requirements of the approved plans and specifications, including approved changes. The program must meet criteria in (Section 637.207) and be approved by the FHWA.
- b) **STD capabilities.** The STD shall maintain an adequate, qualified staff to administer the quality assurance program. The State shall also maintain a central laboratory. The State's central laboratory shall meet requirements in (Section 637.209(a)(2)).
- c) **Verification sampling and testing.** The verification sampling and testing are to be performed by qualified testing personnel employed by the STD or its designated agent, excluding the contractor and vendor.
- d) **Random samples.** All samples used for quality control and verification sampling and testing shall be random samples.

Section 637.207 Quality assurance program

a. Each STD's quality assurance program shall provide for an acceptance program and an independent assurance (IA) program consisting of the following:

1. Acceptance program.

i. Each STD's acceptance program shall consist of the following:

- A. Frequency guide schedules for verification sampling and testing which will give general guidance to personnel responsible for the program and allow adaptation to specific project conditions and needs.
- B. Identification of the specific location in the construction or production operation at which verification sampling and testing is to be accomplished.
- C. Identification of the specific attributes to be inspected which reflect the quality of the finished product.

ii. Quality control sampling and testing results may be used as part of the acceptance decision provided that:

- A. Frequency guide schedules for verification sampling and testing which will give general guidance to personnel responsible for the program and allow adaptation to specific project conditions and needs.
- B. Identification of the specific location in the construction or production operation at which verification sampling and testing is to be accomplished.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The Department of Transportation's *Construction Manual* (M41-01), Chapter 9: Materials, states in part:

*9-1 General*

The quality of materials used on the project will be evaluated and accepted in various ways, whether by testing of samples, visual inspection, or certification of compliance. This chapter details the manner in which these materials can be accepted. Requirements for materials are described in Standard Specifications for Road, Bridge, and Municipal Construction M 41-10 Section 1-06 and Division 9.

It is the Project Engineer's responsibility to accept materials in accordance with this chapter. For materials tests that do not meet specification requirements, the Project Engineer shall contact the State Construction Office which will coordinate with the State Materials Engineer or Assistant State Materials Engineer to determine the appropriate action.

#### *9-1.2C Record of Materials*

The Record of Materials (ROM) is used to track material type, make/model, approval, acceptance, field verification documentation, Certificate of Materials Origin, and other materials documentation.

The Project Office utilizes the ROM program to track all permanently incorporated materials that are placed in on the Contract. Temporary materials are also tracked in the ROM when the contract documents contain temporary material requirements. The Project Engineer is responsible for the accuracy of the ROM, other documentation methods used, and Certification of Materials. Acceptance requirements shown in the ROM can be modified by referencing the properly submitted QPL page or the approved Request for Approval of Materials. Reviewing the contract plans and provisions may identify additional materials documentation requirements as well as construction items that shall be added to the ROM and tracked for completion throughout the course of the project work.

In order to ensure clarity upon completion of the work and to allow for easy certification of the project by both the Project Engineer and the Region, the ROM needs to be maintained throughout the course of the project. "Maintained" and "maintain" means the ROM is updated to reflect materials placed within 30 calendar days of the material payment. This includes material type, make/model, approval, acceptance, field verification documentation, Certificate of Materials Origin and other materials documentation. For materials used in the Contract, the Project Office is required to maintain the Status Work Completed (WC)/Documentation Complete (DC) / Not Used (NU) fields in the ROM.

The Project Office is required to maintain quantities paid, quantities placed, quantities field verified for materials that have sampling frequencies, WSDOT Fabrications Inspection items, where the Acceptance Criteria requires quantities such as Manufacturer Certificate of Compliance, or when quantities are noted in the initial materials and acceptance criteria. *9-5.3 WAQTC Testing Technician Qualification Program*

The Region Independent Assurance Inspectors are responsible for maintaining the Tester Qualification database information for their Region WAQTC Testers as well as maintaining the WAQTC internal certifications and records (physical and digital).

#### *9-5.4 Method Qualified Tester Program*

The Region Independent Assurance Inspectors are responsible for maintaining the Tester Qualification database information for their Region Method Testers as well as maintaining the Method internal certifications and records (physical and digital).

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-015 The Washington State Department of Transportation did not have adequate internal controls over and did not comply with cash management requirements for the Formula Grants for Rural Areas program.**

<b>Assistance Listing Number and Title:</b>	20.509 Formula Grants for Rural Areas
<b>Federal Grantor Name:</b>	U.S. Department of Transportation
<b>Federal Award/Contract Number:</b>	WA-2019-091-01; WA-2020-038-01; WA-2021-052-01; WA-2021-130-01; WA-2021-133-01; WA-2022-031-01
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Cash Management
<b>Known Questioned Cost Amount:</b>	\$41,555
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Washington State Department of Transportation administers the Section 5311 program—Formula Grants for Rural Areas—to rural transportation areas by providing financial assistance for operating, planning, administrative expenses, and the acquisition, construction, and improvement of facilities and equipment. In addition, Section 5311 specifically provides for the support of rural intercity bus services, as well as funding for training, technical assistance, research, and related services to support the rural transit service. The Department spent about \$80.3 million in program funds during fiscal year 2023. Of that amount, it passed through about \$35.2 million to subrecipients through subawards.

The Formula Grants for Rural Areas program is not subject to the Cash Management Improvement Act, and is not included in the Treasury-State Agreement for Washington. Programs not covered by a Treasury-State Agreement are subject to the provisions of Title 31 of the U.S. Code of Federal Regulations, Part 205, Subpart B, which specifies how funds transfers from the federal government



must be processed. The Department requests monthly federal reimbursements for operating expenses and disbursements to subrecipients.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with cash management requirements for the Formula Grants for Rural Areas program.

We used a non-statistical sampling method to randomly select and examine 17 draws of program funds out of a total population of 128. We also selected six large draws that were individually significant. During our review, we found that one draw in the amount of \$41,555 was made for an incorrect program. Management reviewed, verified, and approved this draw, but the Department did not detect that funds were drawn for the incorrect program during the audit period. We consider these questioned costs.

Additionally, we found that two of the six individually significant draws were not made timely. One draw for \$6.3 million was made in June 2023 for expenditures the Department incurred and paid in fiscal year 2021. Similarly, another draw for \$9 million was made in April 2023 for expenditures the Department incurred and paid for in fiscal year 2022. Based on the length of time it took to perform the associated draws, we determined that the Department did not comply with federal requirements to minimize the time between the drawdown of federal funds and their disbursement for federal program purposes. Therefore, the Department's controls did not ensure timely draws in compliance with federal regulations.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

Management review was insufficient for ensuring that program funds were drawn only for allowable program expenditures. Additionally, management did not ensure that draws were performed timely in accordance with federal regulations and said this was due to difficulties in reconciling expenditure accruals to the payment system.

### *Effect of Condition and Questioned Costs*

Drawing funds for the incorrect federal program can potentially result in uncollected funds in one program and overdrawing another. Further, delaying federal drawdown requests results in state funds being advanced longer than necessary and lost interest revenue for the state. The table below summarizes the questioned costs our audit identified.

<b>Projection to population</b>	<b>Known Questioned Costs</b>	<b>Likely Questioned Costs (Estimate)</b>
Federal expenditures	\$41,555	\$298,218

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflects this conclusion. However, the likely improper payment projections are a point estimate and only represent our “best estimate of total questioned costs,” as required by 2 CFR §200.516(3).

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

### *Recommendations*

We recommend the Department:

- Improve its internal controls to ensure reimbursement requests are for the correct federal award
- Ensure draws of federal program funds are performed in a timely manner
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Washington State Department of Transportation (WSDOT) appreciates the State Auditor's Office (SAO) audit of the Formula Grants for Rural Areas Program. The Department is committed to ensuring our programs comply with federal regulations related to Cash Management.*

*WSDOT has implemented additional controls to help ensure the draws of program funds are accurate, drawn on the correct program, and timely. The updated procedures include: Identifying back up staff to ensure coverage during regular staff absences; Change in the timing of draws of program funds; Use of automatic ECHO system confirmations for draws entered; Additional reviews of draw amounts by project, and a Validation process with the WSDOT program staff. In addition, the questioned costs have been refunded to the incorrectly charged federal program.*

*In an effort to ensure increased compliance, these procedures will be reviewed regularly and updated as required.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for improper payments. Part 200.410 establishes requirements for the collection of unallowable costs.

Title 31 CFR Part 205.33, *How are funds transfers processed?*, states in part:

- a. A State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project. The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. States

should exercise sound cash management in funds transfers to subgrantees in accordance with OMB Circular A-102 (For availability, see 5 CFR 1310.3.).

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-016 The Washington State Department of Transportation did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Formula Grants for Rural Areas program.**

<b>Assistance Listing Number and Title:</b>	20.509 Formula Grants for Rural Areas
<b>Federal Grantor Name:</b>	U.S. Department of Transportation
<b>Federal Award/Contract Number:</b>	WA-2019-091-01; WA-2020-038-01; WA-2021-052-01; WA-2021-130-01; WA-2021-133-01; WA-2022-031-01
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Washington State Department of Transportation administers the Section 5311 program—Formula Grants for Rural Areas—to rural transportation areas by providing financial assistance for operating, planning, administrative expenses, and the acquisition, construction, and improvement of facilities and equipment. In addition, Section 5311 specifically provides for the support of rural intercity bus services, as well as funding for training, technical assistance, research, and related services to support the rural transit service. The Department spent about \$80.3 million in program funds during fiscal year 2023. Of that amount, it passed through about \$35.2 million to subrecipients through subawards.

When passing federal funds through to subrecipients, federal regulations require the Department to monitor them based on a risk assessment to ensure:

- Federal funds are used for authorized purposes in compliance with federal statutes, regulations, and the terms and conditions of the subaward.
- Subaward performance goals are achieved.

- The subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award, when applicable.

The Department's subrecipient monitoring activities include virtual and physical site visits for various types of reviews based on risk assessments performed on a biennial basis, including:

- Financial reviews
- Administrative policy reviews
- Drug and alcohol compliance reviews
- Capital (equipment) reviews

According to the *Department's Consolidated Grant Guidebook*, which outlines general grant terms and conditions, the Department conducts biennial risk assessments to evaluate each subrecipient's risk of noncompliance with grant requirements. The Department then determines the frequency of site visits for each subrecipient based on risk level, and schedules them accordingly.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Formula Grants for Rural Areas program.

We used a nonstatistical sampling method to randomly select and examine 12 site visits out of a total population of 65 to verify if the Department appropriately monitored its subrecipients. We found the Department did not perform two site visits during the audit period (17 percent). We also reviewed the Department's site visit tracker and found three additional site visits that were not performed at the time of our audit. Additionally, we found that 10 other site visits were not completed by the Department's scheduled due date (20 percent).

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department's use of a tracker to schedule and complete site visits timely was insufficient to ensure that it appropriately monitored subrecipients in accordance with federal regulations. In addition, the Department's policies and procedures did not specify when site visits must be conducted for subrecipients based on their assessed risk score or risk level. Accordingly,

management did not enforce the due date for each subrecipient's site visits established in the tracker, and did not ensure that all required site visits were completed.

### ***Effect of Condition***

During the audit period, the Department did not complete five out of 65 (8 percent) scheduled site visits for subrecipients. By not performing monitoring visits timely, the Department is at a higher risk of not detecting or preventing noncompliance with federal regulations and the grant's terms and conditions. Additionally, the Department is at increased risk of not ensuring that subaward performance goals are achieved, and is unable to ensure subrecipients correct any existing deficiencies in a timely manner.

### ***Recommendations***

We recommend the Department:

- Strengthen internal controls to ensure that it performs and documents monitoring visits based on its risk assessments of its subrecipients to ensure compliance with federal regulations and its own guidebook
- Update its written policies and procedures to address the minimum requirements for conducting site visits, including determining how a subrecipient's assessed risk score and risk level affect the timing and number of site visits required
- Monitor the status of site visits for all its subrecipients to ensure that each one is evaluated in accordance with the requirements in its own guidebook
- Follow up on subrecipients with overdue site visits to ensure they are conducted timely

### ***Department's Response***

*The Washington State Department of Transportation (WSDOT) appreciates the State Auditor's Office audit of the Formula Grants for Rural Areas. WSDOT is committed to ensuring our programs comply with federal regulations. WSDOT concurs with the finding and plans to implement the recommendations. Specifically, our Public Transportation Division will:*

- *Update Public Transportation policy and procedure to more fully document its risk-based site visit approach. This update will clarify how an organization's risk assessment score impacts the timing and number of administrative and financial site visits. This update will not impact capital and drug and alcohol site visits because Public Transportation Division staff conduct them every two years regardless of risk assessment scores.*

- *Evaluate new ways for management, supervisors and staff to more effectively monitor site visit completion by established due dates. Once this group develops a new approach, management will ensure that staff document it in its policies and procedures and communicate the new approach to impacted staff.*

*As of October 2023, the Public Transportation Division had conducted all five site visits listed in the condition of this finding.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in *its Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The Washington State Department of Transportation *Consolidated Grant Guidebook* (M130 (March 2022 version)), Chapter 1 – Requirements and guidelines for all projects, states in part:

#### **Program compliance and project reporting**

##### **Risk assessments**

Every two years and in accordance with 2 CFR 200.332(b)(1-4), WSDOT conducts risk assessments to evaluate each grantee's risk of noncompliance with the grant requirements. We use the risk assessment results to determine how much technical assistance and oversight may be necessary to help organizations comply with grant requirements.



WSDOT will designate organizations that have a strong record of grant compliance and project delivery as low risk. The benefits of low-risk status may include less frequent site visits.

High-risk status may result in more frequent site visits and a higher level of monitoring between site visits. For example, grantees may be required to provide full back up documentation with their claims.

### **Frequency of site visits**

The frequency of site visits depends on the type of project, the funding source, type of site visit, and your risk scores.

Below is general information on the frequency of site visits:

- **Operating projects**

WSDOT will perform administrative and financial site visits at least once every four years on active projects based on an organization's risk score.

- **Planning projects**

WSDOT will perform administrative and financial site visits at least once every four years on active projects based on an organization's risk score.

- **Capital vehicle and equipment projects**

WSDOT will perform administrative and capital site visits at least once every four years on active projects based on an organization's risk score through the useful life of the vehicle and/or equipment.

- **Drug and alcohol program reviews**

WSDOT will perform a drug and alcohol site visit every biennium as needed based on an organization's risk. This applies only to grantees awarded Sections 5339 and 5311 funding.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-017 The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients of the Emergency Rental Assistance program were allowable and properly supported.**

<b>Assistance Listing Number and Title:</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	N/A
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs / Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$4,123,486
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-016

### ***Background***

Congress passed two acts authorizing federal funds for the Emergency Rental Assistance (ERA) program to respond to the COVID-19 pandemic. The Consolidated Appropriations Act, 2021, enacted on December 27, 2020, provided \$25 billion for ERA. These funds are known as ERA1. The American Rescue Plan Act of 2021, enacted on March 11, 2021, provided \$21.55 billion in additional funding for ERA. These funds are known as ERA2. The funds are provided directly to states, U.S. territories, local governments and, in the case of ERA1, Indian tribes, to assist eligible households through existing or newly created rental assistance programs.

The Department of Commerce administers the ERA program in Washington. The Department subawarded federal funds to subrecipients to provide financial assistance to households, landlords and utility providers. In fiscal year 2023, the Department spent about \$62.5 million in ERA1 and ERA2 funds. During the audit period, the Department allocated program funds to 13 ERA1

subrecipients and 12 ERA2 subrecipients. Grant recipients may use ERA1 and ERA2 funds for administrative expenses, housing stability services, financial assistance, and other affordable rental housing and eviction prevention purposes.

Most of the expenditures the Department spent were for financial assistance to eligible households, which included payment of rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, housing stability services and other expenses related to housing. Under the ERA1 program, award funds used for “other expenses” must be related to housing and “incurred due, directly or indirectly, to the COVID-19 outbreak.” The amount for prospective rent cannot exceed three months under a single household application. Financial assistance arrears may only cover household expenses accrued on or after March 13, 2020, up to a maximum of 15 months for ERA1 and a maximum of 18 months under ERA1 and ERA2 combined.

There is no maximum dollar amount for the cumulative financial assistance that may be provided on behalf of an eligible household beyond the requirement that the amounts paid be based on documentation of household income, leases and equivalent forms.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients of the ERA program were allowable and properly supported. The prior finding number was 2022-016.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure payments for the ERA program were allowable and properly supported.

During the audit period, the Department had procedures in place, which required staff to review supporting documentation when approving payments.

We used a statistical sampling method to randomly select and examine 48 out of a total population of 136 subrecipient payments. Additionally, we judgmentally reviewed two significant payments that each exceeded \$3 million. In total, we examined more than \$39 million in provider payments as part of the audit.

Of the 48 randomly selected payments examined, we identified seven (15 percent) that did not have adequate documentation to ensure the payment was for allowable activities, met cost principles, and occurred within the award’s period of performance.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

## *Cause of Condition*

In July 2022, the Department implemented procedures requiring staff to review supporting documentation to ensure reimbursement requests were for allowable activities before reimbursing subrecipients. However, Department staff did not follow these procedures and approved reimbursements to subrecipients that did not provide adequate supporting documentation. Management said that this was caused by staff turnover during the audit period.

## *Effect of Condition and Questioned Costs*

We determined the Department did not receive adequate supporting documentation before reimbursing subrecipients to ensure that expenditures were for allowable activities, met cost principles, and occurred within the award's period of performance. As a result, we identified \$4,123,486 in known federal questioned costs and \$11,511,399 in likely federal questioned costs.

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflect this conclusion. However, the likely improper payment projections are a point estimate and only represent our "best estimate of total questioned costs," as required by 2 CFR 200.516(a)(3).

Without establishing adequate internal controls, the Department cannot reasonably ensure it is using federal funds for allowable purposes and that program spending occurs within the allowed period of performance.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendations*

We recommend the Department:

- Improve internal controls to ensure payments to subrecipients are not approved without a review of adequate supporting documentation
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Department acknowledges the payments reported lacked adequate documentation to ensure compliance with federal requirements.*

*In July 2022, the Department began requiring subrecipients to submit supporting backup documentation for all expenditures to the program for review and approval.*

*Due to the temporary nature of the Emergency Rental Assistance (ERA) program, all staff supporting the administration of the program held temporary positions and staff turnover impacted consistency with compliance of federal requirements. As a result, supporting documentation for seven of the randomly selected 48 payments were approved before they were fully reviewed and determined to be properly supported. The Department will obtain the supporting documentation for those transactions to ensure the invoices paid were properly supported and to retail with the corresponding invoices.*

*The Department has used the reported deficiency to improve our internal control processes and has since implemented a new control process requiring staff include a note to the invoicing system recording documentation received supported and reconciled to the submitted invoice before payment is approved.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for questioned costs. Part 200.410 establishes requirements for the collection of unallowable costs.

Title 2 CFR Part 200.403, Uniform Guidance, establishes the factors affecting the allowability of costs.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-018 The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Emergency Rental Assistance program.**

<b>Assistance Listing Number and Title:</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022- 017

### ***Background***

Congress passed two acts authorizing federal funds for the Emergency Rental Assistance (ERA) program to respond to the COVID-19 pandemic. The Consolidated Appropriations Act, 2021, enacted on December 27, 2020, provided \$25 billion for ERA. These funds are known as ERA1. The American Rescue Plan Act of 2021, enacted on March 11, 2021, provided \$21.6 billion in additional funding for ERA. These funds are known as ERA2. The funds are provided directly to states, U.S. territories, local governments and, in the case of ERA1, Indian tribes, to assist eligible households through existing or newly created rental assistance programs.

The Department of Commerce administers the ERA program in Washington. The Department subawarded federal funds to subrecipients to provide financial assistance to households, landlords and utility providers. In fiscal year 2023, the Department spent about \$62.5 million in ERA1 and ERA2 funds. During the audit period, the Department allocated program funds to 12 ERA1 subrecipients and 11 ERA2 subrecipients. Grant recipients may use ERA1 and ERA2 funds for administrative expenses, housing stability services, financial assistance, and other affordable rental housing and eviction prevention purposes.

The Department is required to submit quarterly ERA Compliance Reports for ERA1 and ERA2, which contain information on the number of participating households that received financial assistance and the amount of ERA funds expended or obligated by the Department to or for participating households.

The federal grantor specified there were four key line items on the ERA Compliance Report that contained critical information.

1. Administrative Cost Ratio: Total obligations and/or expenditures for administrative costs does not exceed relevant threshold of total allocation (10 percent across the prime and all subrecipients for ERA1, not to exceed 15 percent for ERA2 across the prime and all subrecipients).
2. Housing Stability Services Ratio: Total obligations and/or expenditures for housing stability services is not greater than 10 percent of total amount allocated.
3. System for Prioritizing Assistance: The number of households with less than 50 percent area median income (AMI) receiving financial assistance is greater than the number of households with greater than 50 percent AMI receiving assistance.
4. Participant Households at Certain Income Levels Eligibility: The total households receiving assistance is not greater than the sum of the AMI-banded eligible households with a 5 percent to 10 percent margin of error to avoid false positives for medium to large recipients.

Each ERA subrecipient completes a templated spreadsheet that includes these four line items and submits it monthly to the Department. The Department then sends these spreadsheets to a third-party vendor that aggregates the monthly data for each quarter and performs data validation and diagnostic checks, including deduplication and data cleanup. The Department uses a summary of the vendor's aggregated data to complete the ERA Compliance Report.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with reporting requirements for the ERA program. The prior finding number was 2022-017.



## *Description of Condition*

The Department did not have adequate internal controls over and did not comply with reporting requirements for the ERA program.

During the audit period, the Department's program staff said that all subrecipient monthly reports were reviewed and approved by the appropriate personnel before being sent to the third-party vendor for aggregation. However, program staff did not document their review or approval, so we are unable to determine if the proper reviews occurred. Additionally, the Department did not review the vendor's aggregated data to ensure it was complete and accurate before submitting it to the grantor.

We used a non-statistical sampling method to randomly select and examine four out of a total population of seven reports. All four reports we examined had material errors, as summarized below:

### *Report One – ERA1 Q3 2022*

- The Department underreported administrative expenses by \$2,576,697 (59 percent) and housing stability services by \$31,927 (100 percent).

### *Report Two – ERA1 final report*

- The Department underreported the number of participating households by 9,880 (20 percent).

### *Report Three – ERA2 Q3 2022*

- The Department underreported total financial assistance by \$1,567,045 (9 percent) because it did not ensure all subrecipients submitted data timely for reporting.

### *Report Four – ERA2 Q1 2023*

- The Department could not provide the completed report, so we were unable to identify the amounts reported or determine if they were accurate.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## ***Cause of Condition***

The Department did not require management to document their reviews of reports and supporting documentation before submitting them to the grantor. If reviews of the reports were performed, they were inadequate for detecting the identified errors. Further, the Department did not monitor or review the vendor's aggregated data to ensure it was reliable.

The Department also did not maintain copies of these reports after submitting them. The Department tried to download a copy of the fourth report from the reporting website, but some required fields were blank. The Department contacted the grantor for assistance but did not receive a response.

## ***Effect of Condition***

By not reviewing and reconciling aggregated subrecipient data and supporting documentation, management was unable to demonstrate the amounts reported were complete and accurate. In addition, by not retaining completed reports, management was unable to demonstrate the Department reported key line items to the grantor.

Without establishing adequate internal controls, the Department cannot reasonably ensure that the required line items reported to the grantor are complete and accurate.

## ***Recommendations***

We recommend the Department:

- Ensure it retains copies of completed reports after submitting them to the grantor
- Ensure that management performs and documents an adequate review of the supporting documentation before submitting reports to the grantor
- Ensure it reviews the aggregated subrecipient data collected from the third-party vendor for completeness and accuracy

## ***Department's Response***

*The Department contracted with a vendor skilled in performing data analytics to aggregate the data required in the monthly and quarterly reports submitted to the Department of Treasury (Treasury). Each Treasury report included data on thousands of households served as well as millions of dollars expended in financial assistance. Department staff reviewed grantee's data before it was submitted to the vendor and often communicated with grantees to recommend corrections to their data, however, that review process was not explicitly documented.*

*During a review of cumulative data for Emergency Rental Assistance (ERA) 1 and ERA2, an error was made, two numbers were transposed when reporting households served, resulting in underreporting in the ERA1 Final Report.*

*Treasury guided grantees to correct previous report issues on future reports instead of submitting a new report for that quarter, resulting in late or corrected data being updated on a future ERA2 report. The Department was unable to access Treasury reports even though Treasury reports were supposed to be available for download through their reporting portal. However, the download function was often unavailable. When the Department requested the ERA2 Q1 2023 report from Treasury, Treasury was unresponsive, and the Department was unable to obtain and provide the data requested by the State Auditor's Office (SAO).*

*We thank the SAO for the opportunity to respond to the concerns reported as a result of the audit for ERA reporting. We strive to improve our internal controls and increase our compliance.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, *Monitoring and reporting program performance*, section 329, states in part:

#### **(b) Reporting program performance.**

The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data and accomplishments to performance goals and objectives of the Federal award. Also, in accordance with above mentioned common information collections, and when required by the terms and conditions of the Federal award, recipients must provide cost information to demonstrate cost

effective practices (e.g., through unit cost data). In some instances (e.g., discretionary research awards), this will be limited to the requirement to submit technical performance reports (to be evaluated in accordance with Federal awarding agency policy). Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

15 U.S. Code 9058c, *Emergency rental assistance*, establishes funding and allocation requirements.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-019 The Department of Commerce did not have adequate internal controls over reporting requirements for the Emergency Rental Assistance program.**

<b>Assistance Listing Number and Title:</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting Special Tests and Provisions: ERA Funds Reallocation
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-017

### ***Background***

Congress passed two acts authorizing federal funds for the Emergency Rental Assistance (ERA) program to respond to the COVID-19 pandemic. The Consolidated Appropriations Act, 2021, enacted on December 27, 2020, provided \$25 billion for ERA. These funds are known as ERA1. The American Rescue Plan Act of 2021, enacted on March 11, 2021, provided \$21.6 billion in additional funding for ERA. These funds are known as ERA2. The funds are provided directly to states, U.S. territories, local governments and, in the case of ERA1, Indian tribes, to assist eligible households through existing or newly created rental assistance programs.

The Department of Commerce administers the ERA program in Washington. The Department subawarded federal funds to subrecipients to provide financial assistance to households, landlords and utility providers. In fiscal year 2023, the Department spent about \$62.5 million in ERA1 and ERA2 funds. During the audit period, the Department allocated program funds to 13 ERA1

subrecipients and 11 ERA2 subrecipients. Grant recipients may use ERA1 and ERA2 funds for administrative expenses, housing stability services, financial assistance, and other affordable rental housing and eviction prevention purposes.

The Department is required to submit quarterly financial reports (SF-425) for ERA1 and ERA2. These reports contain information on award receipts, expenditures by state and federal share, cash on hand, any unobligated balance, and indirect costs for the reporting period. The U.S. Department of the Treasury uses the cumulative obligated and expended amounts in these quarterly reports to make reallocation determinations to ensure ERA funds remain available to grantees in accordance with jurisdictional needs and demonstrated capacity to deliver assistance while the ERA appropriations remain available.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with reporting requirements for the ERA program. The prior finding number was 2022-017.

### ***Description of Condition***

The Department did not have adequate internal controls over reporting requirements for the ERA program.

The Department's procedure requires the Grants and Loan Manager, or their delegate, to review and approve each SF-425 report in the Department's Contract Management System (CMS) before it is submitted to Treasury. This review process ensures the reports are complete, accurate and reconcile with backup documentation from the agency's accounting system.

We used a non-statistical sampling method to randomly select and examine four out of a total population of seven quarterly financial reports. We found one report (25 percent) that was not reviewed or approved in CMS until 45 days after it was submitted to Treasury.

We consider this internal control deficiency to be a material weakness.

This issue was reported as a finding in the prior audit.

### ***Cause of Condition***

Department officials said staff turnover and a lack of management oversight resulted in the report being submitted to Treasury without the required approval in CMS.

## ***Effect of Condition***

By not properly reviewing the SF-425 report, the Department risks inaccurate reporting and cannot reasonably ensure that the expenditure and obligation amounts reported to Treasury are complete and accurate. As a result, Treasury may not be able to make accurate reallocation determinations.

## ***Recommendations***

We recommend the Department:

- Ensure management review and approve the SF-425 reports before staff submit them to Treasury
- Properly train new staff and ensure management oversee the ERA reporting process

## ***Department's Response***

*The Department would like to thank the State Auditor's Office for their diligence in auditing emergency rental assistance reporting for fiscal year 2023. The Department acknowledges an error was made and one SF-425 approval was not documented in the Contracts Management System prior to submission to the Department of Treasury as required. The Department has made significant improvement in documenting program reviews and approvals in the submission of required reports. The Department initiated a spreadsheet for fiscal analysts, supervisors and/or program managers to document their approval in CMS after review of the SF-425. This will ensure submission approval is made in CMS for all future reports.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

## 15 U.S. Code § 9058a – Emergency rental assistance

### (d) Reallocation of unused funds

Beginning on September 30, 2021, the Secretary shall recapture excess funds, as determined by the Secretary, not obligated by a grantee for the purpose described under subsection (c) and the Secretary shall reallocate and repay such amounts to eligible grantees who, at the time of such reallocation, have obligated at least 65 percent of the amount originally allocated and paid to such grantee under subsection (b)(1), only for the allowable uses described under subsection (c). The amount of any such reallocation shall be determined based on demonstrated need within a grantee's jurisdiction, as determined by the Secretary.

## Department's Federal Financial Reporting (FFR) Process

### PART II – Preparing the FFR

6) In box 13a – 13e enter the information for the individual preparing the FFR. Grants & Loans Manager or delegate must review and sign the FFR prior to submittal.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-020 The Department of Commerce did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Emergency Rental Assistance program.**

<b>Assistance Listing Number and Title:</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

Congress passed two acts authorizing federal funds for the Emergency Rental Assistance (ERA) program to respond to the COVID-19 pandemic. The Consolidated Appropriations Act, 2021, enacted on December 27, 2020, provided \$25 billion for ERA. These funds are known as ERA1. The American Rescue Plan Act of 2021, enacted on March 11, 2021, provided \$21.6 billion in additional funding for ERA. These funds are known as ERA2. The funds are provided directly to states, U.S. territories, local governments and, in the case of ERA1, Indian tribes, to assist eligible households through existing or newly created rental assistance programs.

The Department of Commerce administers the ERA program in Washington. The Department subawarded federal funds to subrecipients to provide financial assistance to households, landlords and utility providers. In fiscal year 2023, the Department spent about \$62.5 million in ERA1 and ERA2 funds. The Department allocated program funds to 12 subrecipients for ERA1 and 11 subrecipients for ERA2.

Federal regulations require the Department to monitor the activities of its subrecipient as necessary to ensure that they use their subawards for authorized purposes, comply with the terms and conditions of their subawards, and achieve performance goals. The Department performed one round of monitoring for each of the ERA1 and ERA2 subrecipients to ensure compliance.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

***Description of Condition***

The Department did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the ERA program.

During the audit period, the Department had written procedures requiring reviewers to examine client files. However, they were only required to examine five client files for ERA1 and 10 client files for ERA2.

We used a non-statistical sampling method to randomly select and examine five out of a total population of 12 subrecipients. For these five subrecipients, we verified that staff reviewed the number of client files that management required for each program. However, there were a total of 30,153 households served for ERA1 and 30,963 households served for ERA2. Thus, the Department reviewed less than one-half of 1 percent of client files for each ERA1 and ERA2 subrecipient. We determined the individual client reviews were sufficient. However, in our judgment, the total number of client files reviewed for each subrecipient was inadequate to reasonably ensure compliance with program requirements.

The following table summarizes the percentage of client files reviewed for each subrecipient:

<b>Program</b>	<b>Total Households Served</b>	<b>Number of Subrecipients</b>	<b>Average Number of Households per Subrecipient</b>	<b>Number of Client Files Reviewed</b>	<b>Percent of Client Files Reviewed for Each Subrecipient</b>
<b>ERA 1</b>	30,153	12	2,513	5	0.2%
<b>ERA 2</b>	30,963	11	2,815	10	0.4%

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## ***Cause of Condition***

Department officials said that limited staffing capacity determined how many client files were reviewed.

## ***Effect of Condition***

Subrecipient monitoring procedures are critical for ensuring program compliance and identifying potential misappropriations of public funds. Without establishing adequate internal controls, the Department cannot reasonably ensure that its subrecipients are using federal funds for allowable purposes. Additionally, without adequately monitoring each subrecipient's uses of federal funds, the Department does not have reasonable assurance that the subrecipient has complied with the terms and conditions of the subaward.

## ***Recommendation***

We recommend the Department modify its written procedures to require an adequate number of subrecipient client files to be reviewed during program monitoring to provide reasonable assurance that each subrecipient is compliant with program requirements.

## ***Department's Response***

*The Emergency Rental Assistance (ERA) program monitoring commenced in fiscal year 2022 and continued in fiscal year 2023. The program established a process to monitor five to ten client files, which included randomly selected fiscal back up documentation from an invoice for each subrecipient. This process is included in the ERA monitoring procedure. On average it has taken three months to collect the required monitoring documentation from grantees due to the complicated nature of the program and administrative burden subrecipients faced in administering the award. The program has an average of three project staff to perform all monitoring duties which has resulted in program monitoring taking longer than anticipated. The program opted to focus on being able to do a smaller monitoring for every subrecipient instead of completing a larger monitoring for only a few subrecipients. This process allowed the Department to successfully complete a program monitoring for all ERA subrecipients. We understand that the sample size we are able to monitor is not sufficient given the size of the ERA program. SAO has not provided explicit guidance as to what an appropriate ratio of client files would be compared to the amount of households served and financial assistance expended. The program and the Department strive to improve subrecipient monitoring to address the appropriate level of risk for each recipient of federal funds.*

### *Auditor's Remarks*

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### *Applicable Laws and Regulations*

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-021 The Department of Commerce did not have adequate internal controls over federal requirements to ensure subawards for the Emergency Rental Assistance program contained the correct federal award identification elements.**

<b>Assistance Listing Number and Title:</b>	21.023 COVID-19 Emergency Rental Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

Congress passed two acts authorizing federal funds for the Emergency Rental Assistance (ERA) program to respond to the COVID-19 pandemic. The Consolidated Appropriations Act, 2021, enacted on December 27, 2020, provided \$25 billion for ERA. These funds are known as ERA1. The American Rescue Plan Act of 2021, enacted on March 11, 2021, provided \$21.6 billion in additional funding for ERA. These funds are known as ERA2. The funds are provided directly to states, U.S. territories, local governments and, in the case of ERA1, Indian tribes, to assist eligible households through existing or newly created rental assistance programs.

The Department of Commerce administers the ERA program in Washington. During the audit period, The Department subawarded federal funds to subrecipients to provide financial assistance to households, landlords and utility providers. In fiscal year 2023, the Department spent about \$62.5 million in ERA1 and ERA2 funds. The Department allocated program funds to 12 subrecipients for ERA1 and 11 subrecipients for ERA2.

Federal regulations require pass-through entities to ensure that every subaward is clearly identified as a subaward to a subrecipient, and that it includes the 14 federal award identification elements.

These elements include the subrecipient's unique entity identifier, the Federal Award Identification Number, the name of the federal awarding agency, the program's Assistance Listing Number and title, and more.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over federal requirements to ensure ERA subawards contained the correct federal award identification elements.

During the audit period, the Department executed one ERA subaward for more than \$4 million. We examined the subaward and found it contained the 14 required elements. However, we found it was not clearly identified as a federal subaward, and the subrecipient was referred to as a contractor throughout the award.

We consider this internal control deficiency to be a material weakness.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department could not provide documentation to show it had an adequate internal control in place to ensure that the subaward included all the correct information. Furthermore, the subrecipient was referred to as a contractor throughout the award because the Department used a contract template; it did not have a subaward template available at that time.

### ***Effect of Condition***

Without establishing adequate internal controls, the Department cannot ensure it has communicated all required data elements to the subrecipient. Furthermore, by not clearly identifying the subaward as such, the Department cannot ensure the subrecipient has been adequately informed of the program requirements, federal regulations, and the subaward's terms and conditions.

### ***Recommendations***

We recommend the Department establish adequate internal controls to ensure it includes all required information in every federal subaward. This must include ensuring that the award is clearly identified as a subaward and not a contract.

## ***Department's Response***

*The Department agrees with the Washington State Auditor's Office (SAO) that our contract template refers to the subrecipient in the contract as a "contractor". That terminology was used to identify the recipient as part of the contract, not the type of federal recipient. We identified the need to specify the federal recipient type in the contract in 2022 and in October 2022 we changed the face sheets of all of our federal contract templates to identify each recipient as a subrecipient or contractor. Unfortunately, there was a timing issue with the issuance of the contract included in the audit and the prior federal template was used.*

*The Department treated the recipient as a subrecipient and followed all of the Code of Federal Regulations (CFR) requirements. We communicated the Requirements for Pass Through Entities to the recipient which is only communicated to subrecipients per the CFR.*

*Going forward, all program contracts will be issued on the updated federal contract templates which will designate the recipient type as either a subrecipient or contractor. Short of an error being made, the Department feels this exception has been resolved. We appreciate the opportunity to respond to this error.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes requirements for all pass-through entities.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-022 The Housing Finance Commission did not have adequate internal controls over eligibility requirements for the Homeowner Assistance Fund program.**

<b>Assistance Listing Number and Title:</b>	21.026 COVID-19 Homeowner Assistance Fund
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Eligibility
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The American Rescue Plan Act of 2021 provided \$9.96 billion to the Homeowner Assistance Fund (HAF) program. The U.S. Department of the Treasury provides funds directly to states, U.S. territories, and Indian tribes to assist eligible homeowners experiencing financial hardship due to the COVID-19 pandemic. Program funds can be used to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and homeowner displacement. The law prioritizes funds for homeowners who have experienced hardships, leveraging local and national income indicators to maximize the program's impact.

The Housing Finance Commission administers the HAF program in Washington. In fiscal year 2023, the Commission spent about \$34.7 million in HAF funds. The Commission is required to ensure all homeowners who receive HAF funds are eligible for the program. The HAF Plan Term Sheet, approved by the federal grantor, outlines the general eligibility requirements for the program. The Commission entered into an agreement with a contractor to perform eligibility determinations for the program. As part of the agreement, the contractor reviews eligibility determinations for 10 percent of applications that were approved, denied and withdrawn each quarter. The contractor provides these results to the Commission. To ensure the contractor made



the correct determinations, Commission staff reviews 10 percent of the eligibility determinations that the contractor reviewed.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Commission did not have adequate internal controls over eligibility requirements for the HAF program.

During the audit period, the Commission only reviewed 1 percent of all approved, denied and withdrawn applications. The determinations that staff reviewed were only taken from those that the contractor selected, so the Commission had no assurance that the 90 percent of the determinations the contractor did not select were made properly. Because the Commission did not perform any additional independent reviews, we determined the Commission did not perform an adequate level of review to ensure proper eligibility determinations were made for the program as a whole.

We consider this internal control deficiency to be a material weakness.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management believed the level of review performed by Commission staff was adequate to ensure proper eligibility determination for all HAF applicants.

### ***Effect of Condition***

Without establishing adequate internal controls, the Commission is at a higher risk of paying ineligible homeowners. In addition, by only reviewing cases that the contractor selected, there is a risk that the eligibility determinations that Commission staff reviewed were not representative of the program as a whole.

## *Recommendations*

We recommend the Commission:

- Improve internal controls to ensure it only provides HAF funds to eligible homeowners
- Ensure that Commission staff perform and document an adequate review of approved, denied and withdrawn HAF applications that are independent of those reviewed by the contractor

## *Commission's Response*

*The Commission concurs with this finding.*

*The Commission will strengthen its controls and increase its level of reviews, including a selection of applications independent of those verified by the contractor to ensure a more representative population.*

## *Auditor's Remarks*

We thank the Commission for its cooperation and assistance throughout the audit. We will review the status of the Commission's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The U.S. Department of the Treasury's *Homeowner Assistance Fund: Guidance on Participant Compliance and Reporting Responsibilities*, states, in part:

**Eligibility.** Under this program, HAF participants are responsible for ensuring funds are used for eligible purposes. Generally, HAF participants must develop and implement policies and procedures, and record retention, to determine and monitor implementation of criteria for determining the eligibility of beneficiaries and / or

Subrecipients. HAF participants, and if applicable, the Subrecipient(s) administering a program on behalf of the HAF participant, will need to maintain procedures for obtaining information evidencing a given beneficiary, Subrecipient, or contractor's eligibility, including a valid SAM.gov registration. Implementing risk-based due diligence for eligibility determinations is a best practice to augment your organization's existing controls.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-023 The Housing Finance Commission did not have adequate internal controls over earmarking requirements for the Homeowner Assistance Fund program.**

<b>Assistance Listing Number and Title:</b>	21.026 COVID-19 Homeowner Assistance Fund
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Earmarking
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The American Rescue Plan Act of 2021 provided \$9.96 billion to the Homeowner Assistance Fund (HAF) program. The U.S. Department of the Treasury provides funds directly to states, U.S. territories, and Indian tribes to assist eligible homeowners experiencing financial hardship due to the COVID-19 pandemic. Program funds can be used to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and homeowner displacement. The law prioritizes funds for homeowners who have experienced hardships, leveraging local and national income indicators to maximize the program's impact.

The Housing Finance Commission administers the HAF program in Washington. In fiscal year 2023, the Commission spent about \$34.7 million in HAF funds. The Commission must meet earmarking requirements for the following four categories:

1. Counseling or educational efforts by housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD), tribal government (including such efforts by in-house housing counselors who are HUD certified or tribally approved), or legal services, targeted to households eligible to be served with funding from the HAF

related to foreclosure prevention or displacement, in an aggregate amount up to 5 percent of the funding from the HAF received by the HAF participant.

2. Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15 percent of the funding from the HAF received by the HAF participant.

3. Participants are providing not less than 60 percent of funds to homeowners with income less than 100 percent of area median income (AMI) or 100 percent of U.S. median income.

4. Participants target homeowners who are classified as socially disadvantaged individuals (SDIs) and 100 percent AMI or less.

The Commission is required to meet the requirements of the first, second and third earmarks when the HAF funds are fully expended. When administering the program, the Commission is required to have processes in place to track these requirements to ensure it is compliant at the end of the award.

The HAF Plan, approved by the federal grantor, outlines the program design and the budget allocation for the earmarking categories. These amounts are based on the award being fully expended. For the first two earmarking requirements, the Commission used these budgets to contract for necessary services. Commission staff then maintained a tracking spreadsheet to ensure payments did not exceed the contracted amount.

For the third earmark requirement, the Commission allocated 77 percent of the HAF award to homeowners, and it required all homeowners to have an income less than 100 percent AMI. For the fourth earmark requirement, the Commission contracted with a contractor to perform outreach targeting SDIs and those that are less than 100 percent AMI.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Commission did not have adequate internal controls over earmarking requirements for the HAF program.

During the audit period, the Commission tracked contractor payments applicable to the first and second earmarking requirements. However, expenditures were tracked in relation to the amounts budgeted in the HAF Plan. The Commission did not review these expenditures in relation to overall program expenditures to ensure they were on track to be compliant with the established earmarks.

For the third earmarking requirement, the Commission relied on eligibility determinations made by a contractor to ensure all homeowners in the HAF program have income less than 100 percent AMI. We determined the Commission did not have an adequate process to ensure all applicants met eligibility requirements. This condition is reported as a material weakness in internal controls in audit finding 2023-022.

Our audit did not identify issues with the fourth earmarking requirement.

We consider this internal control deficiency to be a material weakness.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

While Commission staff tracked payments made to contractors allocated in the HAF Plan, management did not implement procedures to track these amounts to the total program expenditures to be able to ensure compliance.

In addition, management believed the level of eligibility determination review performed by Commission staff was adequate to ensure proper eligibility determination for all HAF applicants.

### ***Effect of Condition***

Without adequate internal controls, the Commission is at risk of not meeting the earmarking requirements when the award closes if budget allocations change or the award is not fully expended.

### ***Recommendations***

We recommend the Commission:

- Establish effective internal controls to ensure that it tracks and meets the earmarking requirements
- Improve internal controls to ensure eligibility determinations are made properly

### ***Commission's Response***

*The Commission concurs with this finding.*

*The Commission will develop a system to track and meet earmarking requirements relative to expenditure levels. Additionally, the Commission will strengthen its controls and increase its level of reviews, including a selection of applications independent of those verified by the contractor to ensure a more representative population.*

## *Auditor's Remarks*

We thank the Commission for its cooperation and assistance throughout the audit. We will review the status of the Commission's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The U.S. Department of the Treasury's *Homeowner Assistance Fund Guidance*, states, in part:

### *Qualified Expenses:*

Counseling or educational efforts by housing counseling agencies approved by HUD or a tribal government (including such efforts by in-house housing counselors who are HUD certified or Tribally approved), or legal services, targeted to households eligible to be served with funding from the HAF related to foreclosure prevention or displacement, in an aggregate amount up to 5% of the funding from the HAF received by the HAF participant.

Planning, community engagement, needs assessment, and administrative expenses related to the HAF participant's disbursement of HAF funds for qualified expenses, in an aggregate amount not to exceed 15% of the funding from the HAF received by the HAF participant.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-024 The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.**

<b>Assistance Listing Number and Title:</b>	21.026 COVID-19 Homeowner Assistance Fund
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The American Rescue Plan Act of 2021 provided \$9.96 billion to the Homeowner Assistance Fund (HAF) program. The U.S. Department of the Treasury provides funds directly to states, U.S. territories, and Indian tribes to assist eligible homeowners experiencing financial hardship due to the COVID-19 pandemic. Program funds can be used to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and homeowner displacement. The law prioritizes funds for homeowners who have experienced hardships, leveraging local and national income indicators to maximize the program's impact.

The Housing Finance Commission administers the HAF program in Washington. In fiscal year 2023, the Commission spent about \$34.7 million in HAF funds. The Commission is required to submit quarterly HAF financial reports that have information on the cumulative obligations and expenditures to date. These reports are due 45 days after the end of each quarter. The federal grantor specified there were two key lines items on the report that contained critical information:

1. Administrative Expenses – Quantifiable Objective Criteria: Obligations and expenditures do not exceed 15 percent for admin expenses.



2. Services, Counseling & Education – Quantifiable Objective Criteria: Obligations and expenditures do not exceed 5 percent for legal services, counseling and education.

The HAF Plan, approved by the federal grantor, outlines the budget allocation of administrative, services, counseling and education expenditures. The Commission uses these budgets to contract required services. Commission staff maintain a tracking spreadsheet for HAF obligations and payments made to contractors. Staff use data from this spreadsheet to fill out the quarterly reporting template. Once completed, the Commission submits the report in the HAF reporting portal.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

**Description of Condition**

The Commission did not have adequate internal controls over and did not comply with reporting requirements for the HAF program.

The spreadsheets used to track obligation and expenditure data to prepare reports were not accurate and complete. We determined staff were reporting expenditures that had not been paid in the expenditure category instead of as obligations. We also determined staff made errors when recording the obligation amounts. These errors included not properly realizing all of the expenditures in the accounting system, not realizing all administrative obligations and including obligations that were not supported.

We used a non-statistical sampling method to randomly select and examine four out of a total population of seven quarterly reports. All four reports (100 percent) that we examined had errors, as summarized in the table below.

Report	Administrative Expenses		Services, Counseling & Education	
	Obligation Variance	Expenditure Variance	Obligation Variance	Expenditure Variance
2022 Q3	(5,055) - (451,102)	(51,729) - 1,851	0 - 27,060	480,456 - 577,614
	3.82%	2.62%	0.31%	44.70%
2022 Q4	(5,055) - (451,102)	(51,729) - 238,330	0 - 27,060	0 - 480,456
	3.82%	14.54%	0.31%	20.30%

<b>2023 Q1</b>	(5,055) - (451,102)	(264,291) - 18,925	0 - 27,060	0
	3.46%	7.74%	0.31%	0.00%
<b>2023 Q2</b>	(5,055) - (393,153)	(393,153) - 247,820	0 - 27,060	0
	2.74%	1.40%	0.31%	0.00%
<b>Average Variance</b>	(5,055) - (436,615)	(190,225) - 126,741	0 - 27,060	120,114 - 264,517
	<b>3.46%</b>	<b>6.58%</b>	<b>0.31%</b>	<b>16.25%</b>

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

These reports are mainly comprised of financial information that is recorded in the Commission's accounting system. Commission officials said there was a lack of coordination between program and finance staff in compiling these reports to ensure the correct data was used. Furthermore, the Commission did not require management to review the reports and their supporting documentation before submitting them to the grantor.

### *Effect of Condition*

Without establishing adequate internal controls, which should include reviewing the reports and the supporting documentation to ensure the correct source data is reported, management cannot ensure that the reports are complete and accurate.

### *Recommendations*

We recommend the Commission:

- Establish effective internal controls to ensure the reports are accurate and complete
- Ensure that management performs and documents an adequate review of the supporting documentation before submitting reports to the grantor
- Consult with the federal grantor to determine if revision and resubmission of the reports are necessary to correct amounts reported

## ***Commission's Response***

*The Commission concurs with this finding.*

*The Commission will implement a system of controls and management review to ensure that data reported to the federal grantor is complete and accurate. In addition, the Commission will confirm with the grantor to determine if revision is necessary.*

## ***Auditor's Remarks***

We thank the Commission for its cooperation and assistance throughout the audit. We will review the status of the Commission's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 328, Financial reporting, states:

Unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The U.S. Department of Treasury's *Homeowner Assistance Fund: Guidance on Participant Compliance and Reporting Responsibilities*, states, in part:

### *Programmatic Information Requirements*

The following programmatic information will be required in Quarterly Reports.

- f. Program(s) Information- HAF participants will provide information on all HAF programs. Programs are new or existing eligible government services or investments funded in whole or in part by HAF funding. For each program, the HAF participant will be required to enter the following information:
- Total Obligations Cumulative to Calendar Quarter end date;
  - Total Expenditures Cumulative to Calendar Quarter end date;
- g. Expenditures- HAF participants are required to report the HAF assistance expended or spent by the HAF participant. HAF participants will be asked to report expenditures on a cumulative basis at the following levels: the participant-level, program-level, and program design element-level. At the participant-level, HAF participants will be asked to disaggregate expenditures or amounts expended by the categories noted under the Disaggregated Information requirement below.

The information provided in this section will relate to the HAF Grantee Plan Budget **Expenditures** *broken out by Program Design Element*.

- h. Obligations- HAF participants are required to report the HAF assistance obligated. HAF participants will be asked to report obligations on a cumulative basis at the participant-level, program-level, and program design element-level. HAF participants will be asked to disaggregate participant-level obligations by the categories noted under the Disaggregated Information requirement below.

The information provided in this section will relate to the HAF Grantee Plan Budget **Obligations** *broken out by Program Design Element*.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-025 The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.**

<b>Assistance Listing Number and Title:</b>	21.026 COVID-19 Homeowner Assistance Fund
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The American Rescue Plan Act of 2021 provided \$9.96 billion to the Homeowner Assistance Fund (HAF) program. The U.S. Department of the Treasury provides funds directly to states, U.S. territories, and Indian tribes to assist eligible homeowners experiencing financial hardship due to the COVID-19 pandemic. Program funds can be used to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and homeowner displacement. The law prioritizes funds for homeowners who have experienced hardships, leveraging local and national income indicators to maximize the program's impact.

The Housing Finance Commission administers the HAF program in Washington. In fiscal year 2023, the Commission spent about \$34.7 million in HAF funds. The Commission implemented a pilot program before launching the main HAF program. The Commission contracted with a contractor to help implement the main HAF program and maintain participant data. The Commission is required to submit an annual performance report that provides an overview of its intended and actual uses of funding to-date for the pilot and main HAF programs. The federal grantor identified two key lines items on the report that contained critical information:

1. Socially Disadvantaged Individuals (SDIs) – Quantifiable Objective Criteria: Participants are providing not less than 60 percent of funds to homeowners with income less than 100 percent area median income (AMI) or 100 percent of U.S. median income.
2. AMI – Quantifiable Objective Criteria: Participants target homeowners that are classified as SDI and 100 percent AMI or less.

The HAF Plan, approved by the federal grantor, outlines the budget allocations, goals, and types of assistance for the Washington HAF program. The HAF reporting portal automatically populates each section of the annual report template with information from this plan. The Commission is required to submit a narrative on the status of each section. Commission staff use participant data provided by the contractor to complete the report template. Once completed, Commission management review the report, and then the preparer submits it in the HAF reporting portal.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Commission did not have adequate internal controls over and did not comply with reporting requirements for the HAF program.

The contractor only provided summary-level data to the Commission at the time of reporting. As a result, Commission staff did not have detailed supporting documentation to review to verify that the total amounts in the contractor's reports were complete and accurate. Additionally, the Commission did not have documented evidence to support that management reviewed the annual report prior to submission.

We reviewed the report submitted on November 9, 2022, that covered the start of the award through September 30, 2022. The report identified 58 SDIs, and we determined the total is actually 87 SDIs (33 percent underreported) for the pilot and main programs combined. We found the Commission did not report SDIs that were identified as "other" in the pilot program.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Commission did not require the contractor to submit detailed support for the total numbers provided for reporting to ensure all categories were included. In addition, the Commission did not ensure adequate management review of the report prior to submission.

## ***Effect of Condition***

Without establishing adequate internal controls, which should include reviewing the reports and the detailed supporting documentation to ensure the correct data is reported, management cannot ensure that the reports are complete and accurate.

## ***Recommendations***

We recommend the Commission:

- Establish effective internal controls to ensure the reports are accurate and complete
- Ensure that management performs and documents an adequate review of the supporting documentation before submitting reports to the grantor
- Consult with the federal grantor to determine if revision and resubmission of the reports are necessary to correct amounts reported

## ***Commission's Response***

*The Commission concurs with this finding.*

*The Commission will implement a system of controls and management review to ensure that data reported to the federal grantor is complete and accurate. In addition, the Commission will confirm with the grantor to determine if revision is necessary.*

## ***Auditor's Remarks***

We thank the Commission for its cooperation and assistance throughout the audit. We will review the status of the Commission's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 328, Financial reporting, states:

Unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no

less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The U.S. Department of the Treasury's *Homeowner Assistance Fund: Guidance on Participant Compliance and Reporting Responsibilities*, states, in part:

#### *Programmatic Information Requirements*

HAF participants are required to submit an Annual Performance Report on an annual basis and demonstrate the impact of the HAF-financed programs. Reports should include data related to program outputs and outcomes against the stated objectives of the HAF participant's HAF Grant Plan.

#### *Performance Goals*

HAF participants initially submitted performance goals on the use of HAF awarded funds in their approved Grantee Plan. Each one of the performance goals should have identified how the HAF participant will address homeowner needs and should have been disaggregated by key characteristics such as mortgage type, racial and ethnic demographics, and/or geographic areas, as appropriate. HAF participants will be required to provide a status update and quantitative measures, if applicable, on each of their initial performance goals set forth in their Grantee Plan. Please note, HAF participants will not have the ability to alter their original performance goals noted in their Grantee Plan nor add additional performance goals in the Annual Report.

#### *Methods for Targeting and HAF Funding*

HAF participants were asked in their original Grantee Plan to describe how the HAF participant will effectively target HAF award funds to (1) homeowners with incomes equal to or less than 100% of the area median income or equal to or less than 100% of the median income for the United States, whichever is greater; and (2) socially disadvantaged individuals. The description included the HAF participant's targeting strategies. HAF



participants will be required to provide an update on their targeting methods and if they have appropriately executed targeting methods according to their original Grantee Plan.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-026 The Office of Financial Management did not have adequate internal controls over and did not comply with requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used for only allowable activities.**

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$300,000,000
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-018

### ***Background***

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) provides direct payments to states to respond to the COVID-19 pandemic and its negative economic effects. Washington has received about \$4.4 billion of SLFRF funds from the U.S. Department of the Treasury (Department).

Federal law stipulate that states may use SLFRF funds to:

- Support public health expenditures, including COVID-19 prevention and mitigation efforts
- Address negative economic impacts caused by the public health emergency
- Replace lost public sector revenue

- Provide premium pay for essential workers
- Invest in water, sewer, and broadband infrastructure

States may only use funds to cover costs incurred during the period of performance, which began on March 3, 2021, and ends on December 31, 2024.

Under the Department's final rule, SLFRF recipients could use funds to replace lost public sector revenue to provide government services. Recipients could elect a one-time standard allowance of \$10 million to spend on the provision of government services during the grant's period of performance. Alternatively, SLFRF recipients could calculate lost revenue based on a formula established by the Department to determine the amount of SLFRF funds that can be used for the provision of government services. Washington chose to calculate its lost revenue rather than use the standard allowance.

The calculated amount of revenue loss determines the limit of SLFRF funds that recipients can use to provide government services. For reporting purposes on the Schedule of Expenditures of Federal Awards (SEFA), the aggregate expenditures for all eligible use categories must be reported, not the result of the revenue loss calculations or the standard allowance.

Washington received \$2.2 billion of its total \$4.4 billion SLFRF allocation in May 2022. When received, the funds were accounted for in the state's Coronavirus State Fiscal Recovery Fund (Fund 706). Washington State Substitute Senate Bill 5165, section 408, included distributions totaling \$600 million from Fund 706 to various state transportation-related accounts. According to the Office of Financial Management, these distributions compensated for revenue loss in state fiscal years 2020 and 2021 relative to revenues collected in state fiscal year 2019, and they were to be used to maintain government services. The Office attributed \$300 million of this as SLFRF expenditures for transportation-related accounts on the state's fiscal year 2023 SEFA.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Office did not have adequate internal controls over and did not comply with requirements to ensure SLFRF funds were used for only allowable activities. The prior finding number was 2022-018.

### ***Description of Condition***

The Office did not have adequate internal controls over and did not comply with requirements to ensure SLFRF funds were used for only allowable activities.

While recipients are allowed to use SLFRF funds to replace lost public sector revenues, the state was required to identify actual expenditures that were provided for government services. At the

time of audit, the state had not identified such expenditures. Rather, the state asserted that all expenditures in the transportation accounts receiving the SLFRF funds were appropriated for government services, so there was no doubt as to the allowability of the use of funds.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

Office management does not agree that federal requirements and the Department's final rule required the state to separately identify actual expenditures that equal the amount of SLFRF expenditures claimed. It is the Office's position that all expenditures in the transportation-related accounts were for government services, so the state had sufficient expenditures to meet the grant requirement.

During the last audit, the Office contacted the Department for guidance on the matter. The Department has maintained a FAQ document for the SLFRF program, and the answer to question 13.15, states in part, "recipients should not deviate from their established practices and policies regarding the incurrence of cost, and that they should expend and account for the funds in accordance with laws and procedures for expending and accounting for the recipient's own funds." A Department representative acknowledged this FAQ guidance, and said the Department does not have additional, specific requirements about how recipients should internally track their use of SLFRF funds for revenue replacement.

At the time of this audit, the Office had not received the Department's management decision regarding the prior audit finding.

### *Effect of Condition and Questioned Costs*

Without a population of actual expenditures to audit, we could not design tests to verify that the costs the Office charged to the grant were only for allowable activities, met cost principles, and were incurred during the grant's period of performance. In our judgment, without identifying the specific expenditures charged to the SLFRF program, the Office did not comply with federal requirements.

Therefore, we are questioning the \$300 million in costs that were not supported by specifically identified expenditures for government services. We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its federal expenditures.

## *Recommendations*

We recommend the Office:

- Identify the actual government service expenditures that are the basis for the \$300 million in SLFRF expenditures recorded on the state's fiscal year 2023 SEFA
- Review the supporting documentation for the expenditures to ensure they meet compliance requirements for the SLFRF program and are adequately documented, while also documenting the details of this review
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## *Office's Response*

*The Office does not concur with the audit finding.*

*The state of Washington implemented internal controls and created Fund 706 to track the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) expenditures. Following U.S. Department of Treasury guidance and instructions, the state of Washington determined there was approximately \$3 billion in revenue loss. The state, through legislation, approved the transfer of \$300 million from the SLFRF account to various state transportation accounts under the revenue loss provision. Each transportation account that received SLFRF funds was established in statute and is for a specific "government service" purpose. Therefore, all payments from those accounts would be considered an actual government service expenditure. The U.S. Treasury FAQ 3.2 states that "Government services generally include any service traditionally provided by a government, unless Treasury has stated otherwise." We reaffirm that all expenditures from the transportation accounts that received the SLFRF funds were used to maintain government services.*

*The State Administrative and Accounting Manual requires all state agencies to establish internal controls over payments for goods and services, including ensuring payments are lawful and for proper purposes, reviewing payments to ensure they are supported, as well as documenting the review of all payments. State agencies continued to follow their established internal controls to ensure expenditures from the transportation accounts were proper and allowable. Additionally, the Office followed consistent policies and practices regarding the incurrence of costs in the transportation accounts for both non-SLFRF and SLFRF funds, which complied with federal guidance.*

*The Office disagrees that the total amount of lost revenue transferred to the transportation accounts should be considered questioned costs because the auditors were unable to design tests for compliance. Questioned costs, if any, could have been identified through appropriate and relevant audit procedures.*

*The Office continues to work with U.S. Treasury, through the Management Decision process, to ensure no questioned costs are required to be repaid.*

### ***Auditor's Remarks***

We believe that the federal requirement is that SLFRF recipients must separately identify actual expenditures that equal the amount of SLFRF expenditures stated on the Schedule of Expenditures of Federal Awards. This is consistent with the State's practice for recording expenditures for all other federal programs.

Because the Office did not identify specific expenditures for the SLFRF program in the accounting system, we were unable to test SLFRF expenditures from the State's transportation accounts. The expenditures for the State coded to the Office's SLFRF account (706) did not include the distributions mentioned by the Office in its response, above, and therefore there was no expenditure activity for our Office to test for compliance.

We reaffirm our finding and will follow-up on the Office's corrective action during the next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 302, Financial management, states in part:

The financial management system of each non-Federal entity must provide for the following (see also 200.334, 200.335, 200.336, and 200.337)

1. Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
2. Records that identify adequately the source of the application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation

Title 2 CFR Part 200, Uniform Guidance, section 410, Collection of unallowable costs, establishes requirements for the collection of unallowable costs.

Title 2 CFR Part 200, Uniform Guidance, section 403, establishes the factors affecting the allowability of costs.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-027 The Department of Commerce did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.**

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	SLFRP0002
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	\$95,560
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-019

### ***Background***

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the America Rescue Plan Act of 2021, delivered \$350 billion to state, local and tribal governments to support the response to and recovery from the COVID-19 public health emergency. Washington received \$4.4 billion of SLFRF money from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, state agencies spent about \$1.9 billion in SLFRF funds, more than \$718 million of which was spent by the Department of Commerce.



The Department used SLFRF funds to administer and provide economic assistance to households at risk of eviction and homelessness primarily through the Eviction Rental Assistance Program (ERAP 2.0) and Treasury Rent Assistance Program (TRAP 2.0), in addition to transportation, tourism and other pandemic-recovery projects. During fiscal year 2023, the Department expended about \$253.5 million on reimbursements and advance payments to local governments and nonprofit organizations as subrecipients. These subrecipients were responsible for making direct payments of rent and utilities for eligible low-income households with overdue rent payments dating as far back as March 2020.

Pass-through entities are required to monitor the activities of subrecipients to ensure they are properly using federal funds for allowable activities and expenditures.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with federal requirements for monitoring subrecipients to ensure payments were allowable, properly supported and within the period of performance. The prior finding number was 2022-019.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to monitor subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the SLFRF program.

During the audit period, the Department only required summary level supporting documentation when approving subrecipient payments. Since detailed source documentation was not required at the time of reimbursement, the Department implemented a fiscal review process for ERAP and TRAP 2.0 subrecipients.

We used a statistical sampling method to randomly select and review 56 out of 554 payments. Of the payments examined, we identified nine (16 percent) payments that were not allowable under terms and conditions of the subaward. Specifically:

1. Seven payments (13 percent) were for advances to the subrecipient, which are specifically prohibited under the terms and conditions of the Department's subaward
2. Four payments (7 percent), including one of the payments mentioned above, did not have adequate documentation to ensure the payment was for an allowable activity under the subaward, met cost principles and occurred within the award's period of performance.

The Department's invoice review procedure required the Department to verify that each subrecipient submitted, along with its invoice, a voucher detail worksheet that outlines expenses by budget category, and a general ledger report detailing the expenses incurred by the subrecipient during the invoice period. For four of the nine payments referenced above, we found the Department approved them for payment without receiving a general ledger report from the subrecipient detailing all incurred expenses. In one of these instances, we also found the Department advanced program funds to the subrecipient without reviewing supporting documentation from the subrecipient to demonstrate that all expenditures were incurred to support the amount advanced by the Department. We were not provided with any documentation demonstrating these funds were returned to the Department.

We also used a non-statistical sampling method to randomly select and examine nine out of 35 subrecipients for which the Department completed monitoring during the audit period. We determined five of the nine fiscal reviews completed (56 percent) were insufficient to ensure payments to the subrecipients were allowable and adequately supported. We came to this conclusion because the support we were provided lacked enough details to ensure the activities were allowable and within the period of performance. In addition, the Department did not have evidence that it obtained supporting documentation for client files from one of the nine subrecipients we examined.

We also examined program monitoring documentation completed for the same nine subrecipients. The Department only selected five households from each subrecipient for eligibility verification. There was a total of 53,699 households served for ERAP 2.0, and an additional 8,373 households served for TRAP 2.0. Therefore, the Department reviewed less than one-half of one percent of client files for each subrecipient. For these nine subrecipients, we verified that staff reviewed the number of client files that management required under the program. However, in our judgment, the total number of client files reviewed for each subrecipient was inadequate to reasonably ensure compliance with program requirements.

The following table summarizes the percentage of client files the Department reviewed for each subrecipient during the audit period:

<b>Program</b>	<b>Total Number of Households Served</b>	<b>Total Number of Subrecipients</b>	<b>Average Number of Households per Subrecipient</b>	<b>Number of Client Files Reviewed by the Department (five each, for 35 subrecipients)</b>	<b>Percentage of Client Files Reviewed by the Department for Subrecipients</b>
ERAP 2.0	53,699	38	1,413	175	0.3%
TRAP 2.0	8,373	11 (including those in ERAP 2.0 above)	761	55	0.6%
<b>Total</b>	<b>62,072</b>	<b>38</b>	<b>1,633</b>	<b>230</b>	<b>0.3%</b>

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

Management did not ensure that proper internal controls were in place to oversee ERAP 2.0 and the use of SLFRF funds. The Department approved payments to subrecipients without reviewing adequate supporting documentation, and management relied on annual program and fiscal monitoring to ensure subrecipients had proper supporting documentation and only served eligible households. In addition, it issued advance payments to subrecipients despite the subawards explicitly stating this was not allowable.

Management did not ensure program and fiscal monitoring conducted included a sufficient sample of subrecipient records, and required detailed source documentation, to provide reasonable assurance of material compliance with federal SLFRF requirements and the terms and conditions of the subawards.

### *Effect of Condition and Questioned Costs*

We determined the Department did not request and review adequate supporting documentation before paying subrecipients, and it did not perform adequate fiscal monitoring to ensure that funds advanced to subrecipients were disbursed to eligible households and for allowable activities. As a

result, we identified \$95,560 in known federal questioned costs and \$1,482,489 in likely federal questioned costs.

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflect this conclusion. However, the likely improper payment projections are a point estimate and only represent our “best estimate of total questioned costs,” as required by 2 CFR § 200.516(3). To ensure a representative sample, we stratified the population by dollar amount.

Without establishing adequate internal controls and reviewing required supporting documentation from subrecipients, the Department cannot reasonably ensure it is using federal funds for allowable purposes and that spending occurs within the allowed period of performance.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Department:

- Update its written procedures to require an adequate number of subrecipient client files to be reviewed during fiscal and program monitoring to provide reasonable assurance that each subrecipient is compliant with program requirements
- Improve internal controls to ensure subrecipients provide adequate supporting documentation when requesting reimbursement
- Request and review supporting documentation from all participating subrecipients on households served with SLFRF funds to determine if any amounts reimbursed to the subrecipients must be returned to the Department
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department’s Response***

*The State and Local Fiscal Recovery Funds were provided to the state as an advanced payment by which the Department used them to address the immense rent assistance needs as a result of the COVID-19 pandemic. Commerce funded subrecipients up to 25% of their contract total in an*

*effort to mitigate cash flow issues to allow the swift distribution of funding. The Department utilized this method as obtaining documentation and processing reimbursements on a weekly basis still could not provide sufficient funding for all of the rent assistance needs. The Department now acknowledges the advanced payments were not authorized per federal guidance, however, all housing expenses were verified through thorough review of subrecipient expenditure supporting documentation.*

*The Department completed fiscal and program monitoring of each subrecipient over the contract period, however, neither the Code of Federal Regulations nor the Washington State Auditor's Office has been able to provide the Department with the number of client files that would need to be reviewed to be considered adequate. The Department created a procedure to review a minimum of five client files per subrecipient and followed this procedure. The Department understands that given the urgent need for assistance and the enormous amount of rent assistance funding distributed, thousands of client files would had to have been reviewed in a short period of time and we could not build and sustain the necessary staff capacity to match the fast-paced program delivery. The Department did increase internal controls related to program monitoring to more accurately comply with federal requirements as a result of the prior audit results.*

*In July 2022, the Department began to review supporting backup documentation for all expenditures. The Department did not yet understand that transaction level detail was required and its review included a higher level of detail. Since the process was newly implemented in fiscal year 2023, it took some time to work out compliance challenges and provide technical assistance to subrecipients in order to comply with the federal requirements. The Department's expenditure backup documentation review process began including transaction level detail in fiscal year 2023 as a result of the prior audit results.*

*Any repayment of questioned costs will be determined through the standard resolution process with the United States Department of Treasury.*

### ***Auditor's Remarks***

Federal regulations require pass-through entities to monitor the activities of subrecipients as necessary to ensure that subawards are used for authorized purposes and in compliance with federal requirements and the terms and conditions of the subaward. In our judgement, the Department's design of monitoring subrecipients for fiscal and program compliance did not provide this level of assurance. Specifically, the Department's decision to review only five client files per subrecipient did not provide reasonable assurance of each subrecipient's compliance when the average subrecipient served 1,413 clients, as illustrated in the Description of Condition. Based on this evidence, the Department only reviewed a total of 230 client files during the audit period, which makes up less than 0.4 percent of the total number of clients served.

In addition, the Department's decision to not review transaction-level supporting documentation at the time of issuing payment to subrecipients means that the monitoring of subrecipients was also being relied upon to ensure all payments made to subrecipients were only for allowable activities under the subaward. In our judgment, the procedures in place requiring only five client files be reviewed for each subrecipient were not sufficient to provide reasonable assurance of material compliance with the requirements for Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

We reaffirm our audit finding and will follow up on the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

Title 2 CFR Part 200, Uniform Guidance, section 403, Factors affecting the allowability of costs, describes the general criteria in order for a cost to be allowable under federal awards, including being adequately documented.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for improper payments. Part 200.410 establishes requirements for the collection of unallowable costs.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-028** The Department of Commerce did not have adequate internal controls over and did not comply with requirements to monitor subrecipients and to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	SLFRP0002
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	\$75,251,225
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the America Rescue Plan Act of 2021, delivered \$350 billion to state, local, and tribal governments to support the response to and recovery from the COVID-19 public health emergency. Washington received \$4.4 billion of SLFRF money from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, state agencies spent about \$1.9 billion in SLFRF funds, more than \$718 million of which was spent by the Department of Commerce.

The Legislature appropriated SLFRF funding to the Department for the purpose of providing assistance to public and private water, sewer, garbage, electric, and natural gas utilities to reduce residential customer account balances that were accrued between March 1, 2020, and December 31, 2021, and were unpaid due to the COVID-19 pandemic and the related economic downturn. The Department's Energy Division expended more than \$101 million in payments to public and private utilities as subrecipients.

Each utility that wished to participate in the program was required to submit an application for financial assistance documenting the current arrearage balances for residential customers as of March 31, 2022, as well as any available information on arrearage balances of low-income customers, including those receiving government assistance through the Low-Income Home Energy Assistance Program, Low-Income Water Assistance Program, or other ratepayer-funded Department programs as of March 31, 2022. In the event that the utility did not have access to this customer information, the Department distributed SLFRF funds to the community action program serving the same area as the utility.

In determining the amount of funding that each utility could receive, the Department was required by the Legislature to consider:

- Each participating utility's proportion of the aggregate amount of arrearages among all participating utilities;
- Utility service areas that are situated in locations experiencing disproportionate environmental health disparities;
- American community survey poverty data; and
- Whether the utility has leveraged other fund sources to reduce customer arrearages.

Pass-through entities are required to monitor the activities of subrecipients to ensure they are properly using federal funds for allowable activities and expenditures.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to monitor subrecipients and to ensure payments were allowable, properly supported, and met period of performance requirements for the SLFRF program.

During the audit period, the Department reimbursed more than \$101 million in SLFRF funds to 62 different utilities and community action program subrecipients. Utilities were instructed to submit a request summarizing the outstanding arrearage balance for existing utility customers as



of March 31, 2022. We determined the Department did not adequately monitor any of the 62 utilities and community action program subrecipients to ensure that payments issued by the Department were for allowable activities and only eligible households received assistance. The Department received the arrearage balances and awarded funds to utilities in November 2022. At the time the Department awarded funds, utilities were directed to provide updated balances. Several utilities reported changes to their arrearage balances, and no longer needed awards based on the initial data. These funds were returned to the Department and redistributed to other utilities that had remaining arrearage balances after the initial allotment of funds.

We used a non-statistical sampling method to randomly select and examine 15 out of 94 payments to subrecipients, in addition to seven individually significant payments. Of the payments examined, we found none of the 22 payments had adequate documentation to support the payments were for allowable activities under the subaward, met cost principles, and occurred within the award's period of performance. The Department did not obtain documentation from the utilities demonstrating when each household arrearage balance was accrued. Therefore, we cannot determine whether the amounts reimbursed to subrecipients were adequately supported, and that the underlying costs were incurred during the period of performance of the subaward.

The Department also did not ensure subawards issued to subrecipient utilities contained accurate information. We randomly selected and examined 12 out of 62 subawards issued during the audit period, including five individually significant subawards, and found all 17 subawards (100 percent) did not include the correct period of performance of the federal SLFRF award. In each instance, the Department communicated to the subrecipient that the period of performance of the subaward should include low-income customer arrearages that were accrued between March 1, 2020, and December 31, 2021. However, the period of performance for the federal award began on March 3, 2021.

In addition, the Legislature required participating utilities to submit reports to the Department by March 1, 2023, documenting how funds were used to support households. We determined the Department did not collect and review these reports from any of its subrecipients, and did not perform any additional fiscal or programmatic monitoring.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## *Cause of Condition*

Division management for the Department did not request reports on households served with program funding from its subrecipients, as the Legislature required. Instead, the Department instructed subrecipients to summarize the number of households that qualified for assistance, and the Department did not request supporting documentation to demonstrate that individual households were eligible to receive assistance and the amounts reimbursed to the subrecipient for each household's utility arrearage were accurate and adequately supported.

Additionally, the Legislature authorized the Department to expend these funds for activities that partly occurred outside of the period of performance for the federal award.

## *Effect of Condition and Questioned Costs*

We determined the Department did not request and review adequate supporting documentation before paying subrecipients, and it did not perform adequate fiscal monitoring to ensure that funds paid to subrecipients were disbursed only for eligible households and for allowable activities. As a result, we identified \$75,251,225 in known federal questioned costs and \$101,433,722 in likely federal questioned costs.

Without establishing adequate internal controls and reviewing required supporting documentation from subrecipients, the Department cannot reasonably ensure it is using federal funds for allowable purposes and that spending occurs within the allowed period of performance.

Further, by not properly labeling the subawards, the subrecipients may not be aware that federal regulations pertaining to subrecipients apply to their subawards.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendations*

We recommend the Department:

- Establish internal controls to ensure payments to subrecipients are adequately supported, allowable and only reimburse costs incurred during the period of performance
- Ensure each subaward contains all federally required elements, in accordance with Uniform Guidance, including clearly identifying it as a subaward
- Ensure it collects the household reports from all subrecipients, as required by the Legislative mandate

- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

### ***Department's Response***

*The COVID-19 pandemic caused a global economic slowdown and an economic downturn in Washington State, which resulted in layoffs and reduced work hours for a significant percentage of our workforce and reductions in business activity. The pandemic resulted in significant economic impacts on our economy including the threat of utility services being disconnected and late payment fees imposed. Maintaining utility services during the crises was an essential tool in sustaining and protecting the health and welfare of our businesses and citizens.*

*On February 29, 2020 Proclamation 20-23.2 Ratepayer Assistance and Preservation of Essential Services was signed to protect the availability and affordability of essential utility services for those economically impacted by the COVID-19 pandemic through a variety of measures, including: suspending disconnection of utilities for nonpayment, waiving late fees, working with affected utility customers to establish payment arrangements, and improving access to energy assistance for affected customers. The result of this proclamation compounded customer account balances and generated over \$160 million in arrearages for Washington utilities.*

*ENGROSSED SUBSTITUTE SENATE BILL 5693, Section 128 (199), 2022 Supplemental Operating Budget provided the Legislature appropriate \$100 million for public and private water, sewer, garbage, electric and natural gas utilities arrearages. The funding was used by utilities to reduce residential customer accrued arrearages.*

*As a result of the bill, the Department received specific information from each utility provider expecting that information was appropriate documentation at that time. The Department acknowledges the information obtained did not include the appropriate supporting documentation as required by the Code of Federal Regulations. The Department funded the arrearages for the period of performance allowed in the Senate Bill from March 1, 2020 through December 31, 2021. The Senate Bill approved and provided the incorrect period of performance which may have resulted in unallowable costs of arrearages paid between March 1, 2020 through March 2, 2021. The Department will work with the legislature and Office of Financial Management (OFM) on next steps. OFM has already been notified of this circumstance. The Department will also work with utility providers to obtain detailed supporting documentation to reconcile all arrearages paid to determine and verify the amounts expended. All variances will be reviewed. The Department will work with OFM to determine next steps for the reporting of any variances or deficiencies identified. All deficiencies reported will be used to strengthen internal controls and compliance for future awards.*

*In 2022, prior to this audit, all Department federal contract templates were updated to identify if the contract recipient type was a contractor or subrecipient. The Department's use of the term*

*“contractor” was in reference to the contract, it was not intended to designate the recipient type. The updated templates now remove any confusion of the recipient type.*

*We thank the Washington State Auditor’s Office for the opportunity to provide a response to the audit finding and provide the steps the Department is actively taking to remediate all deficiencies.*

### ***Auditor’s Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department’s corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

Title 2 CFR Part 200, Uniform Guidance, section 403, Factors affecting allowability of costs, describes the general criteria in order for a cost to be allowable under federal awards, including being adequately documented.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for improper payments. Part 200.410 establishes requirements for the collection of unallowable costs.

Title 31 CFR Part 35, *Pandemic Relief Programs*, section 5, Use of funds, establishes the period of performance for the Coronavirus State and Local Fiscal Recovery Funds and states, in part:

#### 35.5 Use of funds.

- (a) In general. A recipient may only use funds for the purposes enumerated in § 35.6 (b) through (f) to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024, subject to the restrictions set forth in sections 602(c)(2) and 603(c)(2) of the Social Security Act, as applicable. A recipient may only use funds for the purposes enumerated in § 35.6 (g) through (h) to cover costs incurred during the period beginning December 29, 2022, and ending December 31, 2024, subject to the restrictions set forth in sections 602(c)(2), 602(c)(5)(C), 603(c)(2), and 603(c)(6)(B) of the Social Security Act, as applicable.

- (b) Costs incurred. A cost shall be considered to have been incurred for purposes of paragraph (a) of this section if the recipient has incurred an obligation with respect to such cost by December 31, 2024.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

State of Washington Engrossed Substitute Senate Bill 5092, 67th Legislature 2021 Regular Session, Operating Budget, states in part:

**Section 128. FOR THE DEPARTMENT OF COMMERCE**

**Coronavirus State Fiscal Recovery Fund – Federal**

The appropriations in this section are subject to the following conditions and limitations;

- (1) \$100,000,000 of the coronavirus state fiscal recovery fund – federal appropriation is provided solely for grants for public and private water, sewer, garbage, electric, and natural gas utilities to address low-income customer arrearages compounded by the COVID-19 pandemic and the related economic downturn that were accrued between March 1, 2020, and December 31, 2021.

- a. By May 27, 2022, each utility that wishes to participate, must opt-in to the grant program by providing the department the following information:
- i. Current arrearage balances for residential customers as of March 31, 2022; and
  - ii. Available information on arrearage balances of low-income customers, including customers who received assistance from the low-income home energy assistance program, low-income water assistance program, or ratepayer-funded assistance programs between April 1, 2020, and March 31, 2022, as of March 31, 2022. If a utility does not have access to information regarding customer participation in these programs, the department must distribute funding to the community action program serving the same service area as the utility instead of the utility.
- b. In determining the amount of funding each utility may receive, the department must consider:
- i. Each participating utility’s portion of the aggregate amount of arrearages among all participating utilities;

- ii. Utility service areas that are situated in locations experiencing disproportionate environmental health disparities;
  - iii. American community survey poverty data; and
  - iv. Whether the utility has leveraged other fund sources to reduce customer arrearages.
- c. The department may retain up to one percent of the funding provided in this subsection to administer the program.
- d. Each utility shall disburse funds directly to customer accounts by December 31, 2022. Funding shall only be distributed to customers that have participated in the low-income home energy assistance program, low-income water assistance program, or ratepayer-funded assistance programs.
- e. Utilities may, but are not required to, work with other utilities or use community action agencies to administer these funds following the eligibility criteria for the low-income home energy assistance program and the low-income household water assistance program.
- f. By March 1, 2023, each utility who opted into the grant program must report to the department, utilities and transportation commission, and state auditor on how the funds were utilized and how many customers were supported.
- g. Utilities may account for and recover in rates administrative costs associated with the disbursement of funds provided in this subsection.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-029** The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	\$312,659,850
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program provides direct payments to states to respond to the COVID-19 pandemic and its negative economic effects. Washington received about \$4.4 billion of SLFRF funds from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, state agencies spent more than \$1.7 billion in SLFRF funds, \$344 million of which was spent by the Department of Social and Health Services.

The Department spent more than \$332 million to administer financial assistance through the Washington Immigrant Relief Fund to people in Washington who lacked permanent legal status. The purpose of this program was to provide cash grants to residents of Washington who were at least 18 years old and were ineligible to receive federal economic impact payments or unemployment benefits due to their immigration status. The Legislature appropriated \$340 million to the Department in SLFRF funding to administer one-time grants to eligible recipients during fiscal year 2023. Under the legislative mandate, the Department could not spend more than 10 percent of the appropriated funds for the administration of the program. In total, the Department paid more than \$312 million in cash grants to approved recipients.

According to the legislative mandate, people needed to complete an application and meet the following eligibility requirements to receive a grant:

- The person must live in Washington state.
- The person must be age 18 years, or older.
- After January 1, 2021, and before June 30, 2023, the person must have been significantly affected by the COVID-19 pandemic.
- The person must not be eligible to receive federal economic impact payments or unemployment insurance benefits due to immigration status.
- The person may not receive more than three grants.

The Department was required to prioritize granting payments to people who had the greatest need of assistance. The factors used to prioritize need included:

- People who had a total household income at or below 250 percent of the federal poverty level
- People who were the primary or sole income earner of their household
- People who experienced housing instability
- People who contracted or were at high risk of contracting COVID-19

During the audit period, the Department contracted with a for-profit subrecipient to implement and manage the program. The funds expended in the audit period were the final round of funding for this program. In prior years, there were two other rounds of funding, each of which provided \$1,000 cash grants to approved recipients. For the final round of funding, the Department reimbursed the subrecipient for issuing additional grants of \$3,075 to 101,678 approved recipients in the form of either a check or prepaid debit card.

Each round of funding was managed by a different subrecipient. To receive a grant, the Department instructed its subrecipients to approve applications for people who met all criteria outlined above, as well as demonstrate the applicants had not yet received the maximum allowable number of three grants. Applicants were allowed to participate in all three rounds of funding, provided they met all



eligibility requirements to receive assistance. In total, the same recipient could have received \$5,100 in cash grants from the state as part of the Immigrant Relief program.

Pass-through entities are required to monitor the activities of subrecipients to ensure they are properly using federal funds for allowable activities and expenditures. Some federal awards may be passed through to for-profit entities, who are accountable to the pass-through entity for the use of the federal funds provided. Because for-profit subrecipients are not subject to audit requirements under the Uniform Guidance, Subpart F, the Department is responsible for establishing requirements, as necessary, to ensure the for-profit subrecipient complies with the terms and conditions of its subaward. The agreement with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure for-profit subrecipients' compliance may include pre-award audits, monitoring the subrecipient during the agreement, and conducting post-award audits.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the SLFRF program.

During the audit period, the Department awarded funds to its subrecipient to implement and manage the program, including creating an application platform, determining the eligibility of applicants to receive financial assistance, and distributing Department funds to third-party vendors to facilitate payments to recipients. However, the application developed by the subrecipient and approved by the Department did not address each eligibility criterion established by the Legislature. In addition, the application's questions were written in a way that a person's responses could be truthful and make them appear to be eligible for assistance but not meet the criteria of the legislative mandate. Specifically, the application:

- Asked applicants to answer whether they “received a federal stimulus check” or “received unemployment benefits during the pandemic,” without specifically asking if it was due to their immigration status, which was a core eligibility requirement
- Included two scenarios that did not necessarily indicate whether someone had been significantly affected by the COVID-19 pandemic. These scenarios were whether applicants had borrowed money from a friend or relative, and whether they were past due on rent, mortgage payments, utility bills, or had lost their housing.

The Department's award contract to the subrecipient outlined that for the subrecipient to receive funds for the grant award, it would need to submit a list of all approved applicants when requesting

payments. However, the subrecipient was required to redact all personally identifiable information before submitting the list of applicants to the Department. The contract also specified the Department would complete a review of applications to ensure the subrecipient was correctly determining eligibility.

The subrecipient included the list of approved applicants when it submitted invoices to the Department requesting reimbursement for funds rendered to clients. However, these invoices contained only the application identification numbers for approved applicants and their payment amounts. The invoices did not include any information to identify the applicant or support the subrecipient's eligibility determination. Department officials said the subrecipient maintained all supporting documentation to demonstrate an applicant was eligible. However, because the Department did not request documentation from the subrecipient to support those grant payments to applicants, the Department could not determine if the applicants were eligible and the payments were actually dispersed to them. Ultimately, due to the lack of supporting documentation, we could not determine whether the Department used program funds for allowable activities, or that recipients who received grants met all requirements established by the Legislature.

On four separate occasions, the Department requested the subrecipient to provide 250 beneficiary applications so staff could review them to determine whether the subrecipient correctly determined that applicants were eligible to receive financial assistance. The subrecipient picked the samples each time, and the Department did not receive details about the sampling methodology the subrecipient used to determine the samples. Each batch only included de-identified samples that did not have any personally identifiable information. Therefore, the Department did not have sufficient information to review to ensure all eligibility and prioritization criteria, as outlined in the legislative mandate, were met. In addition, the Department did not retain any of the supporting documentation it did receive from the subrecipient. We determined the Department's monitoring design for the subrecipient was insufficient to determine whether only eligible applicants received grants, or if all recipients actually existed. Specifically, the Department could not determine whether the recipients:

- Had already applied for and were denied eligibility for unemployment insurance benefits by the state, due to their immigration status
- Were not eligible to receive federal economic impact payments due to their immigration status
- Were residents of Washington state
- Did not already receive the maximum allowable number of grants under the program
- Met the income requirement to be at or below 250 percent of the federal poverty level

Once the application period ended, the subrecipient provided the Department with a list of all approved applicants, which totaled 101,678 people. Although the first two awards given to

recipients were \$1,000 each, the Department decided it would evenly distribute the remaining funds between everyone who had been approved to receive a grant. Department management said they chose to distribute the remaining funds this way to minimize public concerns about unallocated grants. Based on the total number of applicants and the remaining funds, management in the Department's Office of Refugee and Immigrant Assistance determined each grant award would be \$3,075.

While the Department did perform some fiscal monitoring of the subrecipient's administrative costs, management chose not to complete any fiscal monitoring of the grant award payments. We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department approved the eligibility application that the subrecipient created, but the application did not ensure only eligible applicants were approved because it included criteria that was not in the legislative mandate.

In addition, management wrote the award contract in a way that restricted the subrecipient from providing any personally identifiable information for applicants. Without this information, the Department could not sufficiently monitor the subrecipient to ensure only eligible applicants were approved and received grant funds.

Since the subrecipient was required to retain all supporting documentation, the Department could have performed fiscal monitoring to ensure the grant payments to the subrecipient were distributed only to eligible applicants. However, management said the Department had no plans to do so.

### ***Effect of Condition and Questioned Costs***

We determined the Department did not review adequate supporting documentation before paying the subrecipient for applications processed during the audit period. Since the Department did not perform adequate monitoring to ensure that expenditures were for allowable activities, it does not have assurance that the subrecipient spent program funds in accordance with the legislative mandate. As a result, we identified \$312,659,850 in known federal questioned costs.

Without establishing adequate internal controls and reviewing detailed supporting documentation from the subrecipient for grant awards, including verifying that only eligible applicants received grant funds, the Department did not reasonably ensure it used federal funds for allowable purposes and that spending occurred within the allowed period of performance.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Department:

- Perform a sufficient level of subrecipient monitoring that meets federal requirements so the Department can reasonably determine whether its subrecipient only disbursed grant funds to eligible applicants
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Department partially concurs with the Auditor's findings.*

*The Department's Office of Refugee and Immigrant Assistance (ORIA) administered the fund and contracted with a subrecipient organization to conduct eligibility determinations and to approve and disburse funds to undocumented immigrants.*

*The final payments went out in early 2023 and the Washington COVID-19 Immigrant Relief Fund is now closed and all subrecipient contracts have ended.*

*We concur that we should have strengthened our internal controls to have reasonably determined the subrecipient only disbursed grant funds to eligible applicants. ORIA will work with contracts and accounting staff to develop effective internal controls and clear written procedures covering subrecipient monitoring requirements. ORIA will train all staff responsible for subrecipient monitoring on the newly established internal controls and written procedures.*

*In addition, the Office of the Secretary will request the Department's Internal Audit and Consultation office conduct an internal audit of ORIA to ensure the program implements strong internal controls, properly accounts for federal funds, and materially complies with federal requirements.*

*The Department does not concur with the questioned costs. The Department used the funds to assist Washington workers/families who were affected by the COVID-19 pandemic but were unable to access federal stimulus programs and other social supports due to their immigration status. Repayment of these funds would only hinder the state's ability to provide critical services to our clients.*

*If the grantor contacts the Department regarding the questioned costs, the Department will discuss the manner in which we used the funds with the Department of Health & Human Services and will take additional action if appropriate.*

### *Auditor's Remarks*

We appreciate the Department acknowledging that internal controls need to be strengthened. Regarding the Department not concurring with questioned cost, we determined the Department did not review supporting documentation from the subrecipient to demonstrate that assistance only went to eligible beneficiaries and therefore does not have assurance that federal funds were properly spent.

We reaffirm our finding and will review the status of the Department's corrective action during our next audit.

### *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200.1, Uniform Guidance establishes definitions for questioned costs. Part 200.410 establishes requirements for the collection of unallowable costs.

Title 2 CFR Part 200.403, Uniform Guidance establishes the factors affecting the allowability of costs.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

State of Washington Engrossed Substitute Senate Bill 5092, 67th Legislature 2021 Regular Session, Operating Budget, states in part:

**NEW SECTION. Section 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES – ECONOMIC SERVICES PROGRAM**

Coronavirus State Fiscal Recovery Fund – Federal

The appropriations in this section are subject to the following conditions and limitations:

15. \$340,000,000 of the coronavirus state fiscal recovery fund – federal appropriation is provided solely for the Washington immigrant relief fund, a disaster assistance program to

provide grants to eligible persons. Administrative costs may not exceed 10 percent of the funding in this subsection.

a. A person is eligible for a grant who:

I. Lives in Washington state;

II. Is at least 18 years of age;

III. After January 1, 2021, and before June 30, 2023, has been significantly affected by the coronavirus pandemic, such as loss of employment or significant reduction in work hours, contracting the coronavirus, having to self-quarantine as a result of exposure to the coronavirus, caring for a family member who contracted the coronavirus, or being unable to access childcare for children impacted by school or childcare closures; and

IV. Is not eligible to receive federal economic impact (stimulus) payments or unemployment insurance benefits due to the person's immigration status.

b. The department may not deny a grant to a person on the basis that another adult in the household is eligible for federal economic impact (stimulus) payments or unemployment benefits or that the person previously received a grant under the program. However, a person may not receive more than three grants.

c. The department's duty to provide grants is subject to the availability of the amounts specified in this subsection, and the department must prioritize grants to persons who are most in need of financial assistance using factors that include, but are not limited to: (i) Having an income at or below 250 percent of the federal poverty level; (ii) being the primary or sole income earner of household; (iii) experiencing housing instability; and (iv) having contracted or being at high risk of contracting the coronavirus.

The department may contract with one or more entities to administer the program. If the department engages in a competitive contracting process for administration of the program, experience in administering similar programs must be given weight in the selection process to expedite the delivery of benefits to eligible applicants.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-030 The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.**

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	None
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-020

### *Background*

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the American Rescue Plan Act of 2021, delivered \$350 billion to state, local, and tribal governments to support the response to and recovery from the COVID-19 public health emergency. The program also provides resources to fight the pandemic, address economic impacts, maintain vital public services, and build a strong, resilient, and equitable recovery.

Washington received about \$4.4 billion of SLFRF money from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, Washington spent more than \$1.8 billion in federal program funds.

Under the SLFRF program, recipients are required to submit Project and Expenditure Reports during the covered period, which began March 3, 2021, and ends December 31, 2024. Treasury identified the following key line items that contain critical information:

1. Obligations and Expenditures
  - a. Current period obligation
  - b. Cumulative obligation
  - c. Current period expenditure
  - d. Cumulative expenditure
2. Revenue loss calculation validation
3. Capital Expenditures

The Office was responsible for compiling information from state agencies and submitting the reports no later than the last day of the month following the end of each reporting period. The Office was also responsible for calculating and reporting the state's revenue losses from the pandemic, as well as identifying SLFRF projects with capital expenditures that required written justifications.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Office did not have adequate internal controls over and did not comply with reporting requirements for the SLFRF program. The prior finding number was 2022-020.

### *Description of Condition*

The Office did not have adequate internal controls over and did not comply with reporting requirements for the SLFRF program.

During the audit period, the Office submitted four quarterly Project and Expenditure Reports:

- Report No. 4 (covering activity from July 1, 2022, through September 30, 2022)
- Report No. 5 (covering activity from October 1, 2022, through December 31, 2022)
- Report No. 6 (covering activity from January 1, 2023, through March 31, 2023)
- Report No. 7 (covering activity from April 1, 2023, through June 30, 2023)

Office staff prepared the reports by collecting and compiling reporting information from each state agency. For all four reports, we found that the Office did not have adequate supporting documentation for amounts reported under current period and cumulative obligations.

We also found the Office did not have adequate internal controls to ensure material compliance with the capital expenditure requirement. We identified 14 out of 95 projects for which the Office did not follow up to determine whether there were capital expenditures incurred. Eight projects had expenditures greater than \$1 million during fiscal year 2023, and two of those projects required



written justifications. We found the Office did not have the required written justifications for two out of eight (25 percent) projects.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

The Office did not require state agencies to include supporting documentation when they reported their obligations at the end of each reporting period. Instead, the Office relied on self-reporting by agencies without ensuring supporting documentation was provided and retained. In addition, management did not ensure that information provided by agencies was reviewed to ensure the project and expenditure reports are complete, accurate, and adequately supported. In addition, the Office was unable to confirm all information reported for capital expenditures was adequately supported.

### *Effect of Condition*

We focused our review on the obligation and expenditure key line items for the Department of Commerce (Commerce) and Department of Social and Health Services (DSHS). Combined, these two agencies accounted for about 57 percent of total SLFRF expenditures during fiscal year 2023.

We determined that both agencies' current period and cumulative expenditures were accurate and supported, and any variances were not material to the overall reporting. However, we were unable to confirm whether the supporting documentation for both agencies' reported obligations accounted for all activity during each reporting period. Therefore, our estimates of overreported and underreported obligations for both agencies in the tables below are based on the agency reports for obligations available at the time of the audit.

#### *Commerce*

We found that the current period obligations for Commerce in all four reports did not have adequate supporting documentation.

<b>Report</b>	<b>Current Obligations Reported Amount</b>	<b>Expected Amount</b>	<b>Variance</b>	<b>Details</b>
Report No. 4	\$(63,697,208)	-	\$(63,697,208)	Unsupported (prior period adjustment)
Report No. 5	\$497,046,843	-	\$497,046,843	Unsupported
Report No. 6	\$100,835,645	-	\$100,835,645	Unsupported
Report No. 7	\$165,187,321	-	\$165,187,321	Unsupported

We also found that cumulative obligations for Commerce in all four reports did not have adequate supporting documentation.

<b>Report</b>	<b>Cumulative Obligations Reported Amount</b>	<b>Expected Amount</b>	<b>Variance</b>	<b>Details</b>
Report No. 4	\$235,044,019	\$184,537,324	\$50,506,696	Overreported
Report No. 5	\$730,891,768	\$425,140,514	\$305,751,254	Overreported
Report No. 6	\$820,087,413	\$523,905,302	\$296,182,111	Overreported
Report No. 7	\$985,274,734	\$783,360,809	\$201,913,924	Overreported

As of the final fiscal year 2023 report, Commerce’s cumulative obligations totaled \$985,274,734 and cumulative expenditures totaled \$783,360,809. Because Commerce’s expenditures were accurate and supported, we calculated the variance to be the net of the unsupported obligations minus supported expenditures, or \$201,913,924 (difference due to rounding).

*DSHS*

In two reports, we identified reporting variances for current period obligations reported for DSHS, including \$7,158,350 in overreported obligations in Report No. 7. DSHS reported \$17,781,970 in current obligations for Report No. 7.

<b>Report</b>	<b>Current Obligations Reported Amount</b>	<b>Expected Amount</b>	<b>Variance</b>	<b>Details</b>
Report No. 4	\$333,993,831	\$337,841,932	\$(3,848,101)	Underreported
Report No. 7	\$17,781,970	\$10,623,620	\$7,158,350	Overreported

We also found that cumulative obligations were underreported by \$1,445,556 compared to estimated expected obligations of \$363,451,530.

<b>Report</b>	<b>Cumulative Obligations Reported Amount</b>	<b>Expected Amount</b>	<b>Variance</b>	<b>Details</b>
Report No. 4	\$350,787,627	\$352,542,361	\$(1,754,744)	Underreported
Report No. 5	\$350,941,841	\$352,696,574	\$(1,754,744)	Underreported
Report No. 6	\$351,073,177	\$352,827,910	\$(1,754,744)	Underreported
Report No. 7	\$362,005,974	\$363,451,530	\$(1,445,556)	Underreported

To determine the magnitude of the reporting variances, we totaled the largest current period obligation variance for DSHS with the net unsupported obligations for Commerce. This totaled \$209,081,184, or about 11 percent of total SLFRF expenditures during fiscal year 2023. Our determination of the variance is an estimate because documentation necessary to calculate accurate obligation amounts for each reporting period was not available.

By not establishing adequate internal controls, the Office cannot ensure that information reported to the federal grantor is complete and accurate. Without complete supporting documentation for obligations, management is not able to demonstrate that amounts reported to the federal grantor are complete and accurate.

## ***Recommendations***

We recommend the Office:

- Establish internal controls to ensure reported obligations are supported by source documentation, which should be retained and available for review
- Improve internal controls to ensure staff continue to follow up with agencies that report incomplete information
- Ensure that management verifies reporting information is adequately supported before certifying and submitting the report

## ***Office's Response***

*The Office will continue to communicate to agencies the importance of maintaining adequate source supporting documentation for future project and expenditure reports. Although a complete cumulative obligations report as of the report date was not maintained supporting the project and expenditure report, all obligations are supported by grant agreements, contracts, and purchase orders. Additionally, the Office was able to provide the auditor a current report including all obligations to date which exceeded the cumulative obligations during the reporting period.*

*The Office continues to improve the reporting template used to collect the required information from agencies and frequently meets with agencies to discuss the reporting requirements to ensure the quarterly Project and Expenditure Reports are complete, accurate, and supported. The Office will continue its review and verification process to ensure information is adequately supported before certifying and submitting the report. As noted in the U.S. Treasury reporting guidance, corrections or any changes to the report need to be reflected in the next Project and Expenditure report. As a result, the supporting documentation for the quarter may not align with the quarterly reports.*

## ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its Codification of Statements on Auditing Standards, section 935, Compliance Audits, paragraph 11.

Office of Management and Budget, 2 CFR Part 200, Appendix XI, *2023 Compliance Supplement*, for Assistance Listing 21.027 Coronavirus State and Local Fiscal Recovery Funds, states in part:

## **L. Reporting**

### **2. Performance Reporting**

Title of Report: Project and Expenditure Report

PRA Number: 1505-0271

Reporting Cycle: Quarterly and Annual

Authoritative Requirement: 2 CFR 200.328 and 31 CFR section 35.4(c) Reporting and requests for other information

Blank Copy of the Report: <https://home.treasury.gov/policyissues/coronavirus/assistance-for-state-local-and-tribal-governments/state-andlocal-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities> – See pages 17 through 34.

Report Instructions: <https://home.treasury.gov/policyissues/coronavirus/assistance-for-state-local-and-tribal-governments/state-andlocal-fiscal-recovery-funds/recipient-compliance-and-reporting-responsibilities> – See pages 17 through 34.

Report Corrections: Recipients will have an opportunity to reopen and provide edits to their submitted Project and Expenditure Reports any time before the reporting deadline. Recipients will then be required to re-certify and submit the report again to properly reflect any edits made. After the reporting deadline, unless prompted by Treasury staff, recipients will not be able to edit their submitted report, any changes or revisions will need to be reflected in the next Project and Expenditure report.

The Office of Recovery Program's (ORP) reporting portal has built-in functionality to reopen a report and allow recipients to make edits after the reporting deadline. However, it is ORP's policy that recipients may only make revisions if authorized by Treasury staff for a period of up to 60 days after the reporting deadline. After the revision period ends, the report is final. A resubmitted report becomes a recipient's final report within ORP's reporting portal. Recipients can generate PDFs of this reports at any time.

*Key Line Item(s)*- The following line items contain critical information:

1. Obligations and Expenditures- Quantifiable Objective Criteria: Reported obligations and expenditures. (See pages 16 and 17 of the above links.)

- a. Current period obligation
- b. Cumulative obligation
- c. Current period expenditure
- d. Cumulative expenditure

Revenue loss calculation validation- Note- Recipients may elect a “standard allowance” of up to \$10 million to spend on government services through the period of performance instead of using the full formula specified in the final rule. The standard allowance is available to all recipients. See page 30 for when recipients may modify their revenue loss election. Quantifiable Objective Criteria: Recipient’s application of the revenue loss calculation is accurate if they did not elect the standard allowance. Specific information regarding the revenue loss formula can be found in paragraph (d)(2) of 31 CFR § 35.6 at 31 CFR § 35.6(d)(2)(d)(2).

- 2. *Capital Expenditures*- Quantifiable Objective Criteria: The recipient has the required written justification in their grant file if the total of the capital expenditures costs in a project is greater than or equal to \$1 million and less than \$10 million; or, the recipient submitted the required justification to Treasury if (1) a project has total capital expenditures costs greater than \$10 million for capital expenditures enumerated by Treasury in the final rule; or (2) the total of a project’s capital expenditures costs is greater than \$1 million for capital expenditures not enumerated by Treasury in the final rule. Note: Capital expenditures paid for using revenue replacement funds are not subject to this requirement. Tribal governments are not required to complete the written justification. (See 31 CFR section 35.6(b)(4))

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-031 The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.**

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	SLFRP0002
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-021

### ***Background***

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the America Rescue Plan Act of 2021, delivered \$350 billion to state, local, and tribal governments to support the response to and recovery from the COVID-19 public health emergency. Washington received \$4.4 billion of SLFRF money from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, state agencies spent about \$1.9 billion in SLFRF funds, more than \$718 million of which was spent by the Department of Commerce.

The Legislature appropriated \$100 million to the Department in SLFRF funding to award assistance to public and private water, sewer, garbage, electric, and natural gas utilities. With these funds, utilities could reduce residential customer account balances that were left unpaid due to the COVID-19 pandemic and the related economic downturn that were accrued between March 1,

2020, and December 31, 2021. The Department's Energy Division expended about \$100 million in payments to public and private utilities as subrecipients.

Each utility that wished to participate in the program was required to submit an application for financial assistance documenting the current arrearage balances for residential customers as of March 31, 2022, as well as any available information on arrearage balances of low-income customers, including those receiving government assistance through the Low-Income Home Energy Assistance Program, Low-Income Water Assistance Program, or other ratepayer-funded Department programs as of March 31, 2022. In the event that the utility did not have access to this customer information, the Department distributed SLFRF funds to the community action program serving the same area as the utility.

In determining the amount of funding that each utility could receive, the Department was required by the legislative mandate to consider:

- Each participating utility's proportion of the aggregate amount of arrearages among all participating utilities
- Utility service areas that are situated in locations experiencing disproportionate environmental health disparities
- American community survey poverty data
- Whether the utility has leveraged other fund sources to reduce customer arrearages

Pass-through entities are required to monitor the activities of subrecipients to ensure they are properly using federal funds for allowable activities and expenditures. To determine the appropriate level of monitoring, federal regulations require the Department to evaluate each subrecipient's risk of noncompliance with federal statutes and regulations and the terms and conditions of the subaward.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit we reported the Department did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the SFLRF. The prior finding number was 2022-021.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to perform risk assessments for SLFRF subrecipients.



During the audit period, the Department awarded more than \$99.8 million in SLFRF funds to 62 different utilities and community action programs. We determined the Department did not perform a risk assessment to determine the appropriate level of monitoring for each of its 62 subrecipients. We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

Program management for the Department was not aware of the requirement to conduct a formal risk assessment over each subrecipient's use of SLFRF funds, and did not consider performing a risk assessment over the subrecipients when following legislative guidance. Additionally, management outside of the Department's Energy Division did not monitor to ensure risk assessments were performed before executing subawards with utilities.

### ***Effect of Condition***

Without performing risk assessments of subrecipients that received SLFRF funding, which the federal government has classified as a program of higher risk, the Department cannot determine the appropriate amount of monitoring required for each subrecipient. Not performing new risk assessments also makes the Department less likely to detect subrecipients' noncompliance with federal regulations and the terms and conditions of subawards.

### ***Recommendations***

We recommend the Department:

- Establish internal controls to ensure it performs risk assessments for all subawards issued to subrecipients
- Ensure it performs and documents the required risk assessments sufficiently for management to evaluate the results and demonstrate compliance with federal requirements
- Update its risk assessment procedures to ensure factors related to potential noncompliance with requirements for low-income utility grants and SLFRF are incorporated into the risk assessment results

### ***Department's Response***

*The Department thanks the Washington State Auditor's Office for the opportunity to respond to the finding. The Department respectfully disagrees with the finding as the Auditor's Office has provided no requirements or codes nor has the Department been informed of any which require a risk assessment process for this award applied to arrearage balances. Additionally, the Department asserts it had internal controls in place for the program requirements.*

*The Washington State Legislature issued the following proviso for funding by the Department:*

*“\$100,000,000 of the coronavirus state fiscal recovery fund federal appropriation is provided solely for grants for public and private water, sewer, garbage, electric, and natural gas utilities to address low-income customer arrearages compounded by the COVID-19 pandemic and the related economic downturn that were accrued between March 1, 2020, and December 31, 2021.”*

*The Washington State Legislature informed utility representatives of the availability of funding following the funding awarded to the Department. Commerce received the award for this program as part of the supplemental operating budget included in Senate Bill 5693, effective March 31, 2022. The Department held webinars allowing all interested utility service providers to obtain information on how to fund outstanding arrearage balances compounded by the COVID-19 pandemic. Utility providers requesting funding communicated their customer arrearage balances to the Energy Office who followed a reporting process for funding. The reporting process included receipt of the number of customers with arrearage balances, the amount applied to customer balances, if they were low income customers amongst other elements required to receive funding. By May 27, 2022, each utility that wished to participate opted-in to the grant program by providing the Department with the specific information. The opt-in was available for all utility service providers who had customers who met the low-income requirements.*

*The proviso did not include any requirements for subrecipient monitoring elements, including the performance of risk assessments of utility providers. The proviso included who was eligible for funding and the period of performance. The compliance supplement for Assistance Listing Number 21.027 under 2 CFR 200 did not include any requirements for subrecipient monitoring for risk assessments.*

*The Department’s Assistant Director for the Energy Division created the process in which utility service providers provided information for funding. At that time the Assistant Director created internal controls over reporting, fiscal monitoring and subrecipient monitoring which included the submission of required information including, low-income eligibility, customer accounts had to be in an arrearage status, dates of arrearage balances and confirmation of expenses paid for customer arrearages. That data was compiled in a monitoring workbook, monitored and retained. Commerce did not identify or implement an internal control over risk assessments as utility service providers were not ranked or categorized for funding as the award included funding for all eligible customers from the utilities who requested funding. A risk assessment was not necessary nor required as part of the compliance supplement or any other Code of Federal Regulation related to this award. Commerce implemented internal controls for all areas in which the regulations required. Further, Commerce created and maintained an appropriate level of monitoring for the elements identified for funding by the legislature through our obtaining low-income eligibility status and other factors required for funding. No risk assessment process was required as all eligible utility providers were funded. the Department strives to meet all*

*requirements related to federal funding and will continue to improve internal controls and compliance when deficiencies are identified.*

### ***Auditor's Remarks***

Federal regulations, specifically 2 CFR 200.332 - *Requirements for pass-through entities*, requires risk assessments be performed for all subrecipients to determine the appropriate level of monitoring required to ensure the subrecipient complies with terms and conditions of the subaward. The fact that the state legislative proviso did not contain this provision did not absolve the Department from complying with the federal requirement. We informed the Department during the audit that we would be assessing its compliance with this requirement. This requirement is also outlined in the state's grant agreement with the Department of the Treasury and is outlined in the federal grant compliance supplement that is published by the federal Office of Management and Budget every year.

We reaffirm our audit finding and will follow up on the Department's corrective action during the next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-032 The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Coronavirus State and Local Fiscal Recovery Fund.**

<b>Assistance Listing Number and Title:</b>	21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Fund
<b>Federal Grantor Name:</b>	U.S. Department of the Treasury
<b>Federal Award/Contract Number:</b>	SLFRFP0002
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), as part of the America Rescue Plan Act of 2021, delivered \$350 billion to state, local, and tribal governments to support the response to and recovery from the COVID-19 public health emergency. Washington received \$4.4 billion of SLFRF money from the U.S. Department of the Treasury, which the state's Office of Financial Management allocated to state agencies for various programs. In fiscal year 2023, state agencies spent about \$1.9 billion in SLFRF funds, more than \$718 million of which was spent by the Department of Commerce.

The Department used SLFRF funds to administer and provide economic assistance to households at risk of eviction and homelessness primarily through the Eviction Rental Assistance Program, in addition to transportation, tourism, and other pandemic-recovery projects. During fiscal year 2023, the Department expended about \$253.5 million on reimbursements and advance payments to local

governments and nonprofit organizations as subrecipients. These subrecipients were responsible for making direct payments of rent and utilities for eligible low-income households with overdue rent payments dating as far back as March 2020.

Federal regulations require pass-through entities to ensure that every subaward is clearly identified as a subaward to a subrecipient, and that it includes 14 federal award identification elements. These elements include the subrecipient's unique entity identifier, the Federal Award Identification Number, the name of the federal awarding agency, the program's Assistance Listing Number and title, and more.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with federal requirements to ensure it communicated all federal award identification elements to subrecipients of the SLFRF.

During the audit period, the Department awarded new contracts and amendments totaling more than \$16.8 million in SLFRF funds to 13 subrecipients. We examined all 13 subawards and determined all 13 did not clearly identify the agreement as a federal subaward and the subrecipient was referred to as a contractor throughout the award.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Department could not provide documentation to show it had adequate internal controls in place to ensure that the subawards included all the correct information. Furthermore, the subrecipients were referred to as contractors throughout each award because the Department used a contract template; it did not have a subaward template available at the time the subawards were issued.

### *Effect of Condition*

Without establishing adequate internal controls, the Department cannot ensure it has communicated all required data elements to its subrecipients. Furthermore, by not clearly

identifying the subaward as such, the Department cannot ensure its subrecipients have been adequately informed of the program requirements, federal regulations, and the subaward's terms and conditions that it must comply with. Under federal law requirements for a subrecipient and a contractor are substantially different.

### ***Recommendation***

We recommend the Department establish adequate internal controls to ensure it includes all required information in every federal subaward. This must include ensuring that the award is clearly identified as a subaward and not a contract.

### ***Department's Response***

*The Department treated the recipient as a subrecipient and followed all of the Code of Federal Regulations (CFR) requirements, including communicating the Requirements for Pass-through Entities to all recipients through the 14 elements checklist in a contract amendment process. The Department informed the audit team that they had this documentation but the documentation was not requested.*

*The Department agrees with the Washington State Auditor's Office (SAO) that our contract template refers to the subrecipient in the contract as a "contractor". That terminology was used to identify the recipient as part of the contract, not the type of federal recipient. We identified the need to specify the federal recipient type in the contract in 2022 and in October 2022 we changed the face sheets of all of our federal contract templates to identify each recipient as a subrecipient or contractor. Unfortunately there was a timing issue with the issuance of the contract included in the audit and the prior federal template was used. Going forward, all program contracts will be issued on the updated federal contract templates which will designate the recipient type as either a subrecipient or contractor. The Department supports it communicated the Requirements for Pass-Through entities federal identification elements through the subaward amendments that were issued during the period, however, the communication was made during the audit year and did not cover the full period of performance. Short of an error being made, the Department feels this exception has been resolved. We thank the Auditor's Office for the opportunity to respond to the finding.*

### ***Auditor's Remarks***

We acknowledge the Department updated its subaward template during the audit period. However, we want to clarify that for the subawards examined during this audit, the Department did not issue written subaward amendments to communicate federal subaward elements to its subrecipients. Instead, the Department sent email correspondence to each subrecipient with a file attachment listing the fields required under 2 CFR 200.332(a)(1)(i) through (xiv). This attachment was not

incorporated by reference into the subaward amendments executed during the audit period, and therefore we did not consider the information as part of the Department's subaward.

We reaffirm our audit finding and will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes requirements for all pass-through entities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-033 The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it filed all reports required by the Federal Funding Accountability and Transparency Act for the Title I, Part A program.**

<b>Assistance Listing Number and Title:</b>	84.010 Title I Grants to Local Educational Agencies
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	S010A200047; S010A210047; S010A220047
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Office of Superintendent of Public Instruction administers the Title I Grants to Local Educational Agencies (Title I, Part A) program in Washington. The program provides financial assistance to help improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

In fiscal year 2023, the Office spent about \$276 million in federal program funds, including about \$271 million paid to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the Office is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Office must report subawards by the end of the month following the month in which it made the subaward. The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.



All program subawards are issued through both iGrants and the Education Grants Management System. The Office uses these systems to gather all the appropriate data for reporting. There were 503 Title I, Part A subawards eligible for reporting in fiscal year 2023, totaling \$276,437,586.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Office did not have adequate internal controls to ensure it filed all reports required by the Act for the Title I, Part A program.

During the audit period, the Office was required to report 503 subawards, totaling about \$276 million of program funds that it awarded to subrecipients. We used a statistical sampling method to randomly select and examine 56 of the 503 subawards and found that two (3.6 percent), totaling \$207,833, were not reported within FSRS.

We consider these internal control deficiencies to be a significant deficiency.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

When uploading files into FSRS, records can be rejected from the report due to congressional district errors that occur when ZIP codes in the database do not match what is included in an uploaded report. When records are removed from the upload, they must be manually added back into the report. While manually readding records that were removed, the Office inadvertently missed reporting some subawards.

### ***Effect of Condition***

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending.

### ***Recommendations***

We recommend the Office:

- Establish effective internal controls to ensure all required reports are submitted
- Ensure management monitors reporting of this information to ensure future reports are submitted completely and accurately

## *Office's Response*

*In response to the audit finding, the Office will:*

- *Establish effective internal controls to ensure all required reports are submitted. Current cross-checking will always include the Title I, part A program.*
- *Ensure management monitors reporting of this information monthly to ensure future reports are submitted completely and accurately.*

## *Auditor's Remarks*

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

Appendix A to Part 170 – Award Term

### *I. Reporting Subawards and Executive Compensation*

#### *a. Reporting of first-tier subawards.*

*Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

#### *2. Where and when to report.*

- i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-034 The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirements for the Special Education program.**

<b>Assistance Listing Number and Title:</b>	84.027 Special Education Grants to States (IDEA, Part B) 84.027 COVID-19 Special Education Grants to States (IDEA, Part B) 84.173 Special Education–Preschool Grants (IDEA Preschool) 84.173 COVID-19 Special Education–Preschool Grants (IDEA Preschool)
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	H027A200074-20A; H027A210074-21A; H027A220074–21A; H027X210074; H173A200074; H173A210074; H173A220074; H173X210074
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Earmarking
<b>Known Questioned Cost Amount:</b>	\$378,206
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-025

### ***Background***

The Individuals with Disabilities Education Act’s (IDEA) Special Education Grants to States program (IDEA, Part B) provides grants to states, and through them to local educational agencies (LEAs), to help provide special education and related services to eligible children with disabilities. IDEA’s Special Education Preschool Grants program (IDEA Preschool), also known as the “619 program,” provides grants to states, and through them to LEAs, to assist with providing special

education and related services to children with disabilities ages 3 through 5 and, at a state's discretion, to 2-year-old children with disabilities who will turn 3 during the school year.

The Office of Superintendent of Public Instruction administers the Special Education program in Washington, which serves about 143,000 eligible students. The program provides specially designed instruction that addresses students' unique needs. The Office offers the program at no cost to parents, and it includes the related services students need to access their educational program. The Office spent about \$282 million in federal IDEA grant funds during fiscal year 2023, and passed about \$278 million of that funding through to LEAs and educational service districts.

IDEA, Part B identifies the amount of funds the Office must distribute to its LEAs on a formula basis, as well as the amount it can set aside for administration and other state-level activities. The Office was awarded \$8,433,118 for the fiscal year 2021 IDEA Preschool Grant. From this award, \$2,222,340 was earmarked to be spent on state-level activities. This is split between administrative costs of up to \$444,468 and other state-level activities for the remaining amount.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Office did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirements for the program. The prior finding number was 2022-025.

### *Description of Condition*

The Office did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirements for the program.

During the audit period, the Office did not accurately track expenditures for administration and other state-level activities. For the life of the grant, the Office spent \$2,600,340 on other state-level activities, which exceeded the maximum by \$378,206. As a result, we are questioning the \$378,206 as unallowable state-level costs.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

Although management were aware of the required earmarks, the Office did not address identified variances in the spending plan for them. This was due in part to staff changes within the program that led to inconsistencies in tracking expenditures of the earmarked funds.

## *Effect of Condition and Questioned Costs*

Without adequate internal controls, the Office cannot ensure that it meets the grant's earmarking requirements. By not complying with the grant's earmarking requirements, the Office improperly spent \$378,206 on activities that exceeded the allowable earmarked amount.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendations*

We recommend the Office:

- Improve internal controls to ensure it does not exceed the maximum allowable amounts that are earmarked for administration and other state-level activities
- Consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid

## *Office's Response*

*The Office of Superintendent of Public Instruction (OSPI) concurs with this finding. When special education fiscal leadership transitioned in 2021, the incoming director identified necessary changes in agency procedures for closing out the fiscal year for special education. Since that time, the following internal controls have been fully implemented to ensure spending plans do not exceed the maximum allowable amounts earmarked for administration and other state-level activities:*

1. *At the beginning of the fiscal year, the Director of Operations/Budget Analysis meet to review the criteria for spending plans.*
2. *Copies of GAN and Grants to States Summary Table and Preschool Grants to States Summary Table are shared with the Budget Analysis.*
3. *Director of Operations/Budget Analysis meet to review the GAN and Grants to States Summary Table and Preschool Grants to States Summary Table.*
4. *Director of Operations/Budget Analysis meet to review spending plan and update the maximum allowable amounts earmarked for administration and other state-level activities in the spending plan.*
5. *Maximum allowable amounts earmarked for administration and other state-level activities are reviewed throughout the fiscal year.*
6. *Director of Operations/Budget Analysis meet weekly to review spending plan.*

7. *Spending Plan updated as requests are received.*
8. *Monthly expenditure reports are produced and during weekly meetings, Director of Operations/Budget Analysis review expenditures.*

*These internal controls have contributed to increased communication and partnership between the Director of Operations/Budget Analysis. With implementing these consistent controls, we can ensure that maximum allowable amounts that are earmarked for administration and other state-level activities will meet compliance.*

### ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200.1, Uniform Guidance, establishes definitions for improper payments. Part 200.410 establishes requirements for the collection of unallowable costs.

Title 34 CFR Part 300, *Assistance to States for the Education of Children with Disabilities*, states in part:

Section 300.812 Reservation for State activities, states:

- a. Each State may reserve not more than the amount described in paragraph (b) of this section for administration and other State-level activities in accordance with §§ 300.813 and 300.814.
- b. For each fiscal year, the Secretary determined and reports to the SEA an amount that is 25% of the amount the State received under section 619 of the Act for fiscal year 1997 cumulatively adjusted by the secretary for each succeeding fiscal year by the lesser of –
  1. The percentage increase, if any, from the preceding fiscal year in the State's allocation under section 619 of the Act; or
  2. The rate of inflation, as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index for All Urban

Consumers, published by the Bureau of Labor Statistics to the Department of Labor.

Section 300.813 State administration, states:

- a. For the purpose of administering section 619 of the Act (including the coordination of activities under Part B with the Act with, and providing technical assistance to, other programs that provide services to children with disabilities), a State may use not more than 20 percent of the maximum amount the State may reserve under § 300.812 for any fiscal year.
- b. Funds described in paragraph (a) of this section may also be used for the administration of Part C of the Act.

Section 300.814 Other State-level activities.

Each State must use any funds the State reserves under § 300.812 and does not use for administration under § 300.813 –

- a. For support services (including establishing and implementing the mediation process required by section 615 of the Act), which may benefit children with disabilities younger than three or older than five as long as those services also benefit children with disabilities aged three through five;
- b. For direct services for children eligible for services under section 619 of the Act;
- c. For activities at the State and local levels to meet the performance goals established by the State under section 612(a)(15) of the Act;
- d. To supplement other funds used to develop and implement a statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families, but not more than one percent of the amount received under section 619 of the Act for a fiscal year;
- e. To provide early intervention services (which must include an educational component that promotes school readiness and incorporates preliteracy, language, and numeracy skills) in accordance with Part C of the Act to children with disabilities who are eligible for services under section 619 of the Act and who previously received services under Part C of the Act until such children enter, or are eligible under State law to enter, kindergarten; or
- f. At the State's discretion, to continue service coordination or case management for families who receive services under Part C of the Act, consistent with § 300.814(e)

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### 2023-035 The Office of Superintendent of Public Instruction improperly charged \$42,265 to the Special Education Cluster.

<b>Assistance Listing Number and Title:</b>	84.027 Special Education Grants to States (IDEA, Part B) 84.027 COVID-19 Special Education Grants to States (IDEA, Part B) 84.173 Special Education–Preschool Grants (IDEA Preschool) 84.173 COVID-19 Special Education–Preschool Grants (IDEA Preschool)
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	H027A200074-20A; H027A210074-21A; H027A220074–21A; H027X210074; H173A200074; H173A210074; H173A220074; H173X210074
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Period of Performance
<b>Known Questioned Cost Amount:</b>	\$42,265
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Individuals with Disabilities Education Act’s (IDEA) Special Education Grants to States program (IDEA, Part B) provides grants to states, and through them to local educational agencies (LEAs), to help provide special education and related services to eligible children with disabilities. IDEA’s Special Education Preschool Grants program (IDEA Preschool), also known as the “619 program,” provides grants to states, and through them to LEAs, to assist with providing special education and related services to children with disabilities ages 3 through 5 and, at a state’s discretion, to 2-year-old children with disabilities who will turn 3 during the school year.

The Office of Superintendent of Public Instruction administers the Special Education program in Washington, which serves about 143,000 eligible students. The program provides specially designed instruction that addresses students' unique needs. The Office offers the program at no cost to parents, and it includes the related services students need to access their educational program. The Office spent about \$282 million in federal IDEA grant funds during fiscal year 2023, and passed about \$278 million of that funding through to LEAs and educational service districts.

IDEA, Part B identified that obligations charged to the fiscal year 2021 Special Education grants must be liquidated within 120 days after the budget period ended on September 30, 2022.

### ***Description of Condition***

The Office improperly charged \$42,265 to the Special Education Cluster.

We found the Office had adequate internal controls to ensure it materially complied with period of performance requirements. However, we examined two charges that were coded to the fiscal year 2021 Special Education grants after the liquidation period ended. We reviewed the supporting documentation for each expenditure to ensure it was allowable and took place during the period of performance. We found that both charges were recorded after the liquidation period for services and purchases that occurred during the period of performance.

Federal regulations require the auditor to issue a finding when the known or estimated questioned costs identified in a single audit exceed \$25,000. We are issuing this finding because, as stated in the Effect of Condition and Questioned Costs section of this finding, the estimated questioned costs exceed that threshold.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Office staff made accounting adjustments to the fiscal year 2021 IDEA, Part B grants after the liquidation period ended, and did not request a late liquidation from the U.S Department of Education.

### ***Effect of Condition and Questioned Costs***

We identified \$42,265 in questioned costs that were paid outside the program's period of performance.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendation***

We recommend the Office consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

## ***Office's Response***

*OSPI has established internal controls to address allowable periods for journal vouchers (corrections). The correction cycle will be aligned with federally established liquidation periods. OSPI will communicate the corrective action plan with internal stakeholders to ensure compliance with updated process/procedures.*

### *Internal Control Details:*

- *Monitor expenditures (through monthly reports) to ensure the agency stays within the allowable set-aside threshold and grant maximum*
- *Complete expenditure corrections within the grant liquidation period*
- *Liquidation is done on the last business day of January (or 120 days after the budget period ends)*
- *Submit late liquidation requests to the appropriate federal point of contact, as needed*

## ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200.1, Uniform Guidance establishes definitions for questioned costs. Part 200.410 establishes requirements for the collection of unallowable costs.

Fiscal Year 2021 Special Education Grant Award, Grant Award Notification, establishes the federal funding period for award numbers H173A200074 and H027A200074 as July 1, 2018, through September 30, 2021.

Title 20 *United States Code 1225(b), Section 421(b), General Education Provisions Act*, establishes that any funds that are not obligated at the end of the federal funding period shall remain available for obligation for an additional period of 12 months

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-036 The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program.**

<b>Assistance Listing Number and Title:</b>	84.027 Special Education Grants to States (IDEA, Part B) 84.027 COVID-19 Special Education Grants to States (IDEA, Part B) 84.173 Special Education Preschool Grants (IDEA Preschool) 84.173 COVID-19 Special Education–Preschool Grants (IDEA Preschool)
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	H027A200074 – 20A; H027A210074 – 21A; H027A220074 – 21A; H027X210074; H173A200074; H173A210074; H173A220074; H173X210074
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-026

### ***Background***

The Individuals with Disabilities Education Act’s (IDEA) Special Education Grants to States program (IDEA, Part B) provides grants to states, and through them to local educational agencies (LEAs), to help provide special education and related services to eligible children with disabilities. IDEA’s Special Education Preschool Grants program (IDEA Preschool), also known as the “619 program,” provides grants to states, and through them to LEAs, to assist with providing special

education and related services to children with disabilities ages 3 through 5 and, at a state's discretion, to 2-year-old children with disabilities who will turn 3 during the school year.

The Office of Superintendent of Public Instruction administers the Special Education program in Washington, which serves about 143,000 eligible students. The program provides specifically designed instruction that addresses students' unique needs. The Office offers the program at no cost to parents, and it includes the related services students need to access their educational program. The Office spent about \$282 million in federal IDEA grant funds during fiscal year 2023, and it passed about \$278 million of that funding through to LEAs and all nine educational service districts (ESDs) in the state.

Federal law requires the Office to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for determining the appropriate amount and type of subrecipient monitoring.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Office did not have adequate internal controls over requirements to perform risk assessments for the program's subrecipients. The prior finding numbers were 2022-026 and 2021-023.

### ***Description of Condition***

The Office did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program. As a result, the Office did not perform risk assessments for the nine ESDs that received program funding during the audit period.

We consider this internal control deficiency to be a significant deficiency.

### ***Cause of Condition***

In response to the prior year audit finding, the Office provided training to ESDs on the new monitoring manual for them. It also updated the ESD contracts to reflect monitoring activities that would start during the 2022–23 school year. Documentation for these monitoring activities is not required to be submitted until February 2024. Since the Office did not plan to review monitoring until March 2024, it did not perform risk assessments of any ESDs that received program funding during the audit period.

## ***Effect of Condition***

Without conducting risk assessments, management cannot ensure the Office performs the appropriate amount of monitoring to ensure subrecipients comply with program requirements. Further, without appropriate levels of subrecipient monitoring, the Office cannot have reasonable assurance that federal requirements are being met.

## ***Recommendation***

We recommend the Office establish and follow adequate internal controls to ensure it performs the required risk assessments, which would allow management to evaluate the results, monitor subrecipients appropriately, and demonstrate compliance with federal requirements.

## ***Office's Response***

*The Office of Superintendent of Public Instruction (OSPI) concurs with this finding. In April 2022, OSPI Special Education division revised and expended the form package that Educational Service Districts (ESDs) need to submit as part of year-end reporting. Additionally, ESDs are required to respond to a services of questions and provide applicable documentation for contracts and procurement, time and effort process and reports, documentation for professional development expenditures, and year-end expenditure reports.*

*Based on the results from monitoring activities over year-end reporting, ESDs will be selected for additional monitoring and may be subject to an onsite visit if deemed necessary.*

*In March 2023 the Special Education Office finalized the Fiscal Monitoring Procedures Handbook for ESDs. The following timeline has been developed for full implementation of the corrective actions:*

- ESDs are required to upload documentation by February 1, 2024.*
- The Special Education Office will complete reviews of submitted documents and issue reports to ESDs by February 2024. Reports will identify any required of recommended corrective actions.*
- The Special Education Office will issue final reports to ESDs within 60 calendar days after documentation review by March 2024.*

## ***Auditor's Remarks***

We thank the Office for its cooperation and assistance throughout the audit. We will review the status of the Office's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-037 The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.**

**Assistance Listing Number and Title:** 84.425D COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)  
84.425R COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS)  
84.425U COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)  
84.425V COVID-19 American Rescue Plan – Emergency Assistance to Non-Public Schools (ARP EANS)  
84.425W COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief –Homeless Children and Youth (ARP HCY)

**Federal Grantor Name:** U.S. Department of Education

**Federal Award/Contract Number:** S425D200015; S425D210015; S425R210012; S425U210015; S425V210012; S425W210049

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Level of Effort

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** No



## ***Background***

The U.S. Department of Education distributed funding to multiple federal subprograms of the Education Stabilization Fund (ESF). Beginning in March 2020, Congress set aside the Elementary and Secondary School Emergency Relief (ESSER) Fund to address the effect that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. Several rounds of funding were distributed to states under the ESF program, each with the intent to support public and non-public schools. The U.S. Department of Education awarded ESF grants to the Office of Financial Management (Office), which then dispersed funds to the Office of Superintendent of Public Instruction for pass through to Local Education Agencies (LEAs). During fiscal year 2023, the state spent more than \$1.03 billion in ESF federal funding.

The ESF program included a level of effort requirement to ensure states provided a minimum level of funding to LEAs based on prior years. Under the American Rescue Plan Act of 2021,

ESF recipients were required to meet a proportional amount of their state's support for elementary and secondary education relative to their overall spending, averaged over fiscal years 2017, 2018 and 2019.

In fiscal year 2022, the state did not meet the proportional spending amount for K-12 education, but received a waiver for this requirement after the year had ended.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## ***Description of Condition***

The Office did not have adequate internal controls over and did not comply with federal level of effort requirements for the ESF program.

The Office did not perform the calculations required to monitor the level of effort requirements for the ESF program during fiscal year 2023. After the year was over, the Office determined that the fiscal year 2023 expenditures did not meet the level of effort requirement.

When compared to overall state spending, the average amount of state spending on elementary and secondary education for fiscal years 2017, 2018 and 2019 totaled 49.35 percent of the state's budget. The state was required to spend at least this percentage toward education in fiscal year 2023. However, the state only expended 42.99 percent of total state spending on education, meaning the level of effort requirement was not met by about 6.36 percent, or \$2,103,004,922.

In fiscal year 2022, the Office submitted a waiver request to the U.S. Department of Education for fiscal years 2022 and 2023. However, the U.S. Department of Education did not approve the waiver for fiscal year 2023.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

In response to the effects of the COVID-19 pandemic, the Legislature approved a 2021-23 state budget that spent proportionally more on social supports like food, rent and medical services than in prior years. Further, some state revenues declined between fiscal years 2020 and 2022 due to restrictions included in the Governor's pandemic-related emergency proclamations that were intended to slow the spread of COVID-19. These changes, as well as directives to achieve state spending reductions, resulted in not meeting the ESF program's level of effort requirement because the state budget allocated less funding to elementary and secondary education than the average of the previous three fiscal years.

### ***Effect of Condition***

By not establishing adequate internal controls, the Office cannot ensure the state is meeting the federal level of effort requirement for the ESF program. In addition, receiving a waiver from the U.S. Department of Education for this requirement is not guaranteed, and the waiver submitted for 2023 was not approved while the 2022 waiver was. By not complying with federal requirements, the Office risks having to repay federal funds or having future federal funds withheld.

### ***Recommendation***

We recommend the Office:

- Consult with the grantor to discuss the pending waiver request and the next steps it should take
- Consult with the appropriate state-level authority to ensure the state maintains the level of effort required to comply with federal law

## ***Office's Response***

*The Office of Financial Management (OFM) does not concur with the finding and maintains that there are adequate internal controls in place to ensure compliance with federal requirements.*

*The finding was based on preliminary information and data that the auditors obtained in November 2023, despite our request to wait until the end of December 2023 when updated data would be available for submission to the Office of Elementary and Secondary Education (OESE).*

*The updated data we subsequently submitted to OESE was prepared in accordance with OESE guidance on maintenance of effort (MOE) requirements to correctly include every budgeted funding source in the MOE calculations. The updated data demonstrated that the state was successful in meeting MOE requirements for K-12 in FY23, which was the basis for reporting the final FY23 overall State spending data in the spring of 2024 per federal requirements. Because OFM met the MOE requirement for FY23, there is no need for a waiver request.*

*SAO's assertion that our Office did not monitor data throughout the period is inaccurate. The Office maintains monthly monitoring details on agency expenditures. The expenditure data has not changed since the close of the fiscal year, but rather was compiled differently for reporting to OESE using the correct methodology prescribed by the grantor.*

*OFM will also continue to work with the Legislature, which is the state-level authority for state appropriations to ensure the state maintains the maintenance of effort requirements.*

## ***Auditor's Remarks***

The Office could not provide us with data required to perform the maintenance of effort calculations when we initially requested it in early November 2023 and confirmed no data had been pulled to determine whether the requirement had been met. While the Office appears to monitor monthly agency expenditure details, this was not done to determine if the state had met the maintenance of effort requirement. We acknowledge that the final report on the maintenance of effort would not be available until spring 2024. However, we will not test this report and only reviewed activities performed during the audit period to determine whether the state met the maintenance of effort requirements.

Once we were provided the necessary data to perform the calculations, it showed that the state did not meet the maintenance of effort requirements as of June 30, 2023. After we completed our testing, the Office notified us that the methodology used to determine what expenditures were allowable to include in the maintenance of effort calculations was updated. We understand the Office updated the methodology that was used when reporting data to the Office of Elementary and Secondary Education (OESE), however this methodology was changed over 6 months after the audit period was over.

We reaffirm our finding and will follow-up on the Office's corrective actions in the next audit.

## *Applicable Laws and Regulations*

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) Sec. 317, states in part:

- (a) At the time of award funds to carry out sections 312 or 313 of this title, a State shall provide assurances that such State will maintain support for elementary and secondary education (which shall include State funding to institutions of higher educations and state need-based financial aid, and shall not include support for capital projects or for research and development or tuition fees paid by students) in fiscal year 2022 at least at the proportional levels of such State's support for elementary and secondary educations and for higher education relative to such State's overall spending, averaged over fiscal years 2017, 2018, and 2019.
- (b) The Secretary may waive the requirement in subsection (a) for the purpose of relieving the fiscal burdens on State that have been experienced a precipitous decline in financial resources.

The American Rescue Plan Act of 2021, Section 2004. Maintenance of Effort and Maintenance of Equity, states in part:

### I. State Maintenance of Effort. –

- e. In general.—As a condition of receiving funds under sections 2001, a State shall maintain support for elementary and secondary education, and for higher education (which shall include state funding to institutions of higher education and State need-based financial aid, and shall not include support for capital projects or for research and development or tuition and fees paid by students), in each of fiscal years 2022 and 2023 at least at the proportional levels of such state's support for elementary and secondary education and for higher education relative to such State's overall spending, averaged over fiscal years 2017, 2018, and 2019.

Waiver.—For the purpose of relieving fiscal burdens incurred by States in preventing, preparing for, and responding to the coronavirus, the Secretary of Education may waive any maintenance of effort requirements associated with the Education Stabilization Fund.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-038 The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal reporting requirements for the Education Stabilization Fund program.**

<b>Assistance Listing Number and Title:</b>	84.425D COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER) 84.425R COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act, 2021 – Emergency Assistance to Non-Public Schools (CRRSA EANS) 84.425U COVID-19 American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) 84.425V COVID-19 American Rescue Plan – Emergency Assistance to Non-Public Schools (ARP EANS) program 84.425W COVID-19 American Rescue Plan – Elementary and Secondary Schools Emergency Relief Fund Homeless Children and Youth (ARP HCY)
<b>Federal Grantor Name:</b>	U.S. Department of Education
<b>Federal Award/Contract Number:</b>	S425D200015; S425D210015; S425R210012; S425V210012; S425U210015; S425W210049
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

## ***Background***

The U.S. Department of Education distributed funding to multiple federal subprograms of the Education Stabilization Fund (ESF). Beginning in March 2020, Congress set aside the Elementary and Secondary School Emergency Relief (ESSER) Fund to address the effect that COVID-19 has had, and continues to have, on elementary and secondary schools across the nation. Several rounds of funding were distributed to states under the ESF program, each with the intent to support public and non-public schools. The U.S. Department of Education awarded ESF grants to the Office of Financial Management, which then dispersed funds to the Office of Superintendent of Public Instruction, for pass through to Local Education Agencies (LEAs). In fiscal year 2023, the state spent more than \$1 billion in ESF federal funding.

The ESF program requires the Office to submit an annual performance report for the ESSER fund, with data on expenditures, planned expenditures, subrecipients, and uses of funds, including for mandatory reservations. Compliance testing of the annual performance report is only required for the following four key line items identified in the 2023 Compliance Supplement (Part 4 – Agency Program Requirements):

- Line 3.b1: LEA expenditures by ESSER subgrant fund, expenditure category and object code
- Line 3.b10: Number of specific positions supported with ESSER Funds
- Line 3.c: Allocation of ESSER funds to schools and criteria used to allocate them
- Line 5.a: Full-time equivalent positions

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## ***Description of Condition***

The Office did not have adequate internal controls over and did not comply with federal reporting requirements for the ESF program.

We reviewed the Office’s annual ESSER report, and found it did not submit any data related to the four key line items.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## ***Cause of Condition***

The Office did not have systems in place to collect the necessary data from LEAs to report on the four key line items. As a result, the Office did not collect the data from LEAs necessary to fulfill this requirement.

## ***Effect of Condition***

Failing to submit the required information diminishes the federal government's ability to ensure accountability and transparency of federal spending.

## ***Recommendations***

We recommend the Office:

- Establish effective internal controls to ensure that it collects the data necessary to submit the annual ESSER report
- Consult with the federal grantor to determine if it is necessary to revise and resubmit the report

## ***Office's Response***

*OSPI acknowledges that certain data reporting elements in the ESSER report were not submitted. We reject the notion that this was due to lack of internal controls. Instead, the absence of data was a result of several factors, including but not limited to the timing of the publishing of the final federal reporting template, and the span of time for which we were reporting costs. The final reporting template for this information was published after several revisions after the time frame in which we would have needed to communicate with districts the specific level of detail at which costs would need to be captured for this purpose. Since the time frame for reporting costs did not align with the school district fiscal year, there was no reasonable way that OSPI could have used annual financial reporting for an approximation of expenditures. OSPI was not comfortable in making broad statewide assumptions across multiple cost categories to report at a district-by-district level with a high degree of accuracy. In lieu of reporting information that based on state level assumptions that likely would have conflicted with actual school district level expenditures, OSPI made the decision to leave certain sections of the cost report blank.*

*In order to not have blank fields on future federal ESSER reporting, OSPI is organizing a series of webinars and trainings for districts so that they are prepared to report this information directly to OSPI for future federal reporting periods. Through these webinars, OSPI's fiscal team can answer questions and assist districts with this reporting to ensure it is timely, accurate, and tells the district story instead of a statewide assumption of the district story.*



*We have been in ongoing conversation with ED regarding our federal reporting on ESSER funds. At this time, there is no indication that they will request that the information be reporting by districts and then resubmitted to the Feds. We have communicated our challenges, concerns, and proposed resolution to them regarding this issue. We do not have any specific outstanding data requests due to the feds on this issue, and we do not plan on resubmitting.*

### ***Auditor's Remarks***

We appreciate the Office's commitment to resolving these issues. We reaffirm our finding and will review the status of the Office's corrective action during the next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-039 The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.**

<b>Assistance Listing Number and Title:</b>	93.044 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.044 COVID-19 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.045 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.045 COVID-19 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.053 Nutrition Services Incentive Program
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	Various
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

## *Background*

The Aging Cluster programs, which include Supportive Services and Senior Centers, Nutrition Services, and the Nutrition Services Incentive Program, provide services and meals to older people.

The Supportive Services program helps states and area agencies on aging facilitate the development and implementation of a comprehensive, coordinated system for providing long-term care in homes and community-based settings in a way that responds to the needs and preferences of older people and their family caregivers. Nutrition Services programs support nutrition services and provide resource incentives to encourage and reward effective and efficient performance delivery of nutritious meals to older people.

The Department of Social and Health Services administers federal programs under the Older Americans Act, including the Aging Cluster programs. In fiscal year 2023, the Department spent about \$39.5 million in Aging Cluster federal funding, including about \$38.4 million paid to 13 area agencies on aging (AAAs).

Under the Federal Funding Accountability and Transparency Act (Act), the Department is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Department must report subawards by the end of the month following the month in which it made the subaward (or subaward amendment). The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as result, reduce wasteful government spending.

The Department issues subawards to AAAs for multiple Older American Act grants in the same contract, including grants that are not a part of the Aging Cluster. When a new subaward is executed, Department staff enter the required reporting information for the subawards in a tracking spreadsheet. Staff use the tracking spreadsheet to submit the required reports in FSRS. The Department had 93 subawards and amendments totaling \$216,486,694 that it was required to report in fiscal year 2023.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Act.

The Department did not follow its written procedures over the reporting process. Specifically, staff did not enter the information required for reporting into the tracking spreadsheet when subawards and subaward amendments were executed, and the Department did not report any subawards in FSRS during fiscal year 2023.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department had procedures in place to ensure subawards and amendments were reported in FSRS. However, due to management turnover throughout the fiscal year, staff did not enter subawards and amendments into the tracking spreadsheet, and did not report any of the subawards in FSRS.

### ***Effect of Condition***

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending.

### ***Recommendation***

We recommend the Department strengthen internal controls to ensure it accurately reports all first-tier subawards of \$30,000 or more in FSRS by the federal deadlines.

### ***Department's Response***

*The Department agrees with the finding.*

*Due to management and fiscal staff turnover throughout the fiscal year, staff did not enter information required for Federal Funding Accountability and Transparency Act (FFATA) reporting into the Subawards and Amendments Tracking Spreadsheet when subawards and subaward amendments were executed and did not report any of the subawards in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) during fiscal year 2023.*

*Effective January 17, 2024, the Subawards and Amendments Tracking Spreadsheet was created with the required fields to ensure contract information for all current contracts was entered.*

*By January 31, 2024, FFATA reports for FFY2024 Older Americans Act (OAA) funded contracts, executed in December 2023, will be entered in FSRS to meet the 30-day reporting requirement.*

*Effective January 17, 2024, two fiscal staff were assigned to submit FFATA reports in the FSRS system to ensure reporting activities are completed by federal deadline. By Feb 1, 2024, the Office Chief or designee will review the Subawards and Amendments Tracking Spreadsheet with FFATA reporting dates monthly to ensure federal deadlines for FFATA reporting are met consistently.*

*The Department will work with the Administration of Community Living to develop a plan to address the FFATA reporting backlog that exists between SFY22-SFY23 for OAA grants to ensure all FFATA reports are entered in FSRS for all previous years by June 30, 2024.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

#### **Appendix A to Part 170 – Award Term**

##### **I. Reporting Subawards and Executive Compensation**

###### **a. Reporting of first-tier subawards.**

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

2. *Where and when to report.*

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.

3. What to report. You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-040** The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Aging Cluster Programs.

<b>Assistance Listing Number and Title:</b>	93.044 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.044 COVID-19 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.045 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.045 COVID-19 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.053 Nutrition Services Incentive Program
<b>Federal Grantor Name:</b>	U.S. Department of Health & Human Services
<b>Federal Award/Contract Number:</b>	Various
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

## ***Background***

The Aging Cluster programs, which include the Supportive Services and Senior Centers, Nutrition Services, and the Nutrition Services Incentive Program, provide services and meals to elderly people.

The Supportive Services program helps states and area agencies on aging (AAAs) facilitate the development and implementation of a comprehensive, coordinated system for providing long-term care in home and community-based settings in a way that responds to the needs and preferences of older people and their family caregivers. The Nutrition Services programs support nutrition services and provide resource incentives to encourage and reward effective and efficient performance in the delivery of nutritious meals to elderly people.

The Department of Social and Health Services administers federal programs under the Older Americans Act, including the Aging Cluster programs. In fiscal year 2023, the Department spent about \$39.5 million in Aging Cluster federal funding, including about \$38.4 million paid to 13 AAAs.

Federal regulations require the Department to ensure that every subaward is clearly identified to the subrecipient as a subaward and includes 14 federal identification elements. These elements include the subrecipient's unique entity identifier, the Federal Award Identification Number (FAIN), name of the federal awarding agency, the program's Assistance Listing Number, title, and more. The Department is required to communicate this information at the time of the subaward and, if any of these elements change, include the changes in a subsequent subaward modification. In addition, the Department is responsible for communicating all requirements it has imposed on its subrecipient so that they use the federal award in accordance with federal statutes, regulations, and the terms and conditions of the award.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Aging Cluster programs.



We used a non-statistical sampling method to randomly select and examine six of 13 subawards to determine if every subaward was clearly identified to the subrecipient as a subaward and included all 14 federal identification elements. We found that all six subawards did not include the following four required federal identification elements:

- FAIN
- Federal award date
- Name of federal award agency, pass-through entity, and contact information for awarding official of the pass-through entity
- Indirect cost rate for the federal award

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department communicated the four excluded identification elements in the Notice of Award (NOA) that was posted on its intranet. The Department wanted to simplify the procedure of notifying AAAs about the NOAs but, while the process was being developed, the Department neglected to communicate the required information to the AAAs in the subawards. This required information and its location were not referenced in the subaward.

### ***Effect of Condition***

By not clearly identifying the required information in the subaward, the Department cannot ensure it has adequately informed its subrecipients of the program requirements for each federal award.

### ***Recommendation***

We recommend the Department strengthen internal controls and ensure it communicates all required information in future subawards, as required by federal law.

### ***Department's Response***

*The Department agrees with this finding.*

*The Department receives Notices of Award (NOA) from the Administration of Community Living 3-4 times per award in partial amounts. To reduce the time and effort it takes to issue subaward amendments to 13 Area Agency on Aging (AAA), the Department decided to post NOAs on the Intranet used to communicate Management Bulletins and other documents to AAAs to make the*

*process more efficient. Unfortunately, the Department did not update subaward language to outline this change in the process.*

*Effective July 31, 2024, Initial Notices of Award (NOA), with all 14 federal identification elements, will be included for each funding source in the initial subaward as an Exhibit D. Language will be added to the subaward informing Area Agency on Aging that the future NOAs will be posted on the intranet. In addition, the fiscal staff assigned will inform all AAA fiscal staff when new NOAs are posted via e-mail. Contracts staff will ensure Exhibit D is attached to the initial subaward before signing the contract.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities, establishes federal award identification requirements for subawards.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-041 The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Aging Cluster programs obtained required single audits.**

<b>Assistance Listing Number and Title:</b>	93.044 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.044 COVID-19 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers 93.045 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.045 COVID-19 Special Programs for the Aging – Title III, Part C – Nutrition Services 93.053 Nutrition Services Incentive Program
<b>Federal Grantor Name:</b>	U.S. Department of Health & Human Services
<b>Federal Award/Contract Number:</b>	Various
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Aging Cluster programs, which include the Supportive Services and Senior Centers, Nutrition Services, and the Nutrition Services Incentive Program, provide services and meals to elderly people.

The Supportive Services program helps states and area agencies on aging (AAAs) facilitate the development and implementation of a comprehensive, coordinated system for providing long-term care in home and community-based settings in a way that responds to the needs and preferences of older people and their family caregivers. The Nutrition Services programs support nutrition services and provide resource incentives to encourage and reward effective and efficient performance in the delivery of nutritious meals to elderly people.

The Department of Social and Health Services administers federal programs under the Older Americans Act, including the Aging Cluster programs. In fiscal year 2023, the Department spent about \$39.5 million in Aging Cluster federal funding, including about \$38.4 million paid to 13 AAAs.

Federal regulations require the Department to monitor its subrecipients' activities. This includes:

- Verifying that subrecipients obtain a single audit if they spend \$750,000 or more in federal awards during a fiscal year
- Following up and ensuring that subrecipients take timely and appropriate action on all deficiencies pertaining to the federal award
- Issuing a management decision to the subrecipient, within six months, for applicable audit findings pertaining to the federal award

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Aging Cluster programs obtained required single audits.

The Department had processes in place to monitor that subrecipients obtained single audits. To monitor compliance with these requirements, the Department used Excel spreadsheets to track subrecipients' single audits. During the audit period, however, the Department did not adequately perform this process. The Department did not regularly check to ensure every subrecipient obtained a single audit when it was due, and did not verify the single audit report had been submitted to the Federal Audit Clearinghouse within 30 days after receiving the auditor's report or nine months after the end of the subrecipient's audit period, whichever is earlier.

We used a non-statistical sampling method to randomly select and examine six out of a total population of 13 AAAs, as well as two additional AAAs that were individually significant, to verify whether they had obtained single audits. We found four AAAs did not obtain and submit a single audit by the required deadlines, and there was no evidence that the Department

communicated with the AAAs when the reports were late. During our testing, we found three AAAs eventually submitted their single audit reports after the due date. We also found one AAA has not submitted the required single audit report.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Due to management turnover throughout the fiscal year, staff were behind on monitoring whether the Department's subrecipients obtained their required single audits. In addition, management did not exercise sufficient oversight to ensure staff completed the monitoring.

### ***Effect of Condition***

Without establishing adequate internal controls, the Department cannot ensure that all subrecipients requiring a single audit obtain one, that timely and appropriate action is taken for subrecipients that did not obtain a single audit, and that subrecipients with audit findings receive required management decisions timely.

### ***Recommendations***

We recommend the Department strengthen internal controls to ensure:

- Subrecipients obtain a single audit if they spend \$750,000 or more in federal awards during a fiscal year
- Subrecipients take timely and appropriate action on all deficiencies pertaining to the federal award
- It issues all required management decisions to subrecipients, within six months, for applicable audit findings pertaining to the federal award

### ***Department's Response***

*The Department agrees with the finding.*

*The Federal Compliance Manager position was vacant from April 2021 to April 2022 and once the position was filled the priority was to catch up on monitoring, reviewing area plans and cost allocations submitted by the Area Agency on Aging (AAA). It was for that reason that tracking whether the Department's subrecipients obtained and submitted their required single audits was*

*not completed during the audit period. The two AAAs that did not submit single audits were contacted in January 2024 and remediation of the audit exceptions are underway.*

*Effective March 31, 2024, the Single Monitor Tracking Sheet will be updated to document the dates of audit requests, receipts, date of review, confirmation of FAC audit receipt, date of communication with AAA, and when a management letter is sent and the AAA responses.*

*By July 1, 2024, a reminder process will be implemented for all AAAs to submit their audits six months after the subrecipient fiscal year-end close. Email reminders will be sent until single audits are received or once the AAA has communicated an estimated audit completion date. Communication will be documented in Tracker.*

*The AAA & Grants Unit Manager or Office Chief will review the Single Monitor Tracking Sheet nine months after the sub-recipient fiscal year-end close to ensure all Single audits are received timely. Follow up will occur monthly on outstanding audits and timing of management letters.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities, establishes federal award identification requirements for subawards.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-042** The University of Washington did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.

<b>Assistance Listing Number and Title:</b>	93.067 Global AIDS 93.067 COVID-19 Global AIDS
<b>Federal Grantor Name:</b>	U.S Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	NU2GGH002038; NU2GGH002116; NU2GGH002157; NU2GGH002242 NU2GGH002298; NU2GGH002360 NU2GGH002374; NU2GGH002423
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-029

### ***Background***

The Global AIDS program is a federal initiative focused on treating and preventing the transmission of HIV/AIDS around the world. The program is authorized by Sections 307 and 317(k)(2) of the Public Health Service Act, the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Acts of 2003 and 2008, and the U.S. President’s Emergency Plan for AIDS Relief.

Since it was established in 2003, the federal government has invested more than \$100 billion in the global HIV/AIDS response, providing testing and treatment for millions of people, preventing transmission among affected communities, and supporting numerous countries to achieve HIV epidemic control. The program distributes funding through public and private sector partnerships to reach the populations most vulnerable to HIV/AIDS epidemics.

The University of Washington administers this grant for the state through its International Training and Education Center for Health (I-TECH). I-TECH is a center in the University's Department of Global Health operated by more than 2,000 staff in offices located in Africa, Asia, the Caribbean, Eastern Europe and the United States.

In fiscal year 2023, the University spent almost \$70 million in federal program funds, more than \$41 million of which it awarded to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the University is required to collect and report information on each subaward of federal funds more than \$30,000. The University must report subawards by the end of the month following the month in which it made the subaward or subaward amendment. The intent of the Act is to empower citizens with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.

The University generates subawards and subaward modifications using information from its Sponsored Projects Administration and Electronic Research Compliance (SPAERC) system. The Office of Sponsored Programs (OSP) is responsible for monitoring whether FFATA applies to a subaward and ensuring the FFATA reporter is notified.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the University did not establish and follow internal controls to ensure compliance with reporting requirements. The prior finding number was 2022-029.

### *Description of Condition*

The University did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the act.

During the audit period, the University was required to report 45 subawards/modifications totaling more than \$41 million of program funds that it awarded to 14 subrecipients.

We used a non-statistical sampling method and randomly selected ten out of 45 subawards required to be reported during the audit period. We found the University failed to report two subawards (20 percent) totaling \$245,942 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS).

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.



## *Cause of Condition*

The University uses SPAERC to identify and monitor active subawards and subaward modifications for the Global AIDS program. However, OSP does not currently use SPAERC data to generate external reports to identify subawards and subaward modifications that require reporting in FSRS. During the audit period, the subaward administrator responsible for identifying and actively monitoring subawards and modifications for reporting purposes did not notify the FFATA reporter that such reporting applied to these subaward modifications.

## *Effect of Condition*

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending. The terms and conditions of the federal award allow the grantor to penalize the University for noncompliance by suspending or terminating the federal award or withholding future awards.

## *Recommendations*

We recommend the University:

- Establish effective internal controls to ensure reports are submitted, as required
- Ensure management monitors reporting of this information to ensure future reports are submitted completely and accurately

## *University's Response*

*The University acknowledges that two subawards were not reported in accordance with Federal Funding Accountability and Transparency Act (FFATA) requirements.*

*The University:*

- *Submitted the required reports as of November 21, 2023.*
- *Reviewed reporting for all subawards for the program active during fiscal year 2023 and ensured that all reports were submitted.*

*The University will continue to use the controls in place related to FFATA reporting, but will enhance through better use of the data in the Sponsored Projects Administration and Electronic Research Compliance (SPAERC) system and customized/configured reports using SPAERC data to identify reporting needs. The University will:*

- *Strengthen management monitoring process to ensure compliance with FFATA reporting requirements.*
- *Test the reports to assist in the identification and review of FFATA-reportable actions.*

*Given the timing of the audit filing, which was not until June, and the significant enterprise-wide financial system replacement and implementation, the work to implement all corrective action steps, including enhanced FFATA reporting tracking, was slow in FY23. Specifically, creation and implementation of the customized/configured reports using SPAERC data was delayed due to the enterprise-wide financial system replacement in July 2023, only one month after the official filing of the FY22 audit report. This impacted the Decision Support Services team responsible for generating such reconfigured reports, and that interrupted OSP's ability to test out these reports. We expect these to be delivered and tested in FY25, but, in meantime, will use a more generic report generated by OSP staff to identify each subaward of federal funds more than \$30,000, for timely reporting.*

### ***Auditor's Remarks***

We thank the University for its cooperation and assistance throughout the audit. We will review the status of the University's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

Appendix A to Part 170 – Award Term

I. Reporting Subawards and Executive Compensation

a. Reporting of first-tier subawards.

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).
2. *Where and when to report.*
  - i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
  - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-043** The University of Washington did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it followed up on findings and issued management decisions.

**Assistance Listing Number and Title:** 93.067 Global AIDS  
93.067 COVID-19 Global AIDS

**Federal Grantor Name:** U.S Department of Health and Human Services

**Federal Award/Contract Number:** NU2GGH002038; NU2GGH002116;  
NU2GGH002157; NU2GGH002242;  
NU2GGH002298; NU2GGH002360;  
NU2GGH002374; NU2GGH002423

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Subrecipient Monitoring

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-030

### *Background*

The Global AIDS program is a federal initiative focused on treating and preventing the transmission of HIV/AIDS around the world. The program is authorized by Sections 307 and 317(k)(2) of the Public Health Service Act, the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Acts of 2003 and 2008, and the U.S. President's Emergency Plan for AIDS Relief.

Since it was established in 2003, the federal government has invested more than \$100 billion in the global HIV/AIDS response, providing testing and treatment for millions of people, preventing transmission among affected communities, and supporting numerous countries to achieve HIV

epidemic control. The program distributes funding through public and private sector partnerships to reach the populations most vulnerable to HIV/AIDS epidemics.

The University of Washington administers this grant for the state through its International Training and Education Center for Health (I-TECH). I-TECH is a center in the University's Department of Global Health operated by more than 2,000 staff in offices located in Africa, Asia, the Caribbean, Eastern Europe and the United States.

In fiscal year 2023, the University spent almost \$70 million in federal program funds, about \$42 million of which it passed through to subrecipients.

Federal regulations require the University to monitor its subrecipients' activities. This includes verifying that its subrecipients that spend \$750,000 or more in federal awards during a fiscal year obtain a single or program-specific audit. For the Global AIDS program, the Centers for Disease Control and Prevention requires foreign subrecipients to submit their audits directly to the federal government and pass-through entity within 30 days after receiving the auditor's report or nine months after the end of the subrecipient's audit period, whichever is earlier.

Additionally, for the awards it passes onto its subrecipients, the University must follow up and ensure the subrecipients take timely and appropriate corrective action on all deficiencies identified through audits. When a subrecipient receives an audit finding for a University-funded program, federal law requires the University to issue a management decision to the subrecipient within six months of the audit report's acceptance by the federal government. The management decision must clearly state whether the audit finding is sustained, the reason for the decision, and the actions the subrecipient is expected to take, such as repaying unallowable costs or making financial adjustments. These requirements help ensure subrecipients use federal program funds for authorized purposes and within the provisions of contracts or grant agreements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the University did not establish adequate internal controls over and did not comply with federal requirements for subrecipient monitoring. The prior finding number was 2022-030.

### *Description of Condition*

The University did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it appropriately followed up on findings and issued management decisions.

We found the University did not have adequate internal controls in place to verify whether:

- Subrecipients received required audits, if necessary, and appropriate remedies were taken if audits were not filed
- Management decisions were required to be issued for subrecipients who required a single or program-specific audit

We used a nonstatistical sampling method to randomly select and examine seven out of a total population of 19 subrecipients. We found the University did not adequately monitor four subrecipients (57 percent) to ensure they received a required single or program-specific audit. Additionally, we found three of the four subrecipients received audit findings for the Global AIDS program, but the University did not issue a written management decision to the subrecipients and ensure appropriate corrective actions would be taken to correct the deficiencies reported, as required.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

The University's Office of Sponsored Programs used a spreadsheet to track subrecipient certifications and whether they were subject to a single or program audit. However, the University did not obtain updated annual audit certifications from these subrecipients to determine if they required an audit and, therefore, did not require the subrecipients to provide documentation of a single or program-specific audit. In addition, University management did not follow up with the subrecipients to verify that audits were performed.

### *Effect of Condition*

Without establishing adequate internal controls, the University cannot ensure all subrecipients that required a single or program-specific audit received one. Furthermore, the University cannot ensure it is following up on subrecipient audit findings and communicating required management decisions to subrecipients. By failing to ensure subrecipients establish corrective actions and management monitors them for effectiveness where required, the University cannot determine whether subrecipients have sufficiently corrected issues identified in audit findings.

## ***Recommendations***

We recommend the University:

- Follow policies and procedures to ensure subrecipients receive required single or program-specific audits
- Establish and follow effective internal controls to ensure it reviews audit reports for its subrecipients and issues written management decisions, as required
- Ensure subrecipients develop and perform acceptable corrective actions to adequately address all audit recommendations
- Follow up with the subrecipient to ensure the required audit reports are received and reviewed to determine if the subrecipient is required to take corrective action to address audit recommendations
- Issue a written management decision for all applicable audit findings, if necessary

## ***University's Response***

*In the prior audit, it was found the University did not establish adequate internal controls over and did not comply with federal requirements for subrecipient monitoring. The prior finding number was 2022-030. As a result of that finding, the University took corrective action, which was conveyed in November 2023, but given the significant enterprise-wide financial system replacement and implementation, the work to implement all corrective action steps, including single audit verification, has been interrupted and audit certification was not performed consistently during FY23.*

*The University uses a certification process to obtain information and documentation needed to assess each subrecipient. As part of corrective action from finding 2022-030, the University updated the certification process with all subrecipients to confirm if federal expenditures during a fiscal year exceed the \$750,000 threshold to require a single or program-specific audit by revising the initial certification form used to gather information and carry out a risk assessment. However, the University is still working on enhancing the annual certification process to confirm subrecipients receive required single or program-specific audits each year, to review such audit reports, and issue written management decisions, as required, including that subrecipient develop and perform acceptable corrective actions to address all applicable audit recommendations.*

## ***Auditor's Remarks***

We thank the University for its cooperation and assistance throughout the audit. We will review the status of the University's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, Section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities, establishes requirements for pass through entities including monitoring of subrecipients.

Title 45 CFR Part 75, section 501, Audit requirements, establishes the single audit requirements for recipients of federal assistance.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The University of Washington's Policies, Procedures and Guidance (UW Research), *GIM 8 – Subrecipient Monitoring*, states in part:

### **Background**

Additionally, per the Federal Uniform Guidance, UW must evaluate each subrecipients' risk of noncompliance with federal regulations, include specific terms and conditions in the subaward as necessary, and monitor the activities of the subrecipient through various mechanisms. These mechanisms include: Training and technical assistance to subrecipients, on-site reviews, review of audit results, increased reporting requirements and enforcement action, if necessary.

### **University Policy**

UW reviews each subrecipient entity according to an entity level comprehensive risk assessment prior to the issuance of a subaward. This risk assessment includes an entity level review of their fiscal systems, past audit activity, and if required, financial statements of the entity as well as the project specific activity proposed and that the required compliance approvals are obtained. When necessary, UW imposes limitations and requirements on the subrecipient through subaward terms and conditions per Federal Uniform Guidance, Section 200.521, prior to the issuance or renewal of a subaward.



UW's subrecipient monitoring requirements are comprised, at a minimum, of the following:

- Completion of the UW's entity level comprehensive risk assessment (Certs & Reps, Annual Audit Certification)

### **Subrecipient Monitoring – Entity Level**

Entity level monitoring consists of a combination of the following:

- Initial Subrecipient Certification Form completion and assurance by subrecipient's authorized official
- Annual audit assurance through an annual audit certification form
- Maintenance of a subrecipient profile list, which includes information on the entity's past audit information and certifications Risk assessment carried out at each annual renewal of a subaward.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-044** The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.

<b>Assistance Listing Number and Title:</b>	93.268 Immunization Cooperative Agreements 93.268 COVID-19 Immunization Cooperative Agreements
<b>Federal Grantor Name:</b>	U.S Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	6NH231IP922619-04-01; 5 NH23IP922619-04-00;6 NH23IP922619-02-04; 6 NH23IP922619-02-06; 6 NH23IP922619-02-03; 6 NH23IP922619-02-02
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$416,027
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-031

### *Background*

The Department of Health administers the Immunization Cooperative Agreements program, which aims to reduce and ultimately eliminate vaccine-preventable diseases by increasing and maintaining high immunization coverage. Emphasis is placed on populations at highest risk for underimmunization and disease, including children eligible under the Vaccines for Children program. In fiscal year 2023, the Department spent more than \$24.6 million in federal program

funds, about \$8.5 million of which it disbursed to subrecipients. The Department also received more than \$97.6 million in non-cash assistance from the federal grantor in the form of vaccines.

To help carry out the program's objectives, the Department issues consolidated contracts to Local Health Jurisdictions that are classified as subrecipients. A consolidated contract is for one subrecipient that combines funding for multiple federal programs.

Each federal grant specifies a performance period during which recipients must obligate and liquidate program costs. The periods for this program are July 1 through June 30 of the associated fiscal year. Payments for costs charged before a grant's beginning date or after the ending date are not allowed without the grantor's prior approval.

Subrecipients are awarded federal funds on a reimbursement basis only. The Department assigns each subrecipient a risk level based on standardized criteria, and it maintains a matrix that specifies the documentation that subrecipients at each risk level are required to submit with every reimbursement. There are varying requirements among low, moderate and high-risk subrecipients for each of the following expense categories:

- Salaries and benefits
- Equipment (\$5,000 or more)
- Materials and supplies
- Meals
- Outreach materials
- Travel
- Training
- Contracts
- Sub-subrecipients
- Administrative/indirect costs

During the audit period, subrecipients submitted invoices to the Department's accounting unit where staff, on a weekly basis, compiled a list of all consolidated contract invoices into one email. The accounting unit emailed the requests to Department program staff requesting review to ensure the payment was allowable and within the period of performance. The emails consisted of 30 to 50 invoice requests with hundreds of pages of supporting documentation. Each invoice listed in the email would be considered approved if program staff did not respond. To address concerns about an invoice, program staff were required to email the accounting unit within 10 business days to withhold payment until the items in question were resolved.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable, met cost principles and were within the period of performance for the program. The prior finding number was 2022-031.

### *Description of Condition*

The Department did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the program.

Department program staff were required to use the documentation matrix when reviewing subrecipient payments to ensure they were for allowable activities, met cost principles, were within the period of performance and included required supporting documentation. However, program staff did not communicate their approval to the accounting unit that issues payment. As a result, the Department paid the subrecipients without knowing whether these expenditures had been reviewed and approved by program staff.

We used a statistical sampling method to randomly select and examine 56 out of 681 provider payments. Additionally, we judgmentally reviewed two individually significant payments that exceeded \$476,000 each. In total, we examined more than \$2.4 million in provider payments as part of the audit. Of the 58 payments examined, we identified seven payments (12.5 percent) and one individually significant payment that did not have the required supporting documentation for the subrecipients' assigned risk level.

In addition, we judgmentally selected and examined six high-risk transactions out of a population of 1,293 expenditures charged to the federal fiscal year 2023 award that opened during the audit period. We found four expenditures that were improperly charged to the grant because the activity occurred before the period of performance.

We also judgmentally selected and examined two out of a population of 167 expenditures charged to the federal fiscal year 2022 award that closed during the audit period. We found one expenditure was improperly charged to the grant because the activity occurred after the period of performance.

We consider these internal control deficiencies to be a material weakness.

## *Cause of Condition*

The Department's established procedures allowed for paying providers without ensuring program staff reviewed and determined the payment was allowable, within the period of performance, and adequately supported. Furthermore, program management did not ensure staff followed the existing review procedures.

Additionally, the Department did not ensure that expenditures that were cost allocated and directly charged during the opening and closing of awards were within the award's period of performance.

## *Effect of Condition and Questioned Costs*

Without establishing adequate internal controls, the Department cannot reasonably ensure it is using federal funds for allowable purposes and within the period of performance. By not ensuring subrecipients submitted required supporting documentation, staff could not adequately verify the reimbursement claims, and the Department could not ensure its subrecipients complied with the subaward's terms and conditions.

The eight payments for which the Department did not have required supporting documentation from subrecipients totaled \$404,592 in known questioned costs. Based on these results, we estimate that the total amount of likely improper payments using federal funds to be \$588,502.

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflect this conclusion. However, the likely improper payment projections are a point estimate and only represent our "best estimate of total questioned costs," as required by 2 CFR § 200.516(3). To ensure a representative sample, we stratified the population by dollar amount.

For the federal fiscal year award 2023 that opened during the audit period, we identified questioned costs totaling \$3,852.

For the federal fiscal year 2022 award that closed during our audit period, we identified questioned costs totaling \$7,583.

In total, we identified \$416,027 in known federal questioned costs and \$599,937 in likely questioned costs.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendations*

We recommend the Department:

- Improve internal controls to ensure that it obtains adequate supporting documentation from subrecipients before reimbursing them
- Improve internal controls to ensure program staff review, approve, and communicate approval of expenditures to those issuing payment to verify they are for allowable activities and within the period of performance prior to payment
- Improve its internal controls to ensure expenditures charged at the beginning and end of an award are within the period of performance
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## *Department's Response*

*We appreciate the State Auditor's Office audit of the Immunizations grant. DOH is committed to ensuring our programs comply with federal regulations. The Department does not concur with the finding.*

*While the Department has taken steps to ensure payments to providers contain proper support in line with our A19 matrix for risk assessed of our subrecipients, we continue to disagree with SAO's assessment of a material weakness in internal controls over the consolidated contract provider payment process. As noted in the finding, program staff now document their review and approval of consolidated contract reimbursement requests. If the payment has no issues or concerns, the total payment is logged in a spreadsheet with documented review and approval to denote no issues and that full payment can be made. If there is a question on allowable cost, period of performance, a need for additional backup or an error, program Immunization staff will update spreadsheet with the amounts in question and communicate with the Local Health Jurisdiction, document the correspondence, and contact the accounting consolidated contract payment desk to withhold the specific amount of payment until the issue is resolved. Once resolved staff update the spreadsheet to denote the issue has been resolved and email accounting to release the payment amount in question.*

*The defined process of consolidated contract payments has been in place for well over a decade and was implemented in response to issues arising with timely payment of funds to our local government partners. The consolidated contracts are an essential tool in providing such funding on a large scale. This process balances many needs in tracking payments, providing documentation to the programs for review as well as allowing for timely distribution of funding to the local health jurisdictions (LHJs) for state and federal programs in order to serve the residents of the State of Washington. It also simplifies the invoicing and payment process as well as reconciliation between DOH and the LHJs.*

*We do not concur with several of the exceptions and questioned costs identified. The Department believes there was a lack of understanding of DOH process related to allocation of space costs and how overtime is earned and accounted for according to the Collective Bargaining Agreement. Additionally, while in some instances the level of support did not meet our internal policies, which are held to a higher standard than federal requirements, the level of documentation received from the subrecipient accounting system gave us assurance that the transactions/costs questioned met federal cost principles for allowability and period of performance. This, along with the following additional overall internal monitoring and policy processes support our overall assurance of the allowability of payments:*

- The Immunization program staff maintain detailed budget information for each subrecipient by project area, and as A-19s are submitted, program and accounting staff update budget spreadsheets. When reviewing the support provided by the subrecipient, they ensure amounts submitted by project are reasonable and are in alignment with expectations for the budget period submitted.*
- The Immunization program refer to the federal Immunization Program Operations Manual (IPOM) to determine allowable costs, purchase, and procurement procedures. □The Fiscal Monitoring Unit provides technical assistance and training, not only to program staff, but to the subrecipients while onsite and at the request of the entities receiving funding.*
- The Immunizations program provides technical assistance, policies, and training to Immunization subrecipients related to both allowability and compliance.*
- The Immunizations program has continued to strengthen processes to ensure that the backup documentation received is in alignment with the agency’s documentation matrix for sub-recipients per their risk level.*

### ***Auditor’s Remarks***

While management has implemented a new procedure for program staff to document their review and approval of subrecipient reimbursement requests, this approval is not communicated to fiscal staff before payments are issued. As a result, approval is assumed and not verified by fiscal staff when no response is received from the program staff. The amount of supporting documentation submitted by a subrecipient utilizing consolidated contracts is extensive and often covers multiple reimbursement requests for more than one federally funded program. In our judgment, this increases the risk that a proper review is not performed before payments are issued.

The Department did not concur with some of the identified exceptions and stated it believed it was due to our Office’s lack of understanding of their processes. This assertion is not accurate. We understand their processes, but four of the exceptions were payments for services that occurred prior to the grant being open (expenses were for the month of June 2022, but the award opened July 1, 2022). These four exceptions included the “allocation of space costs and how overtime is

earned and accounted for” referred to in the Department’s response. These exceptions were discussed in detail with the Department and during these discussions the Department mistakenly asserted that the time of payment was what determined compliance, not when the activity occurred. This is not correct and may be part of why the Department did not concur with the exceptions.

We reaffirm our finding and will follow up on the status of the Department’s corrective action during our next audit period.

### ***Applicable Laws and Regulations***

45 U.S. Code of Federal Regulations (CFR) Part 75, section 2, Definitions, includes the definition of improper payment.

Title 45 CFR Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

45 CFR Part 75, section 403, Factors Affecting Allowability of Costs.

45 CFR Part 75, section 410, Collection of Unallowable Costs

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

### ***Washington State Department of Health A-19 Documentation Matrix***

Approved by FMU 7/1/22

This is the backup documentation required based on the determined risk level. More supporting documentation may be requested by programs at any time regardless of risk category. Please review your statement of work to determine if there are additional documentation requirements.



Expenditure Category	Low-Risk	Moderate-Risk	High-Risk
<b>Salaries and Benefits</b>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> </ul> <p>Example: Salary Bob Smith \$5,324.75 Ann Brown \$1,245.52</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> </ul> <p>Example: Salary Bob Smith \$5,324.75 Ann Brown \$1,245.52</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> <li>• Hours worked</li> </ul> <p>Example: Salary Bob Smith \$5,324.75 (168 hrs.) Ann Brown \$1,245.52 (34 hrs.)</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>
<b>Equipment (\$5,000 or more)</b>	A-19 and a <i>detailed</i> GL expenditure report.	A-19 and a <i>detailed</i> GL expenditure report with DOH preapproval.	A-19 and a <i>detailed</i> GL expenditure report with DOH preapproval and copy of the invoice.

<p><b>Materials and Supplies</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Copies of invoices for transactions over <b>\$2,500.</b></p> <p><b>Note:</b> If the subrecipient has a petty cash fund, they must supply 100% of the supporting documentation.</p>	<p>A-19 and <i>detailed</i> GL expenditure report.</p> <p>Copies of invoices for transactions over <b>\$1,000.</b></p> <p><b>Note:</b> If the subrecipient has a petty cash fund, they must supply 100% of the supporting documentation.</p>
<p><b>Meals</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report and receipt.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with receipt and number of participants or meeting invite.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with receipt, number of participants and sign in roster.</p>
<p><b>Outreach Materials- All outreach materials must be allowable according to grant terms and conditions.</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Pre-approval required for all outreach materials in excess of <b>\$2,500.</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Pre-approval required for all outreach materials in excess of <b>\$1,000:</b></p> <p>AND</p> <ul style="list-style-type: none"> <li>• Sample of Outreach materials</li> </ul>

<b>Travel</b>	A-19 and a <i>detailed</i> GL expenditure report.	A-19 and a <i>detailed</i> GL expenditure report and purpose of travel.	A-19 and a <i>detailed</i> GL expenditure report and purpose of travel: AND <ul style="list-style-type: none"> <li>• Pre-approval for out of state travel.</li> </ul>
<b>Training</b>	A-19 and a <i>detailed</i> GL expenditure report.	A-19 and a <i>detailed</i> GL expenditure report and receipt for training.	A-19 and a <i>detailed</i> GL expenditure report and receipt for training: AND <ul style="list-style-type: none"> <li>• Agenda</li> </ul>
<b>Contracts (If the DOH subrecipient is contracting out with an agency to perform work charged to the grant)</b>	A-19 and a <i>detailed</i> GL expenditure report.	A-19 and a <i>detailed</i> GL expenditure report that provides:  AND <ul style="list-style-type: none"> <li>• Invoices for individual transactions over <b>\$5,000</b>.</li> </ul>	A-19 and a <i>detailed</i> GL expenditure report that provides: AND <ul style="list-style-type: none"> <li>• Invoices for individual transactions over <b>\$1,000</b>.</li> </ul>
<b>Sub-Sub recipients (If the DOH subrecipient is passing funds through to another agency as a subrecipient)</b>	A-19 and a <i>detailed</i> GL expenditure report.	A-19 and a <i>detailed</i> GL expenditure report. <ul style="list-style-type: none"> <li>• A copy of all invoices over <b>\$5,000</b> with a detailed GL report.</li> </ul>	A-19 and a <i>detailed</i> GL expenditure report. <ul style="list-style-type: none"> <li>• A copy of all invoices over <b>\$1,000</b> with a detailed GL report.</li> </ul>

NOTE:

Indirect costs included on A19s **must** include verification of the following:

- Indirect plan is current and on file with DOH
- Indirect rate is being applied accurately to allowable expenditures
- If the indirect cost rate plan has expired, no indirect costs can be charged

If the subrecipient is using 10% de minimis they must complete DOH de minimis certification

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-045** The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.

<b>Assistance Listing Number and Title:</b>	93.268 Immunization Cooperative Agreements 93.268 COVID-19 Immunization Cooperative Agreements
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	6NH23IP922619-04-01; 5NH23IP922619-04-00; 6NH23IP922619-02-04; 6NH23IP922619-02-06; 6NH23IP922619-02-03; 6NH23IP922619-02-02
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-032

### ***Background***

The Department of Health administers the Immunization Cooperative Agreements (Immunization) program. The objective of the program is to reduce and ultimately eliminate vaccine-preventable diseases by increasing and maintaining high immunization coverage. Emphasis is placed on populations at highest risk for under immunization and disease, including children eligible under the Vaccines for Children program. In fiscal year 2023, the Department spent more than \$24.6 million in federal program funds, about \$8.5 million of which it disbursed to subrecipients. The Department also received more than \$97.6 million in non-cash assistance from the federal grantor in the form of vaccines.

Under the Federal Funding Accountability and Transparency Act (Act), the Department is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Department must report subawards by the end of the month following the month in which it made the subaward (or subaward amendment). The intent of the Act is to empower people with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.

When a new subaward or amendment is executed, Department staff update a spreadsheet throughout the month with the subaward information required for reporting. Staff then send the spreadsheet to management for approval before submitting the report. The Department was required to report 36 subawards and amendments in fiscal year 2023, totaling \$20,915,787.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate controls over and did not comply with requirements to ensure it filed reports required by the Act for the Immunization program. The prior finding number was 2022-32.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Act for the Immunization program.

During the first three months of the audit period, management did not review the reports prior to submission. During this period, the Department executed 30 out of the 36 subawards and amendments (83 percent) totaling \$17,474,404, which represented 84 percent of the total amount obligated in the fiscal year.

We used a non-statistical sampling method to randomly select and examine nine out of the total population of 36 subawards and amendments. We found:

- Five of the nine subawards and amendments (56 percent) were not reported timely.
- One of the nine subawards (11 percent) contained an incorrect Unique Entity ID (UEI), subawardee name and address.

We consider this internal control deficiency to be a material weakness that led to material noncompliance.

### ***Cause of Condition***

For the first three months of the audit period, when most of the subawards were executed, the Department did not have procedures in place to ensure management did an adequate review of the reports—and documented that it occurred—before submitting them in FSRS. Furthermore, Department officials acknowledged that for the first part of the year, staff did not use the signature date as the obligation date, which resulted in reports being submitted late. Department officials also said the amendments were submitted late because they did not have the UEIs for the subawardees, which are required to complete the submission.

### ***Effect of Condition***

Without performing an adequate review, management cannot ensure the Department submits accurate, complete and timely reports. Furthermore, failing to submit complete, accurate and timely reports diminishes the federal government's ability to ensure accountability and transparency of federal spending.

Lastly, the terms and conditions of the federal award allow the grantor to penalize the Department for noncompliance by suspending or terminating the federal award or withholding future awards.

### ***Recommendation***

We recommend the Department ensure management reviews required reports to ensure they are accurate and complete before submission.

### ***Department's Response***

*We appreciate the State Auditor's Office audit of the immunization grant. DOH is committed to ensuring our programs comply with federal regulations. As a result of the prior year's recommendation the Department put procedures in place to address the identified exceptions. Unfortunately, the procedures were not in place for a portion of the fiscal year due to the timing of the audit and when issues were identified. Moving forward with current controls in place, this should eliminate these errors from occurring in the future.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 U.S. CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

### Appendix A to Part 170 – Award Term

#### I. Reporting Subawards and Executive Compensation

##### *1. Reporting of first-tier subawards.*

Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

##### *2. Where and when to report.*

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsr.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

*3. What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsr.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-046** The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Epidemiology and Laboratory Capacity for Infectious Diseases program.

<b>Assistance Listing Number and Title:</b>	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	NU50CK000515-05-00; NU50CK000515-01-06; NU50CK000515-01-07; NU50CK000515-01-08; NU50CK000515-02-04; NU50CK000515-01-09; NU50CK000515-02-01; NU50CK000515-02-06; NU50CK000515-02-03; NU50CK000515-02-09; NU50CK000515-02-07; NU50CK000515-03-03; NU50CK000515-03-01; NU50CK000515-04-00; NU50CK000515-04-03
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs / Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$1,735
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-033

## *Background*

The Department of Health administers the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The goal of the program is to support state, local, and territories' public health efforts to reduce morbidity and associated deaths caused by a wide range of infectious disease threats. ELC provides annual funding, strategic direction, and technical assistance to domestic jurisdictions for strengthening core capacities in epidemiology, laboratory, and health information systems activities. In addition to strengthening core infectious disease capacities nationwide, the program also supports several specific infectious disease programs and projects, and provides special appropriations in response to infectious disease emergencies. The Department spent about \$198.5 million in federal grant funds in fiscal year 2023, about \$17 million of which was disbursed to subrecipients.

To help carry out the program's objectives, the Department issues consolidated contracts to Local Health Jurisdictions that are classified as subrecipients. A consolidated contract is for one subrecipient that combines funding for multiple federal programs.

Subrecipients are awarded federal funds on a reimbursement basis only. The Department assigns each subrecipient a risk level based on standardized criteria, and it maintains a matrix that specifies the documentation that subrecipients at each risk level are required to submit with every reimbursement. There are varying requirements among low, moderate and high-risk subrecipients for each of the following expense categories:

- Salaries and benefits
- Equipment (\$5,000 or more)
- Materials, supplies, and other
- Travel (in-state and out-of-state)
- Contracts and sub-subrecipients
- Administrative/indirect costs

During the audit period, subrecipients submitted invoices to the Department's accounting unit where staff, on a weekly basis, compiled a list of all consolidated contract invoices into one email. The emails were sent to Department program staff requesting review to ensure the payment was allowable. The emails consisted of 30 to 50 invoice requests with hundreds of pages of supporting documentation. Each invoice listed in the email would be considered approved if program staff did not respond. To address concerns about an invoice, program staff were required to email the accounting unit within 10 business days to withhold payment until the items in question were resolved.

Beginning in February 2023, program staff documented their review and approval of the reimbursement request on a spreadsheet. The spreadsheet was only used at the program level, so it was not shared with the fiscal staff to communicate approval prior to issuing payment.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with fiscal monitoring requirements to ensure subrecipients of the ELC program only used funds for allowable activities and met cost principles. The prior finding number was 2022-033.

### *Description of Condition*

The Department did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the ELC program.

Department program staff were required to use the documentation matrix when reviewing subrecipient payments to ensure they were for allowable activities, met cost principles, were within the period of performance and included required supporting documentation. However, program staff did not communicate their approval to the accounting unit that issues payment. As a result, the Department paid the subrecipients without knowing whether these expenditures had been reviewed and approved by the program staff.

We used a statistically valid sampling method to randomly select and examine 55 out of 441 subrecipient payments. Additionally, we judgmentally reviewed one individually significant payment that totaled \$939,182. In total, we examined more than \$8.8 million in subrecipient payments as part of the audit. Of the 55 randomly selected payments examined, we identified two payments (3.6 percent) that did not have the required supporting documentation for the subrecipients' assigned risk level.

We consider these internal control deficiencies to be a material weakness.

### *Cause of Condition*

The Department's established procedures allowed for paying subrecipients without ensuring program staff reviewed and determined the payment was allowable and adequately supported. Furthermore, program management did not ensure staff followed the existing review procedures.

## *Effect of Condition and Questioned Costs*

Without establishing adequate internal controls, the Department cannot reasonably ensure it is using federal funds for allowable purposes and within the period of performance. By not ensuring subrecipients submitted required supporting documentation, staff could not adequately verify the reimbursement claims, and the Department could not ensure its subrecipients complied with the subaward's terms and conditions.

The two payments for which the Department did not have required supporting documentation from subrecipients totaled \$1,735 in known questioned costs. Based on these results, we estimate that the total amount of likely improper payments using federal funds to be \$46,169.

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a high level of assurance, with a 95 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflect this conclusion. However, the likely improper payment projections are a point estimate and only represent our "best estimate of total questioned costs," as required by 2 CFR 200.516(3). To ensure a representative sample, we stratified the population by dollar amount.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendations*

We recommend the Department:

- Improve internal controls to ensure that it obtains adequate supporting documentation from subrecipients before reimbursing them
- Improve internal controls to ensure program staff review and approve expenditures to verify they are for allowable activities prior to payment
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*We appreciate the State Auditor's Office audit of the ELC grant. DOH is committed to ensuring our programs comply with federal regulations. The Department does not concur with the finding.*

*While the Department has taken steps to ensure payments to providers contain proper support in line with our A19 matrix for risk assessed of our subrecipients, we continue to disagree with SAO's assessment of a material weakness in internal controls over the consolidated contract provider payment process. As noted in the finding, program staff now document their review and approval of consolidated contract reimbursement requests. If the payment has no issues or concerns, the total payment is logged in a spreadsheet with documented review and approval to denote no issues and that full payment can be made. If there is a question on allowable cost, period of performance, a need for additional backup or an error, program ELC staff will update spreadsheet with the amounts in question and communicate with the Local Health Jurisdiction (LHJ), document the correspondence, and contact the accounting consolidated contract payment desk to withhold the specific amount of payment until the issue is resolved. Once resolved staff update the spreadsheet to denote the issue has been resolved and email accounting to release the payment amount in question.*

*The defined process of consolidated contract payments has been in place for well over a decade and was implemented in response to issues arising with timely payment of funds to our local government partners. The consolidated contracts are an essential tool in providing such funding on a large scale. This process balances many needs in tracking payments, providing documentation to the programs for review as well as allowing for timely distribution of funding to the local health jurisdictions for state and federal programs in order to serve the residents of the State of Washington. It also simplifies the invoicing and payment process as well as reconciliation between DOH and the LHJs.*

## ***Auditor's Remarks***

While management has implemented a new procedure for program staff to document their review and approval of subrecipient reimbursement requests, this approval is not communicated to fiscal staff before payments are issued. As a result, approval is assumed and not verified by fiscal staff when no response is received from the program staff. The amount of supporting documentation submitted by a subrecipient utilizing consolidated contracts is extensive and often covers multiple reimbursement requests for more than one federally funded program. In our judgment, this increases the risk that a proper review is not performed before payments are issued.

We reaffirm our finding and will follow up on the status of the Department's corrective action during our next audit period.

## *Applicable Laws and Regulations*

45 U.S. Code of Federal Regulations (CFR) Part 75, section 2, Definitions, includes the definition of improper payment.

Title 45 CFR Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

45 CFR Part 75, section 403, Factors Affecting Allowability of Costs.

45 CFR Part 75, section 410, Collection of Unallowable Costs.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

*Washington State Department of Health A-19 Documentation Matrix*

Approved by FMU 7/1/2022

This is the backup documentation required based on the determined risk level. Please ensure the detailed GL expenditure report clearly aligns with the A19 form. More supporting documentation may be requested by programs at any time due to programmatic requirements regardless of risk category.

Expenditure Category	Low-Risk	Moderate-Risk	High-Risk
<p><b>Salaries and Benefits</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> </ul> <p>Example:</p> <p>Salary</p> <p>Bob Smith \$5,324.75 Ann Brown \$1,245.52</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> </ul> <p>Example:</p> <p>Salary</p> <p>Bob Smith \$5,324.75 Ann Brown \$1,245.52</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report for all employees who are charged to the grant for the period with the following information:</p> <ul style="list-style-type: none"> <li>• Employee name</li> <li>• Salaries &amp; Wages</li> <li>• Hours worked</li> </ul> <p>Example:</p> <p>Salary</p> <p>Bob Smith \$5,324.75 (168 hrs.) Ann Brown \$1,245.52 (34 hrs.)</p> <p>Benefits \$1,750.35</p> <p><b>Note:</b> Salaries and benefits must be broken out as separate line items.</p>
<p><b>Equipment (\$5,000 or more)</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with DOH preapproval.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with DOH preapproval and copy of the invoice.</p>

<p><b>Materials and Supplies</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Copies of invoices for transactions over <b>\$2,500.</b></p> <p><b>Note:</b> If the subrecipient has a petty cash fund, they must supply 100% of the supporting documentation.</p>	<p>A-19 and <i>detailed</i> GL expenditure report.</p> <p>Copies of invoices for transactions over <b>\$1,000.</b></p> <p><b>Note:</b> If the subrecipient has a petty cash fund, they must supply 100% of the supporting documentation.</p>
<p><b>Meals</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report and receipt.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with receipt and number of participants or meeting invite.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report with receipt, number of participants and sign in roster.</p>
<p><b>Outreach Materials- All outreach materials must be allowable according to grant terms and conditions.</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Pre-approval required for all outreach materials in excess of <b>\$2,500.</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <p>Pre-approval required for all outreach materials in excess of <b>\$1,000:</b></p> <p>AND</p> <ul style="list-style-type: none"> <li>• Sample of Outreach materials</li> </ul>



<p><b>Travel</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report and purpose of travel.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report and purpose of travel:</p> <p>AND</p> <ul style="list-style-type: none"> <li>• Pre-approval for out of state travel.</li> </ul>
<p><b>Training</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report and receipt for training.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report and receipt for training:</p> <p>AND</p> <ul style="list-style-type: none"> <li>• Agenda</li> </ul>
<p><b>Contracts (If the DOH subrecipient is contracting out with an agency to perform work charged to the grant)</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report that provides:</p> <p>AND</p> <ul style="list-style-type: none"> <li>• Invoices for individual transactions over <b>\$5,000</b>.</li> </ul>	<p>A-19 and a <i>detailed</i> GL expenditure report that provides:</p> <p>AND</p> <ul style="list-style-type: none"> <li>• Invoices for individual transactions over <b>\$1,000</b>.</li> </ul>
<p><b>Sub-Sub recipients (If the DOH subrecipient is passing funds through to another agency as a subrecipient)</b></p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <ul style="list-style-type: none"> <li>• A copy of all invoices over <b>\$5,000</b> with a detailed GL report.</li> </ul>	<p>A-19 and a <i>detailed</i> GL expenditure report.</p> <ul style="list-style-type: none"> <li>• A copy of all invoices over <b>\$1,000</b> with a detailed GL report.</li> </ul>

**NOTE:**

Indirect costs included on A19s **must** include verification of the following:

- Indirect plan is current and on file with DOH
- Indirect rate is being applied accurately to allowable expenditures
- If the indirect cost rate plan has expired, no indirect costs can be charged

If the subrecipient is using 10% de minimis they must complete DOH de minimis certification

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-047 The Department of Health did not have adequate internal controls over and did not comply with suspension and debarment requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.**

<b>Assistance Listing Number and Title:</b>	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	NU50CK000515-05-00; NU50CK000515-01-06; NU50CK000515-01-07; NU50CK000515-01-08; NU50CK000515-02-04; NU50CK000515-01-09; NU50CK000515-02-01; NU50CK000515-02-06; NU50CK000515-02-03; NU50CK000515-02-09; NU50CK000515-02-07; NU50CK000515-03-03; NU50CK000515-03-01; NU50CK000515-04-00; NU50CK000515-04-03
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Components:</b>	Suspension and Debarment
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

## ***Background***

The Department of Health administers the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The goal of the program is to support state, local, and territories' public health efforts to reduce morbidity and associated deaths caused by a wide range of infectious disease threats. ELC provides annual funding, strategic direction, and technical assistance to domestic jurisdictions for strengthening core capacities in epidemiology, laboratory, and health information systems activities. In addition to strengthening core infectious disease capacities nationwide, the program also supports many specific infectious disease programs and projects, and it provides special appropriations in response to infectious disease emergencies. The Department spent about \$198.6 million in federal grant funds during fiscal year 2023.

Federal regulations prohibit grant recipients from contracting with or making subawards to parties that are suspended or debarred. The grantee must verify that all contractors and subrecipients receiving \$25,000 or more in federal funds have not been suspended, debarred or otherwise excluded. This verification may be accomplished by obtaining a written certification from the contractor or subrecipient, or inserting a clause into the contract where the contractor or subrecipient states it is not suspended or debarred. Alternatively, the grantee may search the federal System for Award Management at SAM.gov to verify the contractor's or subrecipient's suspension and debarment status. This requirement must be met before entering into the contract.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with suspension and debarment requirements for the ELC program.

During the state fiscal year, the ELC program had 15 newly executed contracts that required a suspension and debarment check. The Department did not perform a suspension and debarment check for nine contracts (60 percent) with educational service districts (ESDs). The remaining six contracts with various entities received a suspension and debarment check.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

The Department did not have proper management oversight to ensure the ESD contracts received the required suspension and debarment checks. Department officials said that to accelerate contracts during the COVID-19 pandemic, along with the misperception that ESDs are an extension of the Office of Superintendent of Public Instruction, these checks were not performed.

### ***Effect of Condition***

By not performing suspension and debarment checks, the Department cannot ensure all its contractors and subrecipients are allowed to receive federal funds. Without proper checks, the Department could be required to repay the grantor for any payments made to a contractor or subrecipient that is suspended or debarred.

We verified the nine ESDs were not suspended or debarred, so we are not questioning costs.

### ***Recommendation***

We recommend the Department establish adequate internal controls to ensure it completes the required suspension and debarment checks before entering into contracts with contractors and subrecipients that will receive \$25,000 or more in federal funds.

### ***Department's Response***

*We appreciate the State Auditor's Office audit of the ELC grant. DOH is committed to ensuring our programs comply with federal regulations.*

*During the COVID pandemic DOH operated under a competitive procurement waiver in order to expedite funding to critical partners throughout the state. Efforts to accelerate contracts combined with the misperception that Educational Service Districts (ESDs) are an extension of the Office of Superintendent of Public Instruction (OSPI was named in the IAA as a collaborator for the Learn to Return Playbook), prompted the decision to use an Interagency Agreement and no suspension & debarment check was performed at the time. We have corrected this error moving forward with ESD contracts.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 213, Suspension and debarment, states:

Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR parts 180 and 376. These regulations restrict awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-048** The Department of Health did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.

<b>Assistance Listing Number and Title:</b>	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	NU50CK000515-01-08; NU50CK000515-02-04; NU50CK000515-02-07
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-034

### ***Background***

The Department of Health administers the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The goal of the program is to support state, local, and territories' public health efforts to reduce morbidity and associated deaths caused by a wide range of infectious disease threats. ELC provides annual funding, strategic direction, and technical assistance to domestic jurisdictions for strengthening core capacities in epidemiology, laboratory, and health information systems activities. In addition to strengthening core infectious disease capacities nationwide, the program also supports many specific infectious disease programs and projects, and it provides special appropriations in response to infectious disease emergencies. The Department spent about \$198.5 million in federal grant funds during fiscal year 2023.

During the audit period, the Department was required to submit various reports to the Centers for Disease Control and Prevention (CDC) for three ELC projects: Enhancing Detection, Enhancing Detection Expansion, and Reopening Schools.

#### *Fiscal Reporting*

For all three projects, the Department submits monthly fiscal reports in REDCap, a web-based system used by the CDC to collect data. This report summarizes the total monthly expenses, including salaries, fringe benefits, equipment, travel, supplies and contractual payments.

#### *Testing Reporting*

The Reopening Schools project uses this report to collect data on the use of PCR, antigen, and over-the-counter COVID-19 tests at schools. The Department works with a contractor that compiles testing data and reports the information back to the Department, which then submits the data using the CDC's report template in REDCap.

#### *Case Investigation and Contact Tracing (CICT) Reporting*

For the Enhancing Detection and Enhancing Detection Expansion projects, the Department is required to submit monthly reports covering various attributes related to the number of COVID-19 cases reported and investigated. When a COVID-19 case is identified in the Washington Disease Reporting System, it is entered into the Case Risk and Exposure Surveillance Tool (CREST). Epidemiologists at the Department follow contact tracing protocols and enter the results of their investigations into CREST. The data is then reported in REDCap.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with reporting requirements for the ELC program. The prior finding number was 2022-034.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with reporting requirements for the ELC program.

During the audit period, the Department's ELC program staff said that all reports were reviewed and approved by appropriate staff before submission to the federal government. However, program staff for the fiscal reports and CICT reports did not document their review or approval until January 2023, so we were unable to determine if the proper reviews occurred for the entirety of the audit period. Furthermore, the Department did not have a documented review during the audit period for the Reopening Schools testing reports.



### *Testing Reporting*

We used a non-statistical sampling method to select and examine four out of four quarterly Reopening Schools testing reports. We found the total amounts provided by the contractor matched the amounts the Department reported in REDCap for all four quarterly reports. However, the Department did not receive or review the contractor's detailed data that supports the total amounts to ensure it was complete and accurate before submitting the reports in REDCap.

### *CICT Reporting*

We used a non-statistical sampling method to randomly select and review five out of 12 monthly CICT reports. We identified one month (20 percent) where the data reported in CREST did not match what was reported in REDCap. Three of the six data fields we tested had variances between CREST and REDCap reports, which ranged from 2.7 percent underreported to 3.79 percent overreported.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## ***Cause of Condition***

### *Testing Reporting*

The Department did not require management to document their reviews of reports and supporting documentation before submitting them to the grantor. Therefore, management did not ensure the total amounts provided by the contractor had adequate support to ensure the reports were accurate and complete.

### *CICT Reporting*

Prior to January 2023, the Department did not require management to document their reviews of reports before or after submission. If management reviewed the CICT reports, the reviews were inadequate for detecting the errors our audit identified.

## ***Effect of Condition***

### *Testing Reporting*

By not reviewing and reconciling the contractor's summary data and supporting documentation, management was unable to demonstrate the amounts reported were complete and accurate.

### *CICT Reporting*

By not ensuring management completes the proper reviews, the Department cannot reasonably ensure the reports are complete and accurate.

## ***Recommendation***

We recommend the Department establish and follow effective internal controls, including documented reviews, to ensure reports are accurate and complete before submitting them to the federal grantor.

## ***Department's Response***

*We appreciate the State Auditor's Office audit of the ELC grant. DOH is committed to ensuring our programs comply with federal regulations. As a result of the prior year's recommendation the Department put procedures in place to address the identified exceptions. Unfortunately, the procedures were not in place for a portion of the fiscal year due to the timing of the audit and when issues were identified. Moving forward with current controls in place, this should eliminate these errors from occurring in the future. In addition, we will work to discuss recommendations with the grants management and contracts teams at the department level to identify best practices to improve internal controls regarding document review and report accuracy to attempt to standardized process and procedures.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND  
QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-049** The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Epidemiology and Laboratory Capacity for Infectious Diseases program received required single audits, and that it appropriately followed up on findings and issued management decisions.

**Assistance Listing Number and Title:** 93.323 Epidemiology and Laboratory Capacity for Infectious Diseases  
93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases

**Federal Grantor Name:** U.S. Department of Health & Human Services

**Federal Award/Contract Number:** NU50CK000515-05-00; NU50CK000515-01-06; NU50CK000515-01-07; NU50CK000515-01-08; NU50CK000515-02-04; NU50CK000515-01-09; NU50CK000515-02-01; NU50CK000515-02-06; NU50CK000515-02-03; NU50CK000515-02-09; NU50CK000515-02-07; NU50CK000515-03-03; NU50CK000515-03-01; NU50CK000515-04-00; NU50CK000515-04-03

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Subrecipient Monitoring

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** No

## ***Background***

The Department of Health administers the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The goal of the program is to support state, local, and territories' public health efforts to reduce morbidity and associated deaths caused by a wide range of infectious disease threats. ELC provides annual funding, strategic direction, and technical assistance to domestic jurisdictions for strengthening core capacities in epidemiology, laboratory, and health information systems activities. In addition to strengthening core infectious disease capacities nationwide, the program also supports many specific infectious disease programs and projects, and it provides special appropriations in response to infectious disease emergencies. The Department spent about \$198.5 million in federal grant funds during fiscal year 2023, about \$17 million of which was disbursed to subrecipients.

Federal regulations require the Department to monitor its subrecipients' activities. This includes verifying that its subrecipients that spend \$750,000 or more in federal awards during a fiscal year obtain a single audit. The audit must be completed and submitted to the Federal Audit Clearinghouse within 30 days after receiving the auditor's report or nine months after the end of the subrecipient's audit period, whichever is earlier.

Additionally, for the awards it passes to subrecipients, the Department must follow up and ensure the subrecipients take timely and appropriate corrective action on all deficiencies identified through audits. When a subrecipient receives an audit finding for a Department-funded program, federal law requires the Department to issue a management decision to the subrecipient within six months of the audit report's acceptance by the Federal Audit Clearinghouse. The management decision must clearly state whether the audit finding is sustained, the reason for the decision, and the actions the subrecipient is expected to take, such as repaying unallowable costs or making financial adjustments. These requirements help ensure subrecipients use federal program funds for authorized purposes and within the provisions of contracts or grant agreements.

To monitor its compliance with these requirements, the Department uses an Excel workbook to track subrecipients' single audits.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

## ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with federal requirements to ensure its subrecipients of the ELC program received required single audits, and that it appropriately followed up on findings and issued management decisions.

To monitor compliance with these requirements, the Department used an Excel spreadsheet to track subrecipients' single audits and the agency's follow-up actions, if necessary. However, during the audit period, the Department did not adequately perform this process.

Five subrecipients received an ELC finding, but the spreadsheet did not document them or note the Department's follow-up actions on the subrecipients' corrective action plans. In addition, the Department did not issue a management decision letter for any of these five findings, so the tracking spreadsheet also did not document any management decisions.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Department management said that due to high turnover throughout the fiscal year, staff were behind on monitoring the single audits. In addition, management did not exercise sufficient oversight to ensure staff completed the monitoring.

### ***Effect of Condition***

Without establishing adequate internal controls, the Department cannot ensure that all subrecipients requiring a single audit obtain one, and that subrecipients with audit findings receive required management decisions timely.

### ***Recommendations***

We recommend the Department strengthen internal controls to ensure:

- All subrecipients receive a single audit, if required
- It issues all required management decisions to subrecipients, within six months, for applicable audit findings pertaining to the federal award
- Subrecipients take timely and appropriate action on all deficiencies pertaining to the federal award

## ***Department's Response***

*We appreciate the State Auditor's Office audit of the ELC grant. DOH is committed to ensuring our programs comply with federal regulations. The Department agrees with the finding.*

*The Department will review internal controls over ensuring timely review of federal subrecipient single audits and issuance of management decision letters, including monitoring controls by management to ensure future compliance with the requirement.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities, states, in part:

All pass-through entities must:

d. Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

1. Reviewing financial and performance reports required by the pass-through entity.
2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by section 75.521.

f. Verify that every subrecipient is audited as required by subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in section 75.501.

h. Consider taking enforcement action against noncompliant subrecipients as described in section 75.371 and in program regulations.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-050 The Department of Health did not have adequate internal controls over and did not comply with fiscal monitoring requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.**

<b>Assistance Listing Number and Title:</b>	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases 93.323 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	NU50CK000515-05-00; NU50CK000515-01-06; NU50CK000515-01-07; NU50CK000515-01-08; NU50CK000515-02-04; NU50CK000515-01-09; NU50CK000515-02-01; NU50CK000515-02-06; NU50CK000515-02-03; NU50CK000515-02-09; NU50CK000515-02-07; NU50CK000515-03-03; NU50CK000515-03-01; NU50CK000515-04-00; NU50CK000515-04-03
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-033



## ***Background***

The Department of Health administers the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The goal of the program is to support state, local, and territories' public health efforts to reduce morbidity and associated deaths caused by a wide range of infectious disease threats. ELC provides annual funding, strategic direction, and technical assistance to domestic jurisdictions for strengthening core capacities in epidemiology, laboratory, and health information systems activities. In addition to strengthening core infectious disease capacities nationwide, the program also supports many specific infectious disease programs and projects, and it provides special appropriations in response to infectious disease emergencies. The Department spent about \$198.5 million in federal grant funds during fiscal year 2023, about \$17 million of which was disbursed to subrecipients. In response to the COVID pandemic, ELC subrecipients have received a significant increase in funding over the last few years.

Federal regulations require the Department to monitor the activities of subrecipients to ensure they use subawards for authorized purposes and in compliance with federal statutes, regulations, and the terms and conditions of the subaward. This monitoring must include reviewing financial reports and taking timely and appropriate action on all deficiencies pertaining to the federal award.

The Department assigns each subrecipient a compliance risk level based on standardized criteria. The Department's Fiscal Monitoring Unit (FMU) conducts on-site fiscal reviews of each subrecipient every two years. This review includes all federal awards the subrecipient received from the Department for the period under review. Reviewers complete a standardized template to document their work. Using the subrecipient's reimbursement requests, reviewers judgmentally determine how many samples of payroll expenditures and contractor payments to review to ensure there is adequate source documentation. Reviewers also look at general accounting information, budget information, equipment purchases and other items.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over and did not comply with fiscal monitoring requirements to ensure subrecipients of the ELC program only used funds for allowable activities and met cost principles. The prior finding number was 2022-033.

## ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with fiscal monitoring requirements for the ELC program.

The Department does not have written procedures to guide reviewers on the number of reimbursement samples to review based on the subrecipient's risk level.

We used a nonstatistical sampling method to randomly select and examine five out of a total of 10 subrecipients that received a fiscal review during the audit period. For each subrecipients, we noted that the fiscal monitoring only covered between 0.19 percent and 3.37 percent of total grant awards. Additionally, the Department only sampled between one and nine transactions specific to the ELC program during the reviews. Furthermore, for each subrecipient, the Department only sampled from either payroll or contractor transactions, never both. These samples covered between 0.02 percent to 1.82 percent of the total ELC grant award for the subrecipients. The table below identifies the samples reviewed for each subrecipient.

<b>Subrecipient</b>	<b>Total ELC Award</b>	<b>Total ELC Sampled</b>	<b>Percent Sampled</b>	<b>Payroll Samples</b>	<b>Contractor Samples</b>
1	1,705,624	2,872	0.17 percent	2	0
2	2,397,430	4,118	0.17 percent	0	9
3	341,822	3,750	1.10 percent	1	0
4	261,431	4,746	1.82 percent	3	0
5	1,579,260	258	0.02 percent	0	1

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

Management has not established guidance for how many transactions fiscal reviewers need to review from source documentation to have assurance subrecipients spent program funds spent accordance with grant requirements. Furthermore, management believed the level of review was adequate to ensure a sufficient level of monitoring.

### ***Effect of Condition***

Without establishing adequate internal controls, the Department cannot reasonably ensure its subrecipients are spending federal funds in accordance with grant requirements. Without adequately monitoring each subrecipient’s use of federal funds expended during the period of performance of the subaward, the Department does not have reasonable assurance that the subrecipient has complied with the terms and conditions of the subaward.

Further, allowing staff to select samples without adequate guidance from management does not provide the Department with reasonable assurance that subrecipients spent program funds in accordance with grant requirements and federal regulations.

### ***Recommendation***

We recommend the Department strengthen internal controls to ensure it performs fiscal monitoring to a level that provides reasonable assurance that subrecipients' use of federal funds complies with federal laws and regulations and the subaward's terms and conditions.

### ***Department's Response***

*We do not concur with the finding.*

*We understand that the State Auditor's Office (SAO) reviewed a specific grant as part of the scope of this audit. The Department of Health (DOH) finds it misleading that SAO did not report on the subrecipient review process in its entirety. The DOH Fiscal Monitoring Unit (FMU) is not an audit department, therefore the standards DOH FMU functions on are very different than what SAO is recommending in the finding. FMU is audited annually by different federal partners, and those partners have identified no concerns with the monitoring visit methodology used as it is in line with compliance requirement 2 CFR 200.332. Federal guidance does not state DOH must select a certain percentage of samples to ensure adequate review.*

*The DOH subrecipient monitoring process is a comprehensive process that starts with an initial risk assessment which is completed prior to contract execution. This assessment determines the level of support each subrecipient is required to submit as back up documentation for payment requests. Programs then have contract managers review this support prior to payment. In addition, monitoring visits are performed on subrecipients. As part of that process, the FMU reviews at least three months of invoices submitted by subrecipients and includes reviews of entity policies, procedures, internal controls both manual and automated, applicable contracts, history of compliance and applicable cost allocation methodology to ensure each entity is compliant with federal requirements and has adequate internal controls.*

*As part of the review, each FMU staff member will judgmentally select items to review from the selected invoices. FMU staff make this selection using their subject matter expertise about DOH, specific programs and federal guidance to identify transactions for review. This review includes looking at supporting documentation such as timesheets and receipts. FMU reviews the entity, not a specific grant when performing a site visit. The reviewer must document the grants the entity receives and then selects a few transactions from each award type, if applicable. Each entity has a consistent control structure across all funding types so there is no value in reviewing a significant number of transactions from each award type as the controls do not vary. As you can see from the table provided, of the invoices reviewed, DOH typically reviews a quarter of the amount invoiced*

for. If a grant award is not represented in the invoices selected, FMU will select an additional invoice to ensure all awards are included. This happened in the case of sample three. In the case of sample one, no vendor payments were reviewed because the entity only invoiced for payroll for the selected months. Executive leadership supports the approach used by FMU and is not considering program changes related to the recommendation at this time.

<b>Sample #</b>	<b>Total Invoice amount</b>	<b>Total Sampled</b>	<b>Payroll</b>	<b>Vendor</b>	<b>% sampled from invoices</b>
1	\$ 49,667.44	\$ 31,563.54	23	0	64%
2	\$ 849,882.72	\$ 65,402.56	20	10	8%
3	\$ 177,778.01	\$ 58,805.07	41	16	33%
4	\$ 135,528.59	\$ 74,073.17	37	25	55%
5	\$ 140,068.78	\$ 35,463.10	11	5	25%

### ***Auditor's Remarks***

While federal regulations do not require a specific percentage of program expenditures be reviewed when entities monitor subrecipients, in our judgment, the amount reviewed by the Department for the ELC program did not provide management with reasonable assurance that subawards were used for authorized purposes, were spent in compliance with federal requirements and the terms and conditions of the awards. The Department cannot rely on reviews performed for other federal awards as an effective means to ensure compliance for the ELC program.

The Department asserts that FMU staff selects invoices for all grant awards issued to the subrecipient. Then, FMU staff judgmentally pick samples from the three selected invoices, significantly limiting the number of expenditures reviewed, as evidence in our testing.

Furthermore, the Department does not have written procedures guiding FMU staff on the level of fiscal review for federal grant expenditures. It also acknowledges that the risk assessment level drives the level of backup documentation required for payment requests. The risk assessment does not influence the level of fiscal review.

The Department provided a table of the number of expenditures it asserts it reviewed at each subrecipient we tested but acknowledges that these expenditures are from all programs and not specific to ELC. The amount of review done for other federal programs or state funded programs is not relevant when determining whether the subrecipient complied with the terms of the ELC subaward.

We reaffirm our finding, and we will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-051 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with Temporary Assistance for Needy Families funds were allowable and property supported.**

<b>Assistance Listing Number and Title:</b>	93.558 Temporary Assistance for Needy Families
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2201WATANF; 2301WATANF
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles
<b>Known Questioned Cost Amount:</b>	\$107,338,725
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-035

### ***Background***

The Department of Social and Health Service (DSHS), Community Services Office, administers the Temporary Assistance for Needy Families (TANF) grant that provides temporary cash assistance for families in need. To receive TANF benefits, participants must be engaged in activities listed in the Individual Responsibility Plan through the WorkFirst program, unless the TANF benefits are received only on behalf of a child. TANF grant funds are also used to pay clients' child care costs to meet one of the program's primary purposes of helping clients obtain employment.

Washington has established the Working Connections Child Care (WCCC) program to help eligible working families pay for child care. Both the Department of Children, Youth, and Families (Department) and DSHS administer the program. The Department is responsible for establishing

policies and procedures for licensing child care providers and paying them for allowable child care services. DSHS determines TANF client eligibility and reimburses the Department for child care payments under an agreement between the two agencies. In fiscal year 2023, DSHS paid \$107,338,725 related to child care services.

The Department uses its Social Service Payment System (SSPS) to process the payments it makes to child care providers. The system allocates payments to various funding sources, based on the eligibility of the client. These funding sources include multiple federal programs, multiple Child Care Development Fund (CCDF) federal grant awards, and state funding. The Department uploads the payment data into the state's accounting system at a summary level based on the various funding sources.

DSHS worked with the Department to setup coding in the Payment Allocating Model system that looks at the client-level information and then assigns the correct TANF source of funds. Once the source of funds is identified, that information is then sent to SSPS for allocation assignment. The Department prepares electronic reports for funds allocated to TANF funding sources and sends DSHS a monthly bill. There is always a need to transfer the funding sources for some payments throughout the year to manage federal and state funds properly.

In prior audit periods up until fiscal year 2021, the Department prepared supporting documentation for transfers that included details of what payments it was transferring. The purpose of documenting this detail was to maintain proper support for federal expenditures.

Some payments the Department makes for child care are funded by both the CCDF and TANF grants. While the two federal programs are separate, the requirements and policies in Washington for child care payments are consolidated under the WCCC program. Federal regulations require grant fund expenditures to be adequately supported to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls that ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with TANF funds were allowable and properly supported. The prior finding numbers were 2022-035 and 2021-028.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with TANF funds were allowable and properly supported.

To identify TANF-funded payments the Department made to child care providers, we requested a population of payments charged to TANF sources from SSPS. However, in fiscal year 2021, management informed us that the Department changed its grant management practices to process expenditure transfers at the grant level. This new process made the original expenditure coding in SSPS inaccurate and unreliable for testing. As a result, we could not trace the federal funds to a level of expenditure adequate to establish whether the Department spent TANF funds in accordance with federal and state regulations. Further, this meant we could not test the Department's payments to child care providers for compliance with activities allowed and cost principles.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Department is required to maintain sufficient documentation for each payment it makes with federal dollars. The Department's accounting practices prevent it from meeting this requirement.

The Department implemented what management referred to as fund-level accounting. This consisted of making significant accounting adjustments between funding sources in its general ledger without identifying the underlying transactions from SSPS that supported the adjustments. This affected all populations of child care expenditures for every month of the fiscal year. Officials from the U.S. Department of Health and Human Services informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.

### ***Effect of Condition and Questioned Costs***

By not complying with federal law regarding maintaining adequate supporting documentation for expenditures, the Department created a condition that made it impossible for our Office to audit the federal dollars it used for payments to child care providers. Because we could not test transaction-level detail, we also could not determine whether the issues we identified in prior audits had improved or worsened, including the Department's lack of adequate internal controls and significant rate of noncompliance for payments to child care providers.



Because the Department did not comply with federal requirements to allow for the tracing of grant expenditures to a payment level, we are questioning all \$107,338,725 in federal program costs for child care payments that DSHS paid during the audit period.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Department:

- Design and implement internal controls to ensure transaction-level data is sufficient to comply with federal law and state rules
- Update service level agreements with DSHS to ensure payments are sufficient and properly supported
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Department has managed the Working Connections Child Care (WCCC) program since 2019, prior to that it was managed by the Department of Social and Health Services and the Department of Early Learning. The Department implemented grant-level management of all federal funds, including the TANF grant. The Department allocated the TANF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.*

*This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements. The Department's grant adjustments were processed based on eligible clients and allowable activities and did not include child-level data as required by SAO.*

*The Department held an informal meeting on February 23, 2022, with HHS representative, the State Auditor's Office and the Office of Financial Management. The intent was to obtain the grantor's perspective in whether proper grant accounting required the use of child-level data. HHS stated they would not offer an opinion until they received the completed finding from the state.*

*However, the Cause of Condition of finding 2021-033 stated, "HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant." The Department does not agree with SAO's interpretation of the meeting outcome.*

*In the area of CCDF eligibility, for state fiscal year 2021, the SAO also issued finding 2021-035, with questioned cost of \$32 and in state fiscal year 2022, finding 2022-008 (temporary number)*

*with no questioned costs. There were no other findings or exit items in the area of eligibility determination or the cost allocation of funds for the CCDF or TANF grants. Given that eligibility or cost allocation is not an area of concern and transfers were processed between CCDF and TANF source of funds with the same eligibility requirements, the Department is confident TANF funding was spent appropriately within federal regulations.*

*The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:*

*“the ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”*

*In addition, ACF did not sustain the disallowance of questioned costs and stated:*

*“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”*

*The management decision letter also conveyed the following determination by HHS for finding 2021-035, 2020-039 on eligibility compliance:*

*“The ACF believes the corrective actions taken or planned, as stated above, should prevent recurrence of this finding in the future. In addition, we recognize the continuous progression of the State’s actions to fully resolve this finding as the number of error cases and the amount of questioned costs have both significantly declined over the last 3 years. Therefore, the ACF will not pursue the questioned costs of \$32 since the state has taken corrective actions that appear to have resulted in an amount of questioned costs that are immaterial.”*

*The ACF recommended, “that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.” The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the finding was not substantiated. The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance as identified by SAO. In response to the auditor’s recommendations, the Department has submitted a budget request for the 2024 supplemental budget. If the request is funded, it would allow adjustments to include child-level data.*

## *Auditor's Remarks*

The level of documentation needed to support grant expenditures is not established by our Office, but in title 45 of the *U.S. Code of Federal Regulations* and the state's grant award. During the February 2022 meeting with HHS that the Department referenced in its response, the grantor stated the specific federal law the Department's accounting procedures were noncompliant with was 45 CFR 98.67.

We agree with the HHS management decision that our references to 2 CFR 200.53, 200.303, 200.403 and 200.410 in the prior finding were not correct. However, HHS adopted these same requirements in 45 CFR 75.2, 75.303, 75.403 and 75.410, respectfully. These requirements were all in place during the audit period. The proper references are included in this finding.

In its response, the Department references previous findings related to the eligibility compliance requirement as a basis for asserting federal funds were spent properly. The requirements to determine whether a client is eligible to receive subsidized child care are different than the requirements to ensure the payments for those services are allowable, fall within each award's period of performance and adequately supported. Without adequate transactional level payment data, our Office is unable to perform tests to verify the Department met these requirements. In addition, we also are unable to verify whether the Department complied with matching, level of effort and earmarking requirements, or that required financial information reported to the federal government was accurate. These matters are referenced in separate findings in our report.

We disagree with the Department's description of the meeting held with HHS program staff on November 8, 2023. The Department states HHS "upheld the above statements that the finding was not substantiated." This is not accurate. During this meeting, HHS representatives conveyed the same message that they did in the management decision issued October 3, 2023. The finding was partially substantiated because the questioned costs identified in the audit would not be disallowed. The management decision states:

"The ACF partially sustains the finding and recommendation. The ACF agrees with the auditor that the Department should strengthen internal controls to ensure payments to child care providers are allowable and properly supported."

"The ACF does not sustain a disallowance for the questioned costs in the amount of \$271,353,409 representing the entire amount of the CCDF grant award. Although the Department's internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities."

We are not aware of what procedures ACF performed to conclude expenditures reported by the Department for fiscal year 2022 were spent only for allowable activities, were for allowable costs and met federal cost principles. We questioned all expenditures because, in our judgment, they were unauditible.

Lastly, when the Washington State Legislature approved the Department’s 2023-25 biennial budget, it specified:

“Funding in this subsection must be expended with internal controls that provide child-level detail for all transactions.”

We reaffirm our finding and hope additional resources from the Legislature, to get down to child-level detail for all transactions, will resolve the auditing problems existing at the Department. We will review the status of the Department’s corrective action during our next audit.

### *Applicable Laws and Regulations*

45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings

Title 45 CFR, Section 98.67 – Fiscal requirements, states:

(a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.

(b) Unless otherwise specified in this part, contracts that entail the expenditure of CCDF

funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency of its own funds.

(c) Fiscal control and accounting procedures shall be sufficient to permit:

(1) Preparation of reports required by the Secretary under this subpart and under subpart H; and

(2) The tracking of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-052** The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Refugee and Entrant Assistance program.

<b>Assistance Listing Number and Title:</b>	93.566 Refugee and Entrant Assistance – State Administered Programs
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2201WARSSS, 2301WARSSS-00, 2301WARSSS-01, 2301WARSSS-02, 2301WARSSS-03, 2301WARSSS-04, 2301WARSSS-05, 2301WARCMA-00, 2301WARCMA-01, 2301WARCMA-02
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Refugee and Entrant Assistance – State Administered programs provide states and replacement designees with funds to help refugees, asylees, trafficking victims, special immigrants, and certain humanitarian parolees during the first 12 months after their date of arrival, or date of eligibility, in the U.S to attain economic self-sufficiency as soon as possible after their initial placement.

The U.S. Department of Health and Human Services administers this program by providing assistance through Cash and Medical Assistance (CMA) Grants, as well as Refugee Support Services (RSS). Specifically, CMA covers Refugee Cash Assistance, Refugee Medical Assistance,

Unaccompanied Refugee Minor assistance, medical screenings and administrative costs. RSS provides formula funding to assist with facilitating employment and other social services for refugees for up to five years after their date of arrival to the U.S., or date of initial eligibility. In 2022, Congress appropriated additional funding under the Additional Afghanistan Supplemental Appropriations Act, and Additional Ukraine Supplemental Appropriations Act.

In Washington, the Department of Social and Health Services administers the state's Refugee and Entrant Assistance programs. In fiscal year 2023, the Department spent about \$49.9 million in federal program funding. Of that amount, the Department passed through more than \$18.2 million to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the Department is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). The Department must report subawards by the end of the month following the month in which it made the subaward (or subaward amendment). The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as result, reduce wasteful government spending.

In fiscal year 2023, the Department issued 29 subawards and 18 subaward amendments totaling \$39.8 million to subrecipients that it was required to report in FSRS.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Act.

The Department did not have written procedures on the reporting process and did not report any subawards in FSRS during the audit period.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## ***Cause of Condition***

The Department had no procedures in place to determine which subawards and amendments were required to be reported in FSRS. Additionally, management did not ensure that reports were submitted, as required.

## ***Effect of Condition***

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending. The terms and conditions of the federal award allow the grantor to penalize the Department for noncompliance, including suspending or terminating the federal award or withholding future awards.

## ***Recommendations***

We recommend the Department:

- Establish effective internal controls and written procedures to ensure it reports all first-tier subawards of \$30,000 or more, as required
- Verify all subawards and subaward amendments are reported in FSRS, as required

## ***Department's Response***

*The Department concurs with the auditor's findings.*

*The Refugee and Entrant Assistance program will immediately report all first-tier subawards, including amendments, totaling \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).*

*To ensure ongoing compliance with the Federal Funding Accountability and Transparency Act Reporting requirements, the Refugee and Entrant Assistance program will establish effective internal controls and written procedures to ensure:*

- *The program reports all first-tier initial subawards of \$30,000 or more.*
- *If the initial award is below \$30,000, the program tracks subsequent grant modifications and reports as soon as the modifications result in a total award equal to or over \$30,000.*
- *Reports for submission will contain the required data elements.*

*In addition, the program will work with the Division of Finance and Financial Resources to develop and subsequently implement a process to verify all subawards and subaward amendments were reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System.*

## *Auditor's Remarks*

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

### Appendix A to Part 170 – Award Term

#### I. Reporting Subawards and Executive Compensation

##### *a. Reporting of first-tier subawards.*

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

2. *Where and when to report.*

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-053** The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Refugee and Entrant Assistance programs received required single audits, and that it followed up on findings and issued management decisions.

<b>Assistance Listing Number and Title:</b>	93.566 Refugee and Entrant Assistance – State Administered Programs
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2201WARSSS; 2301WARSSS-00; 2301WARSSS-01; 2301WARSSS-02; 2301WARSSS-03; 2301WARSSS-04; 2301WARSSS-05; 2301WARCMA-00; 2301WARCMA-01; 2301WARCMA-02
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Refugee and Entrant Assistance – State Administered programs provide states and replacement designees with funds to help refugees, asylees, trafficking victims, special immigrants, and certain humanitarian parolees during the first 12 months after their date of arrival, or date of eligibility, in the U.S to attain economic self-sufficiency as soon as possible after their initial placement.

The U.S. Department of Health and Human Services administers this program by providing assistance through Cash and Medical Assistance (CMA) Grants, as well as Refugee Support Services (RSS). Specifically, CMA covers Refugee Cash Assistance, Refugee Medical Assistance, Unaccompanied Refugee Minor assistance, medical screenings and administrative costs. RSS provides formula funding to assist with facilitating employment and other social services for refugees for up to five years after their date of arrival to the U.S., or date of initial eligibility. In 2022, Congress appropriated additional funding under the Additional Afghanistan Supplemental Appropriations Act, and Additional Ukraine Supplemental Appropriations Act.

In Washington, the Department of Social and Health Services administers the state's Refugee and Entrant Assistance programs. In fiscal year 2023, the Department spent about \$49.9 million in federal program funding. Of that amount, the Department passed through more than \$26 million to subrecipients.

Federal regulations require the Department to monitor its subrecipients' activities. This includes verifying that its subrecipients that spend \$750,000 or more in federal awards during a fiscal year obtain a single audit or program-specific audit. Furthermore, federal regulations require subrecipients to submit their audits in the Federal Audit Clearinghouse and to the pass-through entity within 30 days after receiving the auditor's report or nine months after the end of the subrecipient's audit period, whichever is earlier.

Additionally, for the awards it passes on to its subrecipients, the Department must follow up and ensure the subrecipients take timely and appropriate corrective action on all deficiencies identified through audits. When a subrecipient receives an audit finding for a Department-funded program, federal law requires the Department to issue a management decision to the subrecipient within six months of the audit report's acceptance by the federal government. The management decision must clearly state whether the audit finding is sustained, the reason for the decision, and the actions the subrecipient is expected to take, such as repaying unallowable costs or making financial adjustments. These requirements help ensure subrecipients use federal program funds for authorized purposes and within the provisions of contracts or grant agreements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Refugee and Entrant Assistance programs received required single audits, and that it followed up on findings and issued management decisions.

We found the Department did not have adequate internal controls in place to verify whether:

- Subrecipients met the audit threshold for federal assistance expended for their fiscal year
- Subrecipients received required audits, if necessary, and appropriate actions were taken if audits were not filed
- Management decisions were required to be issued for subrecipients who received a single audit or program-specific audit

We found the Department did not monitor each of its 41 subrecipients to ensure they received a single audit, if required. Six of the subrecipients received single audits during the audit period. One of those six subrecipients' audits included Refugee and Entrant Assistance as a major program.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Department used accounting system reports to determine how much it reimbursed subrecipients with Refugee and Entrant Assistance funds. However, management did not monitor subrecipients to ensure they received single audits, as required. Additionally, management did not assign any specific employees the responsibility for reviewing subrecipient audit reports and findings.

### *Effect of Condition*

Without establishing adequate internal controls, the Department cannot ensure all subrecipients that required a single or program-specific audit received one. Furthermore, the Department cannot ensure it is following up on subrecipient audit findings and communicating required management decisions to subrecipients. By failing to ensure subrecipients establish corrective actions, and management monitors them for effectiveness where required, the Department cannot determine whether subrecipients have sufficiently corrected issues identified in audit findings.

## *Recommendations*

We recommend the Department:

- Monitor subrecipients to ensure all required audit reports are submitted and reviewed to determine if any additional subrecipients are required to take corrective action to address audit recommendations
- Establish effective internal controls to ensure it reviews audit reports for its subrecipients and issues written management decisions, as required
- Ensure subrecipients develop and take acceptable corrective actions to adequately address all audit recommendations
- Issue a written management decision for all applicable audit findings, if necessary

## *Department's Response*

*The Department concurs with the auditor's findings.*

*The Department's Office of Refugee and Immigrant Assistance (ORIA) will follow-up with the remaining 35 subrecipients to verify that they completed a single/program audit if they received \$750,000 or more in federal assistance. For any subrecipients that have not been audited as required, ORIA will inform the subrecipient of the requirement and monitor for completion. ORIA will work with ESA accounting staff to review all completed audit reports and for any findings found, issue a management decision outlining their determination of the effectiveness of the subrecipients' proposed corrective actions to address the findings. ESA Accounting will monitor the subrecipient's corrective actions through completion.*

*To ensure ongoing compliance with subrecipient monitoring requirements, ORIA will work with ESA Accounting to establish and implement effective internal controls and written procedures to:*

- *Identify subrecipients who receive \$750,000 or more annually in federal assistance from all sources.*
- *Verify if subrecipients completed required audits, if necessary, and take appropriate action if audits are not completed.*
- *Review single and program-specific audit reports for findings.*
- *Write and issue a management decision, when appropriate, within six months outlining the Department's determination of the adequacy of the subrecipient's proposed corrective actions to address the finding.*
- *Monitor the subrecipient's corrective action plan for timely and effective completion.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities, establishes requirements for pass through entities including monitoring of subrecipients.

Title 45 CFR Part 75, section 501, Audit requirements, establishes the single audit requirements for recipients of federal assistance.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-054** The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to perform fiscal and program monitoring of subrecipients for the Refugee and Entrant Assistance programs.

<b>Assistance Listing Number and Title:</b>	93.566 Refugee and Entrant Assistance – State Administered Programs
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2201WARSSS; 2301WARSSS-00; 2301WARSSS-01; 2301WARSSS-02; 2301WARSSS-03; 2301WARSSS-04; 2301WARSSS-05; 2301WARCMA-00; 2301WARCMA-01; 2301WARCMA-02
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Refugee and Entrant Assistance – State Administered programs provide states and replacement designees with funds to help refugees, asylees, trafficking victims, special immigrants, and certain humanitarian parolees during the first 12 months after their date of arrival, or date of eligibility, in the U.S to attain economic self-sufficiency as soon as possible after their initial placement.

The U.S. Department of Health and Human Services administers this program by providing assistance through Cash and Medical Assistance (CMA) Grants, as well as Refugee Support Services (RSS). Specifically, CMA covers Refugee Cash Assistance, Refugee Medical Assistance, Unaccompanied Refugee Minor assistance, medical screenings and administrative costs. RSS provides formula funding to assist with facilitating employment and other social services for refugees for up to five years after their date of arrival to the U.S., or date of initial eligibility. In 2022, Congress appropriated additional funding under the Additional Afghanistan Supplemental Appropriations Act, and Additional Ukraine Supplemental Appropriations Act.

In Washington, the Department of Social and Health Services administers the state's Refugee and Entrant Assistance programs. In fiscal year 2023, the Department spent about \$49.9 million in federal program funding. Of that amount, the Department passed through more than \$26 million to subrecipients.

Federal regulations require the Department to monitor the activities of subrecipients to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. This includes reviewing financial and performance reports required by the pass-through entity.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with federal requirements to perform fiscal and program monitoring of subrecipients for the Refugee and Entrant Assistance programs.

The Department's administrative policy 19.50.30 - *Subrecipient Monitoring* requires Department staff to conduct programmatic and fiscal monitoring of subrecipients. We found the Department did not monitor 33 out of 41 subrecipients to ensure compliance with Federal statutes, regulations, or that subaward performance goals are achieved.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## ***Cause of Condition***

The Department had established administrative policies and procedures to monitor subrecipients for programmatic and fiscal compliance; however, ORIA program management did not accurately identify all program subrecipients to develop a comprehensive monitoring plan. In response to a prior audit finding ORIA program management implemented procedures for determining program subrecipients, however this change did not take effect until the end of the audit period.

The Department's program management did not ensure subrecipients were correctly identified and did not review each subrecipient to ensure they were monitored for compliance, as required.

## ***Effect of Condition***

Without establishing adequate internal controls, the Department cannot reasonably ensure its subrecipients are spending federal funds in accordance with grant requirements. Without adequately monitoring each subrecipient's use of federal funds expended during the period of performance of the subaward, the Department cannot reasonably ensure that the subrecipient has complied with the terms and conditions of the subaward.

## ***Recommendations***

We recommend the Department:

- Establish effective internal controls to ensure all subrecipients are subject to fiscal and program monitoring, as required
- Establish effective internal controls to ensure subrecipients are accurately identified by Department program staff
- Establish internal controls to ensure Department staff review financial and performance-based reports for every subrecipient
- Monitor each subrecipient to obtain reasonable assurance that each subrecipients' use of federal funds complies with federal laws and regulations, and the subaward terms and conditions
- Communicate to subrecipients any deficiencies noted during its review and ensure appropriate corrective action is taken to address the deficiencies

## ***Department's Response***

*The Department concurs with the auditor's findings.*

*In response to audit finding 2021-015 covering a different grant administered by the Department's Office of Refugee and Immigrant Assistance (ORIA), ORIA program staff created a Subrecipient*



*vs. Contractor Determination tool. However, this determination tool was not established until April 2023 with implementation and training occurring April through June 2023.*

*For immediate compliance, ORIA will review all active contracts utilizing federal funding and ensure subrecipient status is correctly determined. ORIA has over 200 active contracts with more than 80 unique providers, most of which will require subrecipient monitoring. To address the significant workload that additional fiscal and programmatic monitoring will require, ORIA and ESA Accounting will explore the department's ability to increase staff resources.*

*For ongoing compliance, ORIA will work with contracts and accounting staff to develop effective internal controls and clear written procedures covering subrecipient monitoring requirements. ORIA will train all staff responsible for subrecipient monitoring on the newly established internal controls and written procedures.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 332, Requirements for pass-through entities, establishes the requirements for all pass-through entities.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Department of Social and Health Services, Administrative Policy 19.50.30, *Subrecipient Monitoring*, states in part:

#### **Policy**

E. Fiscal and programmatic monitoring must be completed. (See Attachment C – Sample DSHS Subrecipient Fiscal Monitoring Site Visit Tool)

Based on the result of the risk assessment, a desk or on-site review must be completed. Each Program has control over the form and content of its risk assessment tools.

1. If the risk assessment shows the entity is of **low to medium risk**, the entity may not require an on-site review. The following items, if available, must be documented in a desk review:

- a) Entity's invoices and documentation (A-19s).
- b) Entity's program or service and financial reports.
- c) Surveys or feedback cards from clients.
- d) Client complaints.
- e) Entity's audit or financial report follow up and ensuring all appropriate action has been taken on all items detected through audits, on-site reviews and any other means.
- f) Entity's indirect rate certification (Certificate of Indirect Costs, form 02-568 or plan), if applicable.
- g) If any of the above are not reviewed within the desk review, supervisor approval and an explanation for the reason the items were unable or immaterial to be reviewed must be included within the desk review assessment tool.

2. If the risk assessment shows the entity is a **high risk**, an on-site visit is required. The program/division will assign the appropriate staff to conduct the on-site review. On-site reviews must include all items in a desk review. In addition, on-site reviews may include, as appropriate, the following items:

- a) A review of the delivery of program services.
- b) Discussions about the subrecipient's problems and challenges.
- c) Follow-up on identified problems from previous visits.
- d) Review of faculty/personnel licensing.
- e) Review of surveys and inspections performed by outside parties.
- f) Interview of staff to determine whether they are familiar with the program.
- g) Inspection of the entity's facilities and operations.
- h) Review of and compliance with the entity's policies and procedures governing service delivery and financial processes.
- i) Review of the entity's monitoring/production reports.
- j) Review of any independent limited scope program audits.
- k) Verification of performance from outside source (e.g. sub-contractors).
- l) Review of the entity's self-risk assessment survey.

- m) Review of internal controls.
- n) Review of billing practices.
- o) Review of allocation of costs.
- p) Review of timesheets or activity reports.
- q) Review of financial records.

E. Monitoring must be documented.

1. The ACD must be used to document all subrecipient-related monitoring activities.
2. Assigned staff must document all desk or on-site reviews performed. The program manager overseeing the contract is responsible for making sure that items included in the review are documented in the ACD by the end of the contract period.

Each program must maintain contract monitoring documentation per General Administration's retention schedule (Administrative Policy 5.04, Records Retention).

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-055 The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Low-Income Home Energy Assistance Program.**

**Assistance Listing Number and Title:** 93.568 Low-Income Home Energy Assistance Program  
93.568 COVID-19 Low-Income Home Energy Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2201WALIEA; 2101WALIEA; 2201WALIEI; 2101WALWC5; 2101WAE5C6; 2102WALWC6

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Reporting

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-039

### ***Background***

The U.S. Department of Health and Human Services, through the Office of Community Services at the Administration for Children and Families, administers the Low-Income Home Energy Assistance Program (LIHEAP). The agency distributes LIHEAP block grant funds by formula to states, the District of Columbia, and territories.

In Washington, the Department of Commerce administers LIHEAP, which provides financial assistance to low-income households to meet their home energy needs. The Department makes subawards to community-based organizations to provide this assistance. In fiscal year 2023, the Department spent more than \$107 million in federal funds, about \$99 million of which it paid to subrecipients.

The Department is required to collect and report program information through various reports.

#### *LIHEAP Performance Data Form*

The LIHEAP Performance Data Form has two modules. Module 1 is the Grant Recipient Survey that collects and reports data on sources and uses of LIHEAP funds. Module 2 is the performance measures used to report data on energy burden targeting and reduction, as well as the continuity of home energy service.

#### *Annual Report on Households Assisted by LIHEAP*

The Annual Report on Households is used to report data on the number, income levels, and demographic information on both households assisted and households applying for assistance.

Both reports are required to separate the data by regular LIHEAP funding and additional LIHEAP funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan Act of 2021 (ARPA).

#### *Quarterly Performance and Management Report*

Starting in fiscal year 2023, the Quarterly Performance and Management Report was required to report aggregated data on total households assisted, performance management metrics, and estimated uses of LIHEAP funds, along with some narrative information about program implementation and support.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate controls over and did not comply with reporting requirements for the LIHEAP Performance Data Form and Annual Report on Households Assisted. The prior finding was number 2022-039. Two audits ago, we also reported the Department did not have adequate controls over and did not comply with reporting requirements for the Annual Report on Households Assisted. This finding number was 2021-032.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with the reporting requirements for LIHEAP.

We reviewed the LIHEAP Performance Data Form and Annual Report on Households Assisted for the federal fiscal year ending September 30, 2022. In addition, we reviewed the three Quarterly Performance and Management Reports that the Department submitted during the audit period. We

examined each report and attempted to recalculate the information reported using the supporting documentation used to prepare the reports and data from the LIHEAP database.

Based on the data the Department provided, we identified the following:

#### *LIHEAP Performance Data Form*

- In Module 1 Estimated Sources and Uses of LIHEAP Funds, 11 of 16 fields (69 percent) were inaccurate, and the Department was not able to provide any support for eight of these 11.
- In Module 2 Household Data, 83 of 240 fields (35 percent) we examined were inaccurate.
- Most differences in the amounts reported and the data provided were between less than one percent and 100 percent.
- All households data were accurate, but subcategories isolating CARES funding and ARPA funding had variances ranging from (5,016) to 4,557 in the average annual household income data.

#### *Annual Report on Households Assisted by LIHEAP*

- 102 of 162 (63 percent) fields we examined were inaccurate.
- The differences in the amounts reported and data provided were between less than one percent and 100 percent.
- High level totals were generally accurate, but subcategories isolating CARES funding and ARPA funding had variances ranging from (1,780) to 767 in the number of households assisted.

#### *Quarterly Performance Management Report*

- All nine fields (100 percent) we examined were inaccurate.
- The differences between values reported and data provided were between 2 percent and 371 percent.
- The variances ranged in underreporting total households assisted by 7,932 to overreporting occurrences of households where LIHEAP restored home energy by 4,722.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

Management did not ensure they properly reviewed and approved these reports before the Department submitted them. Furthermore, the Department did not retain source documentation used at the time of completing these reports, and the data from the LIHEAP database is real-time

data that can change over time without the ability to track changes. As a result, the data provided to verify the reported amounts has changed since the time of report submission.

In addition, the Department did not properly follow reporting instructions to break down some data types and did not align rounding methodologies for calculating poverty levels according to reporting requirements. Department officials also said the agency is understaffed and experienced turnover among key personnel, including management, who are involved in preparing and submitting the reports.

### *Effect of Condition*

By not retaining supporting documentation and source data for the reports, management was unable to demonstrate the amounts the Department reported to the federal grantor were complete and accurate.

Additionally, the terms and conditions of the federal award allow the grantor to penalize the Department for noncompliance with reporting requirements by suspending or terminating the award, or withholding future awards, should it choose to do so.

### *Recommendations*

We recommend the Department:

- Establish effective internal controls to ensure the reports are accurate and complete
- Ensure management is reviewing reports prior to submission
- Ensure supporting documentation and real-time data used to prepare the reports are retained
- Ensure all amounts reported align with reporting requirements and methodologies
- Consult with the federal grantor to determine if revision and resubmission of the reports are necessary to correct amounts reported

### *Department's Response*

*The Department appreciates the State Auditor's Office thorough review of our internal controls and compliance over reporting for the Low-Income Home Energy Assistance Program. The program confirms the reports were reviewed and approved by the Managing Director, the program manager did not retain written approvals.*

*The program will add the following bolded steps to the Department's procedures for LIHEAP federal reporting.*

*The retention of the source data at the time the reports are pulled will result in the Department and SAO reviewing the same data from the same time.*

*The Department follows the reporting process outlined below:*

- *Program manager pulls the necessary reports*
- *LIHEAP program manager will retain all data reports from the LIHEAP data system used for reporting.*
- *LIHEAP information technology staff will save a snapshot of the entire database from the date of the report. This will allow the State Auditor's Office to review the actual information used for reporting.*
- *Managing director reviews reports before submittal.*
- *Managing director will send written/email approval to program manager*
- *Program manager will retain written approval for the State Auditor's Office review*
- *Program manager submits reports once managing director approval is received.*
- *Program manager receives notice that the report has been accepted by the funder.*
- *Program manager saves a copy of the report, documentation, and acceptance*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, Subpart 342, *Monitoring and reporting program performance*, states in part:

b. *Non-construction performance reports.* The HHS awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB Web site).

1. The non-Federal entity must submit performance reports at the interval required by the HHS awarding agency or pass-through entity to best inform improvements in



program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period. Alternatively, the HHS awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report will be due 90 calendar days after the period of performance end date. If a justified request is submitted by a non-Federal entity, the HHS awarding agency may extend the due date for any performance report.

Title 45 CFR Part 96, Subpart 82, Required report on households assisted, states in part:

- a. Each grantee which is a State or an insular area which receives an annual allotment of at least \$200,000 shall submit to the Department, as part of its LIHEAP grant application, the data required by section 2605(c)(1)(G) of Public Law 97-35 (42 U.S.C. 8624(c)(1)(G)) for the 12-month period corresponding to the Federal fiscal year (October 1 – September 30) preceding the fiscal year for which funds are requested. The data shall be reported separately for LIHEAP heating, cooling, crisis, and weatherization assistance.

Office of Management and Budget, *2023 Compliance Supplement*, Assistance Listing 93.568 Low-Income Home Energy Assistance Program, describes the compliance requirements for special and performance reporting.

The U.S. Department of Health and Human Services, Division of Energy Assistance, Office of Community Services, Administration of Children and Families, provides the following reporting instructions:

- *Instructions for the LIHEAP Performance Data Form for FFY 2022*
- *Instructions for the LIHEAP Household Report for FFY 2022 – Long Form*
- *Instructions for Completion of the Quarterly Performance and Management Report for the Low-Income Home Energy Assistance Program*

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-056 The Department of Commerce did not have adequate internal controls over and did not comply with federal requirements to ensure subawards for the Low-Income Home Energy Assistance Program contained the federal award identification elements.**

<b>Assistance Listing Number and Title:</b>	93.568 Low-Income Home Energy Assistance Program 93.568 COVID-19 Low-Income Home Energy Assistance Program
<b>Federal Grantor Name:</b>	U.S Department of Health & Human Services
<b>Federal Award/Contract Number:</b>	2301WALIEA, 2301WALIEE, 2301WALIEI, 2201WALIEI
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Department of Commerce administers the Low-Income Home Energy Assistance Program (LIHEAP), which provides financial assistance to low-income households to meet their home energy needs. The Department makes subawards to community-based organizations to provide this assistance. In fiscal year 2023, the Department spent more than \$107 million in federal funds, about \$99 million of which it paid to subrecipients.

The Department administers and awards LIHEAP funds under two programs: the energy assistance program and the weatherization program. During the audit period, the energy assistance program allocated funds to 26 subrecipients to assist low-income households with their energy costs, and the weatherization program allocated funds to 24 subrecipients for construction projects to increase the energy efficiency of homes and apartments. About 85 percent of LIHEAP funds go to the

energy assistance program, with no more than 15 percent allocated for weatherization activities. Each program makes separate subawards to subrecipients.

Federal regulations require pass-through entities to ensure that every subaward is clearly identified to a subrecipient as a subaward, and that it includes 14 federal award identification elements. These elements include the subrecipient's unique entity identifier, the Federal Award Identification Number (FAIN), name of the federal awarding agency, the program's Assistance Listing Number and title, and more. LIHEAP management reviews subawards prior to execution to ensure all elements are included in the subaward.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with federal requirements to ensure LIHEAP subawards contained the federal award identification elements.

During the audit period, the Department executed 126 LIHEAP subawards for the energy assistance and weatherization programs. The Department uses the same process for these two programs to ensure the 14 federal award identification elements are included in the subawards. We used a non-statistical sampling method to randomly select and examine 17 of these subawards to determine if the required information was included. We found that six energy assistance subawards (35 percent) did not have the correct FAIN. One of these six subawards (6 percent) also incorrectly communicated seven additional elements, and it did not properly differentiate separate projects and costs and, therefore, did not clearly communicate the allowable activities for each specific FAIN on the subaward.

We also judgmentally reviewed three additional energy assistance subawards. For all three, we found eight of the elements were not correctly communicated to the subrecipient, and they did not properly communicate the program's allowable activities.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

In an effort to be more efficient, program management included two FAINs in one subaward. However, the FAINs had different information for some of the 14 federal award identification elements, and management did not ensure that the necessary information for each FAIN was included in the subaward.

### ***Effect of Condition***

By not clearly identifying the required information in subawards, the Department cannot ensure that subrecipients are adequately informed of program requirements for each federal award.

### ***Recommendation***

We recommend the Department establish policies and procedures and provide training for staff to ensure it includes all required federal award identification elements in subawards.

### ***Department's Response***

*The Department agrees with this finding. The wrong Federal Award Identification Numbers (FAIN) were entered incorrectly due to multiple awards and contracts being sent out.*

*While 13 of the 14 required elements were included, the issue with the multiple awards and FAINs on a single contract will be corrected. The Department will separate the FAIN information by award on the contract in the Contract Face Sheet (CFS), the Contract Information Sheet (CIS), and Section 1. Acknowledgment of Federal Funding in the Special & General Terms & Conditions of the contract. The information will be entered by the LIHEAP Commerce Specialist 3, reviewed by the LIHEAP Program Manager, and then reviewed by the Community & Economic Opportunities Managing Director prior to contracts being sent out.*

*In addition, the Requirements for Pass Through Entities fourteen elements will be communicated to all subrecipients via the Department required communication which was a required process Commerce implemented in 2022. This communication is included as part of each award issued to subrecipients as required by the Code of Federal Regulations.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, *Cost Principles, and Audit Requirements for Federal Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 352, establishes requirements for pass-through entities.

Title 45 CFR Part 75, section 303, Subpart D - Standards for Financial and Program Management 3, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-057 The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments and monitor subrecipients of the Low-Income Home Energy Assistance Program.**

<b>Assistance Listing Number and Title:</b>	93.568 Low-Income Home Energy Assistance Program 93.568 COVID-19 Low-Income Home Energy Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of Health & Human Services
<b>Federal Award/Contract Number:</b>	2301WALIEA, 2201WALIEA, 2101WALIEA, 2301WALIEE, 2301WALIEI, 2201WALIEI, 2101WAE5C6, 2101WALWC6, 2101WALWC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Subrecipient Monitoring
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Department of Commerce administers the Low-Income Home Energy Assistance Program (LIHEAP), which provides financial assistance to low-income households to meet their energy needs. The Department makes subawards to community-based organizations to provide this assistance. In fiscal year 2023, the Department spent more than \$107 million in federal funds, about \$99 million of which it paid to subrecipients.

The Department administers and awards LIHEAP funds under two programs: the energy assistance program and the weatherization program. The energy assistance program allocated funds to

26 subrecipients to assist low-income households with their energy costs, and the weatherization program allocated funds to 24 subrecipients for construction projects to increase the energy efficiency of homes and apartments. About 85 percent of LIHEAP funds go to the energy assistance program, with no more than 15 percent allocated for weatherization activities. Each program makes separate subawards to subrecipients and conducts risk assessments and monitoring activities independently of each other. For weatherization, the Department includes other federal programs in the monitoring activity, and staff use a checklist to ensure all monitoring is performed.

Federal regulations require the Department to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for determining the appropriate amount and type of subrecipient monitoring.

Federal regulations also require the Department to monitor the activities of its subrecipients as necessary to ensure that they use their subawards for authorized purposes, comply with the terms and conditions of their subawards, and achieve performance goals.

Federal regulations also require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to perform risk assessments and monitor LIHEAP subrecipients.

We did not identify issues with the energy assistance program during the audit period. However, we found the Department did not perform risk assessments for any of its 24 subrecipients (100 percent) for the weatherization program.

We used a non-statistical sampling method to randomly select and examine eight out of the 24 total weatherization subrecipients to determine if the Department conducted sufficient program and fiscal monitoring. We found Department staff did not fully complete the monitoring checklist for six subrecipients (75 percent). Also, for all eight subrecipients (100 percent), we could not determine if the monitoring activity was specific to the federal requirements for the program. Furthermore, we found seven subrecipients (88 percent) did not have adequate documentation to determine if the reimbursement requests reviewed were for the LIHEAP program.

Finally, the Department classified six out of the eight subrecipients examined as high risk and two as low risk. However, all subrecipients received the same level of monitoring regardless of their classified risk level.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Department does not have adequate policies and procedures in place to ensure the risk assessments are completed and influence the level of monitoring activity. Furthermore, management did not adequately monitor employees performing the monitoring activity to ensure they properly completed the checklists. Department employees said staffing shortages contributed to delays in performing risk assessments, staff responsible for the risk assessments were not aware they must be completed within each fiscal year, and management did not ensure they were performed.

Furthermore, the weatherization program staff said their monitoring activity was focused on ensuring compliance for other federal programs, and they were not aware that monitoring activities must be specific to the requirements and terms and conditions of the LIHEAP awards.

### *Effect of Condition*

Without conducting risk assessments, management cannot ensure the Department is meeting federal requirements by performing the appropriate level of monitoring to ensure subrecipients comply with program requirements.

Furthermore, without proper and complete monitoring documentation, management cannot ensure that Department staff are adequately monitoring subrecipients.

### *Recommendations*

We recommend the Department:

- Improve internal controls to ensure it performs required risk assessments
- Improve internal controls to ensure that all monitoring documentation is thorough and complete
- Ensure staff conduct program and financial monitoring that is clearly attributable to the federal award's requirements
- Ensure that risk-based monitoring activities are specific to the federal award and distinguishable between low- and high-risk subrecipients



## ***Department's Response***

*The Department concurs with the finding. The Department's Weatherization program conducts a robust risk assessment annually that includes multiple levels of risks across all programs. The risk assessment reviews risk per subrecipient and is separate from our monitoring process.*

*Over the course of the years of 2022 and 2023, the program underwent some significant staff changes. Three supervisor level positions were vacated and numerous programmatic staff positions changes were made which resulted in the annual risk assessment for fiscal year 2023 not being completed in time and missing data not recorded in monitoring reports.*

*The program's monitoring team utilizes the risk assessment and other resources to determine the focus areas of weatherization monitoring, not necessarily the number of projects for inspection. The Department of Energy requires all grantees to inspect a minimum of 5% or 10% of completed units be inspected depending on if the agency has a waiver for an independent auditor and inspector. The monitoring team exceeds the DOE requirements by inspecting between 10 and 20 percent of all production, statewide.*

*The monitoring team does not delineate LIHEAP specific projects in their monitoring since very few are solely LIHEAP funded. The vast majority utilize a combination of federal, state and utility funding. The team reserves the right to increase the number of projects inspected based on agency risk and inspection results independent of the funding sources. However, the results of our monitoring in concert with the risk assessment and previously identified concerns determine if an elevated level of review is needed beyond the minimum standards.*

*The Department acknowledges the recommendations set forth by the State Auditor's Office and plan to implement changes. The team is currently in the process of finalizing the 2023 Risk Assessment which is expected to be finalized by December 31, 2023. The process for the 2024 Risk Assessment will then commence and be completed by May 30, 2024. The team will incorporate a formal checklist process that will assign staff to tasks and include supervisory signatures to ensure compliance and timeliness. All supervisory positions have been filled.*

*A two day meeting is scheduled in January 2024 to review and update all monitoring processes, procedures, forms, and protocols. The goal is to better align monitoring forms and checklists with the risk assessment tools. The team recognizes the need to clarify the process and increase consistency for elevated levels of monitoring while ensuring that all required documentation and checklists are complete. This will include supervisor review and sign off at appropriate milestones of the monitoring process. We intend to have all monitoring forms updated by May 30, 2024. We will work in sync with our LIHEAP program manager to ensure we are in compliance with monitoring expectations specific to the program and determine how we might increase monitoring for weatherization LIHEAP projects. We appreciate the thorough review and feedback, the information provided assisted in our efforts to improve our weatherization monitoring process and service delivery.*

### *Auditor's Remarks*

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 352, Requirements for pass-through entities.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-058** The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the Child Care and Development Fund Cluster programs were allowable and properly supported.

**Assistance Listing Number and Title:** 93.575 Child Care and Development Block Grant  
93.575 COVID-19 Child Care and Development Block Grant  
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Activities Allowed or Unallowed Allowable Costs/Cost Principles

**Known Questioned Cost Amount:** \$356,042,172

**Prior Year Audit Finding:** Yes, Finding 2022-041

## *Background*

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grants to help eligible working families pay for child care and fund improvements to child care quality. In fiscal year 2023, the Department spent about \$547.2 million in federal funding.

The Department is responsible for establishing policies to ensure payments to providers for child care services are allowable. In fiscal year 2023, the Department spent more than \$356 million on monthly child care subsidy payments to child care providers.

There are three child care provider types: licensed centers, licensed family homes, and licensed exempt providers referred to as Family, Friends and Neighbor providers. The Department uses the Social Service Payment System (SSPS) to process the payments it makes to child care providers. The system allocates payments to various funding sources, based on the eligibility of the client. These funding sources include multiple federal programs, multiple CCDF federal grant awards, and state funding. The Department uploads the SSPS payment data into the state's accounting system at a summary level based on the various funding sources. There is always a need to transfer the funding sources for some payments throughout the year to manage federal and state funds properly.

In prior audit periods up until fiscal year 2021, the Department prepared supporting documentation for transfers that included details of what payments it was transferring. The purpose of documenting this detail was to maintain proper support for federal expenditures.

The Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, requires recipients have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers were allowable and properly supported. We have reported this condition since 2005. The most recent audit finding numbers were 2022-041, 2021-033, 2020-038, 2019-035, 2018-034, 2017-024, 2016-021, 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31, 9-12 and 8-13.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the CCDF programs were allowable and properly supported.

In fiscal year 2021, management informed us that the Department changed its grant management practices to process expenditure transfers at the grant level. This new process made the original expenditure coding in SSPS inaccurate and unreliable for testing. As a result, we could not trace the federal funds to a level of expenditure adequate to establish whether the Department spent CCDF funds in accordance with federal and state regulations. Further, this meant we could not test the Department's payments to child care providers for compliance with activities allowed and cost principles.

By processing these adjustments at the fund level, the Department invalidated the transaction-level documentation of the original child care expenditure in SSPS and did not identify the new allocation at the payment level. Additionally, the Department transferred some of these child care expenditures more than once at the fund level, making the underlying data increasingly unreliable with each transfer.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Department is required to maintain sufficient documentation for each payment it makes with federal dollars. The Department's accounting practices prevent it from meeting this requirement.

The Department implemented what management referred to as fund-level accounting. This consisted of making significant accounting adjustments between funding sources in its general ledger without identifying the underlying transactions in the payment system that supported the adjustments. This affected all populations of child care expenditures for every month of the fiscal year. HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.

### ***Effect of Condition***

By not complying with requirements in federal law to maintain adequate supporting documentation for expenditures, the Department created a condition that made it impossible for our Office to audit the federal dollars it used for payments to child care providers. Because we could not test transaction-level detail, we also could not determine whether the issues we identified in prior audits had improved or worsened, including the Department's lack of adequate internal controls and significant rate of noncompliance for payments to child care providers.

The total amount of known child care payments with federal CCDF funds in the audit period was \$356,042,172. The Department also partially funded these payments with an additional \$48,941,302 in state dollars.

Because the Department did not comply with HHS requirements to allow for the tracing of grant expenditures to a payment level, we are questioning all \$356,042,172 in federal program costs the Department incurred during the audit period. The payments the Department partially paid with state funds are not included in the federal questioned costs.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

### ***Recommendations***

We recommend the Department:

- Design and implement internal controls to ensure transaction-level data is sufficient to comply with federal law and state rules
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

### ***Department's Response***

*The Department has managed the CCDF program since 2019, prior to that it was managed by the Department of Social and Health Services and the Department of Early Learning. The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grants to eligible clients and allowable activities in compliance with 45 CFR 98.67.*

*This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements. The Department's grant adjustments were processed based on eligible clients and allowable activities and did not include child-level data as required by SAO.*

*The Department held an informal meeting on February 23, 2022, with HHS representative, the State Auditor's Office and the Office of Financial Management. The intent was to obtain the grantor's perspective in whether proper grant accounting required the use of child-level data. HHS stated they would not offer an opinion until they received the completed finding from the state.*

*However, the Cause of Condition of finding 2021-033 stated, “HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.” The Department does not agree with SAO’s interpretation of the meeting outcome.*

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*In addition, ACF did not sustain the disallowance of questioned costs and stated:*

*“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”*

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*“The ACF believes the corrective actions taken or planned, as stated above, should prevent recurrence of this finding in the future. In addition, we recognize the continuous progression of the State’s actions to fully resolve this finding as the number of error cases and the amount of questioned costs have both significantly declined over the last 3 years. Therefore, the ACF will not pursue the questioned costs of \$32 since the state has taken corrective actions that appear to have resulted in an amount of questioned costs that are immaterial.”*

*The ACF recommended, “that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.” The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the finding was not substantiated. The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained*

*that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance as identified by SAO. In response to the auditor's recommendations, the Department has submitted a budget request for the 2024 supplemental budget. If the request is funded, it would allow adjustments to include child-level data.*

### ***Auditor's Remarks***

The level of documentation needed to support grant expenditures is not established by our Office, but in title 45 of the *U.S. Code of Federal Regulations* and the state's grant award. During the February 2022 meeting with HHS that the Department referenced in its response, the grantor stated the specific federal law the Department's accounting procedures were noncompliant with was 45 CFR 98.67.

We agree with the HHS management decision that our references to 2 CFR 200.53, 200.303, 200.403 and 200.410 in the prior finding were not correct. However, HHS adopted these **same** requirements in 45 CFR 75.2, 75.303, 75.403 and 75.410, respectfully. These requirements were all in place during the audit period. The proper references are included in this finding.

In its response, the Department references previous findings related to the eligibility compliance requirement as a basis for asserting federal funds were spent properly. The requirements to determine whether a client is eligible to receive subsidized child care are different than the requirements to ensure the payments for those services are allowable, fall within each award's period of performance and adequately supported. Without adequate transactional level payment data, our Office is unable to perform tests to verify the Department met these requirements. In addition, we also are unable to verify whether the Department complied with matching, level of effort and earmarking requirements, or that required financial information reported to the federal government was accurate. These matters are referenced in separate findings in our report.

We disagree with the Department's description of the meeting held with HHS program staff on November 8, 2023. The Department states HHS "upheld the above statements that the finding was not substantiated." This is not accurate. During this meeting, HHS representatives conveyed the same message that they did in the management decision issued October 3, 2023. The finding was **partially** substantiated because the questioned costs identified in the audit would not be disallowed. The management decision states:

*"The ACF partially sustains the finding and recommendation. The ACF agrees with the auditor that the Department should strengthen internal controls to ensure payments to child care providers are allowable and properly supported."*

*"The ACF does not sustain a disallowance for the questioned costs in the amount of \$271,353,409 representing the entire amount of the CCDF grant award. Although the*



*Department's internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities."*

We are not aware of what procedures ACF performed to conclude expenditures reported by the Department for fiscal year 2022 were spent only for allowable activities, were for allowable costs and met federal cost principles. We questioned all expenditures because, in our judgment, they were unauditible.

Lastly, when the Washington State Legislature approved the Department's 2023-25 biennial budget, it specified:

*"Funding in this subsection must be expended with internal controls that provide child-level detail for all transactions."*

We reaffirm our finding and hope additional resources from the Legislature, to get down to child-level detail for all transactions, will resolve the auditing problems existing at the Department. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

45 U.S. Code of Federal Regulations (CFR) Part 75, section 2, Definitions, includes the definition of improper payment.

45 CFR Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

45 CFR Part 75, section 403, Factors Affecting Allowability of Costs.

45 CFR Part 75, section 410, Collection of Unallowable Costs

45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR, Section 98.67 – Fiscal requirements, states:

- (a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.
- (b) Unless otherwise specified in this part, contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency of its own funds.
- (c) Fiscal control and accounting procedures shall be sufficient to permit:
  - (1) Preparation of reports required by the Secretary under this subpart and under subpart H; and

(2) The tracking of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-059 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with client eligibility requirements for child care services paid with the Child Care and Development Fund and Temporary Assistance for Needy Families funds.**

**Assistance Listing Number and Title:** 93.558 Temporary Assistance for Needy Families  
93.575 Child Care and Development Block Grant  
93.575 COVID-19 Child Care and Development Block Grant  
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5; 2201WATANF; 2301WATANF

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Eligibility

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-036

## *Background*

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grant to help eligible working families pay for child care. In fiscal year 2023, the Department spent \$547.2 million in CCDF federal funding. The Department of Social and Health Services (DSHS) administers the Temporary Assistance for Needy Families (TANF) grant. To meet one of the program's primary purposes of helping clients obtain employment, TANF grant funds may be used to pay clients' child care costs. If a client obtains employment and is no longer eligible for the program, TANF funds may still be used to pay child care costs to help the client maintain employment.

In fiscal year 2023, the Department spent more than \$356 million in CCDF and \$107.3 million in TANF federal grant funds on child care subsidy payments to providers.

Some payments made for child care are paid for by both the CCDF and TANF grants. While the two federal programs are separate, the requirements and policies in Washington for child care payments are consolidated under the Working Connections Child Care program. As of

July 1, 2019, the responsibility for making and documenting child care eligibility determinations under the CCDF and TANF grants was transferred from DSHS to the Department.

For a family to be eligible for child care assistance, state and federal rules require that at the time of application or reapplication, children must:

- Reside in Washington and be a citizen or legal resident of the United States;
- Be younger than 13 years, or if for verified special needs, be younger than 19 years;
- Reside with a parent(s) or guardian whose countable income does not exceed 60 percent of the state median income at application or 65 percent of the state median income at reapplication;
- Reside with a parent(s) or guardian who works or attends a job-training or education program, or needs to be receiving protective services.

State rules describe the information clients must provide to the Department to verify their eligibility. The information must be accurate, complete, consistent and from a reliable source. This information includes, but is not limited to, employer and hourly wage information, proof of an approved activity under TANF, and family household size and composition.

Once determined to be eligible for the program, a client is eligible for one year unless a change in income causes the client to exceed 65 percent of the state's median income. The Department requires that clients self-report such income changes. A written notice communicates the recipients' reporting requirement and the specific dollar threshold applicable to the household's annual income. Once the client's income exceeds this cutoff level, the Department terminates services.

The Department has access to systems that contain wage and household benefit and composition data for some, but not all, child care recipients. The Department uses this information in part to determine program eligibility, benefit level, including client copayment, and the amount of child care the family is eligible to receive. If an ineligible client receives assistance, the payment made to the child care provider is not allowable and the client must repay the ineligible amount.

Federal regulations require the Department to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the past 11 audits, we reported findings related to eligibility for the Working Connections Child Care program. In these prior audits, we reported the Department did not have adequate internal controls over the eligibility process for child care subsidy recipients. These were reported as finding numbers 2022-036, 2021-035, 2020-039, 2019-032, 2018-030, 2017-026, 2016-023, 2015-026, 2014-026, 2013-017 and 2012-30.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with client eligibility requirements for CCDF and TANF.

During the audit period, the Department determined 61,140 children were eligible for child care. We used a statistical sampling method to randomly select and examine 59 of these determinations. In three instances (5.1 percent), we found the Department made eligibility determinations improperly, or did not verify information before authorizing services. Specifically, we found:

- One case (1.7 percent) where the Department had incorrectly determined household composition and did not obtain sufficient data for all parents in the household to make an accurate eligibility determination.
- Two cases (3.4 percent) where the Department did not follow procedure for verifying the approved activity, which led to an incorrect eligibility determination.

Though the Department has established internal controls, they were insufficient for ensuring material compliance with client eligibility requirements.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## ***Cause of Condition***

Department staff made eligibility determinations without obtaining sufficient supporting documentation to ensure households were eligible to receive assistance. This deviated from the standard policies and procedures the Department has established, and management did not monitor sufficiently to ensure staff made proper eligibility determinations.

## ***Effect of Condition***

By not implementing adequate internal controls, the Department is at higher risk of paying providers for child care services when clients are ineligible.

## ***Recommendations***

We recommend the Department improve its internal controls over determining client eligibility to ensure it:

- Reviews eligibility determinations sufficiently to detect improper eligibility determinations
- Reviews sufficient support for household composition information for accuracy

## ***Department's Response***

*The Department of Children, Youth, and Families appreciates, acknowledges, and supports the State Auditor's Office's (SAO) mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develops strategies to make government more efficient and effective. Further, we appreciate SAO's work with us over the several past years to strengthen internal controls for eligibility through the auditing process. The Statewide Single Audit (SWSA) is an important tool in the Department's continuous quality improvement efforts and together with the Department's internal controls has helped reduce the audit exceptions to three with zero questioned costs.*

*The Department continues to access data across available state systems to confirm information, including household composition provided by clients. Unfortunately, there is no household composition verification system, and information provided to other state agencies is often provided by client self-attestation. The Department continues to balance verification requirements with providing timely benefit decisions to support family access to high quality child care. Additionally, the Department is being intentional in updating our learning resources for eligibility staff. Information from this and future audits will be used to update training. The Department will continue our internal control and quality improvement efforts and activities to build and maintain our eligibility case accuracy.*

## *Auditor's Remarks*

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Washington Administrative Code (WAC) 110-15-0015 – Determining family size, states in part:

1. DCYF determines a consumer's family size as follows:
  - a. For a single parent, including a minor parent living independently, DCYF counts the consumer and the consumer's children;
  - b. For unmarried parents who have at least one mutual child, DCYF counts both parents and all of their children living in the household;
  - c. Unmarried parents who have no mutual children are counted as separate WCCC households, the unmarried parents and their respective children living in the household;
  - d. For married parents, DCYF counts both parents and all of their children living in the household;
  - e. For parents who are undocumented aliens as defined in WAC 388-424-0001, DCYF counts the parents and children, documented and undocumented, and all other family rules in this section apply. Children needing care must meet citizenship requirements described in WAC 110-15-0005;
  - f. For a legal guardian verified by a legal or court document, adult sibling or step-sibling, nephew, niece, aunt, uncle, grandparent, any of these relatives with the prefix "great," such as a "great-nephew," or an in loco parentis custodian who is not related to the child as described in WAC 110-15-0005, DCYF counts only the children and only the children's income is counted;

- g. For a parent who is out of the household because of employer requirements, such as training or military service, and expected to return to the household, DCYF counts the consumer, the absent parent, and the children;
  - h. For a parent who is voluntarily out of the household for reasons other than requirements of the employer, such as unapproved schooling and visiting family members, and is expected to return to the household, DCYF counts the consumer, the absent parent, and the children. WAC 110-15-0020 and all other family and household rules in this section apply;
  - i. For a parent who is out of the country and waiting for legal reentry in to the United States, DCYF counts only the consumer and children residing in the United States and all other family and household rules in this section apply;
  - j. An incarcerated parent is not part of the household count for determining income and eligibility. DCYF counts the remaining household members using all other family rules in this section; and
  - k. For a parent incarcerated at a Washington state correctional facility whose child lives with them at the facility, DCYF counts the parent and child as their own household.
2. When the household consists of the consumer's own child and another child identified in subsection (1)(f) of this section, the household may be combined into one household or kept as distinct households for the benefit of the consumer.

WAC 110-15-0040 – Approved activities for applicants and consumers participating in WorkFirst, states:

- 1. Applicants and consumers who participate in WorkFirst activities may be eligible for WCCC benefits for the following approved activities in their individual responsibility plans (IRPs), for up to a maximum of sixteen hours per day, including:
  - a. An approved WorkFirst activity under WAC 388-310-0200, with the following exception: In-home/relative providers who are paid child care subsidies to care for children receiving WCCC benefits may not receive those benefits for their own children during the hours in which they provide subsidized child care. These consumers may be eligible for other approved activities in their IRPs;
  - b. Employment as defined in WAC 110-15-0003;
  - c. Self-employment as defined in WAC 110-15-0003 and as described in the consumer's current WorkFirst IRP;
  - d. Travel time between the child care location and the consumer's place of employment or approved activity;
  - e. Up to ten hours per week of study time for approved classes;
  - f. Up to eight hours of sleep time before or after a night shift; and
  - g. Any activity approved by tribal TANF.



2. WorkFirst consumers participating in approved activities for at least one hundred ten hours per month as described in WAC 110-15-0190 are considered to have a schedule of Monday through Friday, 8:00 a.m. to 5:00 p.m., except when:
  - a. The consumer's IRP specifies a different schedule; or
  - b. Verified differently by the consumer.

WAC 110-15-0045 – Approved activities for applicants and consumers not participating in WorkFirst, states:

1. Applicants and consumers not participating in WorkFirst activities may be eligible for WCCC benefits for the following approved activities:
  - a. Employment;
  - b. Self-employment;
  - c. Supplemental nutrition assistance program employment and training (SNAP E&T); or
  - d. The following education programs:
    - i. High school or working towards a high school equivalency certificate for consumers under 22 years of age;
    - ii. Part-time enrollment in a vocational education, adult basic education (ABE), high school equivalency certificate for consumers 22 years of age and older, or English as a second language (ESL) program combined with an average of 20 or more employment hours per week or 16 more work-study hours per week; or
    - iii. For full-time students of a community, technical, or tribal college, enrollment in:
      - A. A vocational education program that leads to a degree or certificate in a specific occupation;
      - B. An associate degree program; or
      - C. A registered apprenticeship program.
    - iv. "Full-time student" for the purpose of this subsection means a consumer attends a community, technical, or tribal college and meets its definition of full-time student.
  - f. Applicants and consumers who meet the requirements of (c) of this subsection are eligible to receive subsidy payment for up to 10 hours per week of study time for approved classes.

2. Applicants and consumers who are eligible for WCCC benefits under the terms of this section are eligible to receive subsidy payment for:
  - a. Transportation time between the child care location and the consumer's place of employment or approved activity; and
  - b. Up to eight hours of sleep time before or after a night shift.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-060 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the Child Care and Development Fund Cluster.**

<b>Assistance Listing Number and Title:</b>	93.575 Child Care and Development Block Grant 93.575 COVID-19 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Matching, Level of Effort, Earmarking
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-042

### ***Background***

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grants to help eligible working families pay for child care and fund improvements to child care quality. In fiscal year 2023, the Department spent about \$547.2 million in federal funding.

The CCDF consists of three distinct funding sources: Discretionary Fund, Mandatory Fund, and Matching Fund. Additionally, under the Temporary Assistance for Needy Families (TANF) program, the Department may transfer TANF funds to the CCDF, which are then treated as Discretionary Funds. The Department is instructed how to spend this federal money. For the Department to receive its allotted share of the Matching Fund, it must meet the Maintenance of Effort (MOE) requirement and match the federal Matching Fund claimed with state expenditures at the Federal Medical Assistance Percentage rate for the applicable fiscal year. The Department must also meet earmarking requirements for expenditures for administrative and quality activities.

The U.S. Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, requires recipients have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements. Department staff run monthly and quarterly expenditure reports from the accounting system to track requirements over matching, level of effort, and earmarking for each open grant award.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over matching, level of effort, and earmarking requirements for the CCDF Cluster programs. The prior audit finding numbers were 2022-042, 2021-036, and 2020-040.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the CCDF programs.

The Department's accounting records should be used to verify it has met matching, level of effort, and earmarking requirements. In fiscal year 2021, management informed us that the Department changed its grant management practices to process expenditure transfers at the grant level. This new process made the original expenditure coding in the payment system inaccurate and unreliable for testing.

Without identifying which expenditures it transferred, the Department's monitoring is insufficient for properly managing matching, level of effort, and earmarking requirements. Our Office could not rely on the data supporting the Department's expenditures or verify that the accounting records were accurate. As a result, we could not trace the federal funds to a level of expenditure adequate to establish whether the Department spent CCDF funds in accordance with federal and state regulations. Further, this meant we could not test the Department's payments for compliance with matching, level of effort, and earmarking requirements.

By processing these adjustments at the fund level, the Department invalidated the transaction-level documentation of the original child care expenditure in the payment system, and did not identify the new allocation at the payment level. Additionally, the Department transferred some of these child care expenditures more than once at the fund level, making the underlying data increasingly unreliable with each transfer. This condition is also referenced in audit finding 2023-058.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Department is required to maintain sufficient documentation for each payment it makes with federal dollars. The Department's accounting practices prevent it from meeting this requirement.

In fiscal year 2021, the Department informed our Office that it had implemented what management referred to as fund-level accounting. This consisted of making significant accounting adjustments between funding sources in its general ledger without identifying the underlying transactions in the payment system that supported the adjustments. This affected all populations of child care expenditures for every month of the fiscal year. HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.

### ***Effect of Condition***

By not complying with requirements in federal law to maintain adequate supporting documentation for expenditures the Department created a condition that made it impossible for our Office to determine if it had met matching, level of effort, and earmarking requirements.

### ***Recommendations***

We recommend the Department:

- Design and implement internal controls to ensure transaction-level data is sufficient to comply with federal law and state rules
- Develop effective ongoing monitoring procedures

### ***Department's Response***

*The Department has managed the CCDF program since 2019, prior to that it was managed by the Department of Social and Health Services and the Department of Early Learning. The Department implemented grant-level management of all federal funds, including the CCDF grant. The*

*Department allocated the CCDF grants to eligible clients and allowable activities in compliance with 45 CFR 98.67.*

*This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements. The Department's grant adjustments were processed based on eligible clients and allowable activities and did not include child-level data as required by SAO.*

*The Department held an informal meeting on February 23, 2022, with HHS representative, the State Auditor's Office and the Office of Financial Management. The intent was to obtain the grantor's perspective in whether proper grant accounting required the use of child-level data. HHS stated they would not offer an opinion until they received the completed finding from the state.*

*However, the Cause of Condition of finding 2021-033 stated, "HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant." The Department does not agree with SAO's interpretation of the meeting outcome.*

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*The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:*

*"the ACF noted that the auditor raised concern about the Department's accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures."*

*In addition, ACF did not sustain the disallowance of questioned costs and stated:*

*"Although the Department's internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities."*

*The management decision letter also conveyed the following determination by HHS for finding 2021-035, 2020-039 on eligibility compliance:*

*“The ACF believes the corrective actions taken or planned, as stated above, should prevent recurrence of this finding in the future. In addition, we recognize the continuous progression of the State’s actions to fully resolve this finding as the number of error cases and the amount of questioned costs have both significantly declined over the last 3 years. Therefore, the ACF will not pursue the questioned costs of \$32 since the state has taken corrective actions that appear to have resulted in an amount of questioned costs that are immaterial.”*

*The ACF recommended, “that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.” The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the finding was not substantiated. The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance as identified by SAO. In response to the auditor’s recommendations, the Department has submitted a budget request for the 2024 supplemental budget. If the request is funded, it would allow adjustments to include child-level data.*

### ***Auditor’s Remarks***

The level of documentation needed to support grant expenditures is not established by our Office, but in title 45 of the *U.S. Code of Federal Regulations* and the state’s grant award. During the February 2022 meeting with HHS that the Department referenced in its response, the grantor stated the specific federal law the Department’s accounting procedures were noncompliant with was 45 CFR 98.67.

We agree with the HHS management decision that our references to 2 CFR 200.53, 200.303, 200.403 and 200.410 in the prior finding were not correct. However, HHS adopted these **same** requirements in 45 CFR 75.2, 75.303, 75.403 and 75.410, respectfully. These requirements were all in place during the audit period. The proper references are included in this finding.

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We disagree with the Department’s description of the meeting held with HHS program staff on November 8, 2023. The Department states HHS “upheld the above statements that the finding was not substantiated.” This is not accurate. During this meeting, HHS representatives conveyed the same message that they did in the management decision issued October 3, 2023. The finding was **partially** substantiated because the questioned costs identified in the audit would not be disallowed. The management decision states:

*“The ACF partially sustains the finding and recommendation. The ACF agrees with the auditor that the Department should strengthen internal controls to ensure payments to child care providers are allowable and properly supported.”*

*“The ACF does not sustain a disallowance for the questioned costs in the amount of \$271,353,409 representing the entire amount of the CCDF grant award. Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”*

We are not aware of what procedures ACF performed to conclude expenditures reported by the Department for fiscal year 2022 were spent only for allowable activities, were for allowable costs and met federal cost principles. We questioned all expenditures because, in our judgment, they were unauditible.

Lastly, when the Washington State Legislature approved the Department’s 2023-25 biennial budget, it specified:

*“Funding in this subsection must be expended with internal controls that provide child-level detail for all transactions.”*

We reaffirm our finding and hope additional resources from the Legislature, to get down to child-level detail for all transactions, will resolve the auditing problems existing at the Department. We will review the status of the Department’s corrective action during our next audit.

### ***Applicable Laws and Regulations***

45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.



Title 45 CFR, Section 98.67 – Fiscal requirements, states:

- (a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.
- (b) Unless otherwise specified in this part, contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency of its own funds.
- (c) Fiscal control and accounting procedures shall be sufficient to permit:
  - (1) Preparation of reports required by the Secretary under this subpart and undersubpart H; and
  - (2) The tracking of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-061 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with period of performance requirements for the Child Care and Development Fund Cluster.**

<b>Assistance Listing Number and Title:</b>	93.575 Child Care and Development Block Grant 93.575 COVID-19 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Period of Performance
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-043

### ***Background***

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grants to help eligible working families pay for child care and fund improvements to child care quality. In fiscal year 2023, the Department spent about \$547.2 million in federal funding.

Each federal grant specifies a performance period during which recipients must obligate and liquidate program costs. These periods typically align with the federal fiscal year of October 1 through September 30. Payments for costs charged before a grant's beginning date or after the ending date are not allowed without the grantor's prior approval.

The CCDF consists of three distinct funding sources: Discretionary Fund, Mandatory Fund, and Matching Fund. Each of these funds has specific period of performance requirements established in federal regulation (45 CFR § 98.60(d)):

- Discretionary Funds must be obligated by the end of the succeeding fiscal year after award and expended by the end of the third fiscal year after award.
- Mandatory Funds must be obligated by the end of the fiscal year in which they are awarded if the state also requests Matching Funds. If no Matching Funds are requested for the fiscal year, then the Mandatory Funds are available until liquidated.
- Matching Funds must be obligated by the end of the fiscal year in which they are awarded and liquidated by the end of the succeeding fiscal year after award.

During the audit period, the Department also received supplemental funds under the Coronavirus Aid, Relief, and Economic Security (CARES) and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Acts. These funds are treated as Discretionary Funds, however, they have their own specific obligation and liquidation timeframes.

The U.S. Department of Health and Human Services (HHS), which oversees the CCDF at the federal level, requires recipients to have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over period of performance requirements for the CCDF program. The prior finding numbers were 2022-043, 2021-037, and 2020-041.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with period of performance requirements for the CCDF program.

Our Office uses the Department's accounting records to verify it has met the period of performance requirements. In fiscal year 2021, management informed us that the Department changed its grant

management practices to process expenditure transfers at the grant level. This new process made the original expenditures coded in the payment system inaccurate and unreliable for audit testing.

As a result, we could not trace the federal funds to a level of expenditure adequate to establish whether the Department spent CCDF funds in accordance with federal and state regulations. Further, this meant we could not test the Department's payments for compliance with period of performance requirements. This condition is also referenced in audit finding 2023-058.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

The Department is required to maintain sufficient documentation for each payment it makes with federal dollars. The Department's accounting practices prevent it from meeting this requirement.

The Department implemented what management referred to as fund-level accounting. This consisted of making significant accounting adjustments between funding sources in its general ledger without identifying the underlying transactions in the payment system that supported the adjustments. This affected all populations of child care expenditures for every month of the fiscal year. HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.

### *Effect of Condition*

By not complying with requirements in federal law to maintain adequate supporting documentation for expenditures, the Department created a condition that made it impossible for our Office to determine if it materially met the period of performance requirements. Furthermore, without adequate internal controls in place, the Department is at a higher risk of making improper payments with grant funds.

### *Recommendations*

We recommend the Department:

- Design and implement internal controls to ensure transaction-level data is sufficient to comply with federal law and state rules
- Develop written policies and procedures over federal period of performance requirements

## ***Department's Response***

*The Department has managed the CCDF program since 2019, prior to that it was managed by the Department of Social and Health Services and the Department of Early Learning. The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grants to eligible clients and allowable activities in compliance with 45 CFR 98.67.*

*This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements. The Department's grant adjustments were processed based on eligible clients and allowable activities and did not include child-level data as required by SAO.*

*The Department held an informal meeting on February 23, 2022, with HHS representative, the State Auditor's Office and the Office of Financial Management. The intent was to obtain the grantor's perspective in whether proper grant accounting required the use of child-level data. HHS stated they would not offer an opinion until they received the completed finding from the state.*

*However, the Cause of Condition of finding 2021-033 stated, "HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant." The Department does not agree with SAO's interpretation of the meeting outcome.*

*In the area of CCDF eligibility, for state fiscal year 2021, the SAO also issued finding 2021-035, with questioned cost of \$32 and in state fiscal year 2022, finding 2022-008 (temporary number) with no questioned costs. There were no other findings or exit items in the area of eligibility determination or the cost allocation of funds. Given that eligibility or cost allocation is not an area of concern and transfers were processed between CCDF source of funds with the same eligibility requirements, the Department is confident CCDF funding was spent appropriately within federal regulations.*

*The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:*

*"the ACF noted that the auditor raised concern about the Department's accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures."*

*In addition, ACF did not sustain the disallowance of questioned costs and stated:*

*“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”*

*The management decision letter also conveyed the following determination by HHS for finding 2021-035, 2020-039 on eligibility compliance:*

*“The ACF believes the corrective actions taken or planned, as stated above, should prevent recurrence of this finding in the future. In addition, we recognize the continuous progression of the State’s actions to fully resolve this finding as the number of error cases and the amount of questioned costs have both significantly declined over the last 3 years. Therefore, the ACF will not pursue the questioned costs of \$32 since the state has taken corrective actions that appear to have resulted in an amount of questioned costs that are immaterial.”*

*The ACF recommended, “that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.” The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the finding was not substantiated. The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance as identified by SAO. In response to the auditor’s recommendations, the Department has submitted a budget request for the 2024 supplemental budget. If the request is funded, it would allow adjustments to include child-level data.*

### ***Auditor’s Remarks***

The level of documentation needed to support grant expenditures is not established by our Office, but in title 45 of the *U.S. Code of Federal Regulations* and the state’s grant award. During the February 2022 meeting with HHS that the Department referenced in its response, the grantor stated the specific federal law the Department’s accounting procedures were noncompliant with was 45 CFR 98.67.

We agree with the HHS management decision that our references to 2 CFR 200.53, 200.303, 200.403 and 200.410 in the prior finding were not correct. However, HHS adopted these **same** requirements in 45 CFR 75.2, 75.303, 75.403 and 75.410, respectfully. These requirements were all in place during the audit period. The proper references are included in this finding.

In its response, the Department references previous findings related to the eligibility compliance requirement as a basis for asserting federal funds were spent properly. The requirements to determine whether a client is eligible to receive subsidized child care are different than the requirements to ensure the payments for those services are allowable, fall within each award’s

period of performance and adequately supported. Without adequate transactional level payment data, our Office is unable to perform tests to verify the Department met these requirements. In addition, we also are unable to verify whether the Department complied with matching, level of effort and earmarking requirements, or that required financial information reported to the federal government was accurate. These matters are referenced in separate findings in our report.

We disagree with the Department's description of the meeting held with HHS program staff on November 8, 2023. The Department states HHS "upheld the above statements that the finding was not substantiated." This is not accurate. During this meeting, HHS representatives conveyed the same message that they did in the management decision issued October 3, 2023. The finding was **partially** substantiated because the questioned costs identified in the audit would not be disallowed. The management decision states:

*"The ACF partially sustains the finding and recommendation. The ACF agrees with the auditor that the Department should strengthen internal controls to ensure payments to child care providers are allowable and properly supported."*

*"The ACF does not sustain a disallowance for the questioned costs in the amount of \$271,353,409 representing the entire amount of the CCDF grant award. Although the Department's internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities."*

We are not aware of what procedures ACF performed to conclude expenditures reported by the Department for fiscal year 2022 were spent only for allowable activities, were for allowable costs and met federal cost principles. We questioned all expenditures because, in our judgment, they were unauditably.

Lastly, when the Washington State Legislature approved the Department's 2023-25 biennial budget, it specified:

*"Funding in this subsection must be expended with internal controls that provide child-level detail for all transactions."*

We reaffirm our finding and hope additional resources from the Legislature, to get down to child level detail for all transactions, will resolve the auditing problems existing at the Department. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR, Section 98.66 – Availability of funds, states in part:

- (d) The following obligation and liquidation provisions apply to States and Territories:
  - (1) Discretionary Fund allotments shall be obligated in the fiscal year in which funds are awarded or in the succeeding fiscal year. Unliquidated obligations as of the end of the succeeding fiscal year shall be liquidated within one year.
  - (2)
    - (i) Mandatory Funds for States requesting Matching Funds per § 98.55 shall be obligated in the fiscal year in which the funds are granted and are available until expended.
    - (ii) Mandatory Funds for States that do not request Matching Funds are available until expended.
  - (3) Both the Federal and non-Federal share of the Matching Fund shall be obligated in the fiscal year in which the funds are granted and liquidated no later than the end of the succeeding fiscal year.

Title 45 CFR, Section 98.67 – Fiscal requirements, states:

- (a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.
- (b) Unless otherwise specified in this part, contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency of its own funds.
- (c) Fiscal control and accounting procedures shall be sufficient to permit:
  - (1) Preparation of reports required by the Secretary under this subpart and under subpart H; and
  - (2) The tracking of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.



# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-062** The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with financial reporting requirements for the Child Care and Development Fund Cluster.

<b>Assistance Listing Number and Title:</b>	93.575 Child Care and Development Block Grant 93.575 COVID-19 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Service
<b>Federal Award/Contract Number:</b>	2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-044

### *Background*

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grants to help eligible working families pay for child care and fund improvements to child care quality. In fiscal year 2023, the Department spent about \$547.2 million in federal funding.

The Department is required to submit a quarterly ACF-696 financial report for each open grant. These reports contain information on expenditures for three CCDF funding sources: the Mandatory Fund, the Matching Fund, and the Discretionary Fund. The Department uses CCDF expenditures recorded in the state's accounting system to compile and support the ACF-696 report.

The U.S. Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, requires recipients to have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls over financial reporting requirements for the CCDF program. The prior finding numbers were 2022-044 and 2021-038.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with financial reporting requirements for the CCDF program.

The Department's accounting records must provide and support the financial information reported on ACF-696 reports. During the audit period, the Department's grant management practice was to process expenditure transfers at the fund level without identifying which expenditures it transferred. Therefore, we could not rely on the data supporting the Department's reported ACF-696 expenditures and could not test whether the reports were accurate and complete. This condition is also referenced in audit finding 2023-058.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

The Department is required to maintain sufficient documentation for each payment it makes using federal dollars. The Department's accounting practices prevent it from meeting this requirement.

In fiscal year 2021, the Department informed our Office that it had implemented what management referred to as fund-level accounting. This consisted of making significant accounting adjustments between funding sources in its general ledger without identifying the underlying transactions in the payment system that supported them. This affected all populations of childcare expenditures

for every month of the fiscal year. HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant.

### ***Effect of Condition***

By not complying with requirements in federal law to maintain adequate supporting documentation for expenditures, the Department created a condition that made it impossible for our Office to audit the CCDF program expenditures reported on the ACF-696 financial report.

### ***Recommendations***

We recommend the Department design and implement internal controls to ensure the ACF-696 report is supported with transaction-level data that is sufficient to comply with federal law and state rules.

### ***Department's Response***

*The Department has managed the CCDF program since 2019, prior to that it was managed by the Department of Social and Health Services and the Department of Early Learning. The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grants to eligible clients and allowable activities in compliance with 45 CFR 98.67.*

*This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements. The Department's grant adjustments were processed based on eligible clients and allowable activities and did not include child-level data as required by SAO.*

*The Department held an informal meeting on February 23, 2022, with HHS representative, the State Auditor's Office and the Office of Financial Management. The intent was to obtain the grantor's perspective in whether proper grant accounting required the use of child-level data. HHS stated they would not offer an opinion until they received the completed finding from the state.*

*However, the Cause of Condition of finding 2021-033 stated, "HHS officials informed the Department that these accounting practices do not comply with federal law, but management said they believe they are compliant." The Department does not agree with SAO's interpretation of the meeting outcome.*

*In the area of CCDF eligibility, for state fiscal year 2021, the SAO also issued finding 2021-035, with questioned cost of \$32 and in state fiscal year 2022, finding 2022-008 (temporary number) with no questioned costs. There were no other findings or exit items in the area of eligibility determination or the cost allocation of funds. Given that eligibility or cost allocation is not an*

*area of concern and transfers were processed between CCDF source of funds with the same eligibility requirements, the Department is confident CCDF funding was spent appropriately within federal regulations.*

*The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:*

*“the ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”*

*In addition, ACF did not sustain the disallowance of questioned costs and stated:*

*“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”*

*The management decision letter also conveyed the following determination by HHS for finding 2021-035, 2020-039 on eligibility compliance:*

*“The ACF believes the corrective actions taken or planned, as stated above, should prevent recurrence of this finding in the future. In addition, we recognize the continuous progression of the State’s actions to fully resolve this finding as the number of error cases and the number of questioned costs have both significantly declined over the last 3 years. Therefore, the ACF will not pursue the questioned costs of \$32 since the state has taken corrective actions that appear to have resulted in an amount of questioned costs that are immaterial.”*

*The ACF recommended, “that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure childcare payments comply with Federal regulations.” The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the finding was not substantiated. The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance as identified by SAO. In response to the auditor’s recommendations, the Department has submitted a budget request for the 2024 supplemental budget. If the request is funded, it would allow adjustments to include child-level data.*

## *Auditor's Remarks*

The level of documentation needed to support grant expenditures is not established by our Office, but in title 45 of the *U.S. Code of Federal Regulations* and the state's grant award. During the February 2022 meeting with HHS that the Department referenced in its response, the grantor stated the specific federal law the Department's accounting procedures were noncompliant with was 45 CFR 98.67.

We agree with the HHS management decision that our references to 2 CFR 200.53, 200.303, 200.403 and 200.410 in the prior finding were not correct. However, HHS adopted these **same** requirements in 45 CFR 75.2, 75.303, 75.403 and 75.410, respectfully. These requirements were all in place during the audit period. The proper references are included in this finding.

In its response, the Department references previous findings related to the eligibility compliance requirement as a basis for asserting federal funds were spent properly. The requirements to determine whether a client is eligible to receive subsidized child care are different than the requirements to ensure the payments for those services are allowable, fall within each award's period of performance and adequately supported. Without adequate transactional level payment data, our Office is unable to perform tests to verify the Department met these requirements. In addition, we also are unable to verify whether the Department complied with matching, level of effort and earmarking requirements, or that required financial information reported to the federal government was accurate. These matters are referenced in separate findings in our report.

We disagree with the Department's description of the meeting held with HHS program staff on November 8, 2023. The Department states HHS "upheld the above statements that the finding was not substantiated." This is not accurate. During this meeting, HHS representatives conveyed the same message that they did in the management decision issued October 3, 2023. The finding was **partially** substantiated because the questioned costs identified in the audit would not be disallowed. The management decision states:

*"The ACF partially sustains the finding and recommendation. The ACF agrees with the auditor that the Department should strengthen internal controls to ensure payments to child care providers are allowable and properly supported."*

*"The ACF does not sustain a disallowance for the questioned costs in the amount of \$271,353,409 representing the entire amount of the CCDF grant award. Although the Department's internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities."*

We are not aware of what procedures ACF performed to conclude expenditures reported by the Department for fiscal year 2022 were spent only for allowable activities, were for allowable costs and met federal cost principles. We questioned all expenditures because, in our judgment, they were unauditible.

Lastly, when the Washington State Legislature approved the Department’s 2023-25 biennial budget, it specified:

*“Funding in this subsection must be expended with internal controls that provide child-level detail for all transactions.”*

We reaffirm our finding and hope additional resources from the Legislature, to get down to child-level detail for all transactions, will resolve the auditing problems existing at the Department. We will review the status of the Department’s corrective action during our next audit.

### ***Applicable Laws and Regulations***

45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR, Section 98.67 – Fiscal requirements, states:

- (a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures for expending and accounting for their own funds.
- (b) Unless otherwise specified in this part, contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency of its own funds.
- (c) Fiscal control and accounting procedures shall be sufficient to permit:
  - (1) Preparation of reports required by the Secretary under this subpart and under subpart H; and
  - (2) The tracking of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-063** The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Child Care and Development Fund.

<b>Assistance Listing Number and Title:</b>	93.575 Child Care and Development Block Grant 93.575 COVID-19 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Department of Children, Youth, and Families (Department) administers the federal Child Care and Development Fund (CCDF) grant to help eligible working families pay for child care. The Department subawards federal funds to the program's only subrecipient, Washington State Child

Care Resources – Child Care Aware. In fiscal year 2023, the Department spent \$547.2 million in CCDF federal funding, including about \$17.8 million paid to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the Department is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Department must report subawards by the end of the month following the month in which it made a subaward or subaward amendment. The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.

Each month, a designated employee uses the Contracts and Procurement System to run a report to view open federal grants. The Department uses this system to manage all early learning contracts, both for contractors and subrecipients. Once the preparer has obtained the grant information, they enter all eligible subawards for the reporting month, including all the subaward key elements into FSRS. Before submitting the report, a designated manager reviews and approves it. There were 12 CCDF subawards and amendments that were required to be reported in fiscal year 2023, totaling \$20.2 million.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Act for the CCDF program.

During the audit period, the Department was required to report about \$20.2 million of program funds that it awarded to its subrecipient through 12 new and amended subawards. We examined all 12 subawards and found that nine (75 percent), totaling \$1.6 million, were not reported in FSRS.

Additionally, for the three reports that were filed, we found that two (16.7 percent) misreported the subaward amount. Specifically, one subaward amount was overstated, and the other subaward amount was understated. The total amount under/overreported was \$41,480.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit



## ***Cause of Condition***

The Department has written procedures in place to ensure the required reports are submitted, but staff did not file all of them during the audit period. Additionally, management did not review the reports before or after submitting them to ensure they were accurate and complete.

## ***Effect of Condition***

Filing inaccurate reports or failing to submit them when required diminishes the federal government's ability to ensure accountability and transparency of federal spending.

## ***Recommendations***

We recommend the Department:

- Establish effective internal controls to ensure it submits all required reports
- Follow its own policies and procedures for filing required reports
- Ensure management monitors to ensure future reports required by the Act are submitted accurately and completely

## ***Department's Response***

*The Department of Children, Youth, and Families appreciates, acknowledges, and supports the State Auditor's Office's (SAO) mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develops strategies to make government more efficient and effective.*

*During the audit period, the Department experienced a high level of staff turnover and vacancy rates resulting in missed and inaccurate Federal Funding Accountability and Transparency Act reporting. The Department is committed to strengthening internal controls and complying with federal requirements and will review written policies and procedures with cost allocation and grant management staff.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

### Appendix A to Part 170 – Award Term

#### I. Reporting Subawards and Executive Compensation

##### a. *Reporting of first-tier subawards.*

*Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

##### 2. *Where and when to report.*

i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.)

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-064 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with health and safety requirements for the Child Care and Development Fund program.**

<b>Assistance Listing Number and Title:</b>	93.575 Child Care and Development Block Grant 93.575 COVID-19 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2103WACCDF; 2103WACCDD; 2203WACCDF; 2203WACCDD; 2303WACCDF; 2303WACCDD; 2003WACCC3; 2103WACDC6; 2103WACSC6; 2103WACCC5
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions: Health and Safety Requirements
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-045

### ***Background***

The Department of Children, Youth, and Families administers the federal Child Care and Development Fund (CCDF) grant to help eligible working families pay for child care. In fiscal year 2023, the Department spent about \$547.2 million in CCDF federal funding.

The Department oversees two types of providers: licensed providers and license-exempt Family, Friend, and Neighbor (FFN) providers. The Department is responsible for ensuring all these providers meet health and safety standards. The monitoring activity varies for licensed and FFN providers.

The Department has an approved CCDF State Plan for federal fiscal year 2022–2024 that outlines how it will meet the health and safety requirements for licensed and FFN providers.

#### *Licensed providers*

Department licensors conduct annual monitoring visits of licensed providers. During visits, they use a monitoring checklist to verify whether providers have met required health and safety standards. The licensors use the WA Compass system to document their activities. The system allows licensing staff to monitor the completion of visits, make timely updates and streamline their processes.

When licensors identify health and safety violations during a monitoring visit, they document them on an inspection report. The inspection report contains the areas of provider noncompliance and establishes deadlines for correcting them. The Department is required to conduct timely follow-up visits on noncompliance issues to ensure providers correct them. Depending on the severity of the noncompliance, the Department has five, 10 or 15 business days to verify the noncompliance has been corrected.

#### *FFN providers*

Washington’s CCDF State Plan and a state rule (WAC 110-16-0025) require non–relative FFN providers to complete health and safety training within 90 days of their subsidy payment start date. They also must complete ongoing health and safety training. The Department conducts an annual health and safety visit to ensure providers are following health and safety rules.

The Department adopted a rule (WAC 110-16-0030) that states it must conduct annual technical assistance visits for non-relative FFN providers within a year of subsidy approval. During these visits, an FFN specialist reviews health and safety requirements and conducts the ongoing training requirements with the provider.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the eight prior audits, we reported that the Department did not have adequate internal controls over and did not comply with health and safety requirements. The previous finding numbers were 2022-045, 2021-039, 2020-042, 2019-039, 2018-035, 2017-025, 2016-022, and 2015-024.

## *Description of Condition*

The Department did not have adequate internal controls over and did not comply with health and safety requirements for the CCDF program.

### *Licensed provider annual monitoring and noncompliance follow-ups*

We used a statistical sampling method to randomly select 59 out of a total population of 6,358 licensed providers. We examined this sample of licensed providers to determine if they received an annual monitoring visit and that the Department performed timely, appropriate follow-ups when they found noncompliance issues. We identified 14 instances (24 percent) where providers did not receive their required annual monitoring visit. Of the remaining 45 providers that did receive a monitoring visit, we identified 13 instances (29 percent) where the licensor did not conduct the appropriate follow-up visit on noncompliance issues.

### *Non-relative FFN provider initial training*

The Department was not able to identify complete populations of FFN providers for the purposes of our initial training testing. We randomly selected 21 out of 197 FFN providers that Department officials said were required to complete initial training. Of those reviewed, we determined nine of the providers did not meet the criteria for testing because they were not subject to initial training. After testing, the Department acknowledged that it cannot identify complete populations due to system limitations.

### *Non-relative FFN provider ongoing training and annual technical visits*

The Department was not able to identify complete populations of FFN providers for the purposes of our ongoing training and technical visit testing. We randomly selected 11 out of 53 FFN providers that Department officials said were required to complete ongoing training and have a technical visit. Of those reviewed, we determined one of the providers did not meet the criteria for testing because they were not subject to ongoing training or annual technical visits since they were relative providers. Of the remaining providers that were applicable to our testing, we found one instance where the provider did not complete their technical visit, but they did receive ongoing training. After testing, the Department acknowledged that it cannot identify complete populations due to system limitations.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## ***Cause of Condition***

### *Licensed provider annual monitoring and noncompliance follow-ups*

Department officials said the agency did not conduct 14 of the 59 monitoring visits we reviewed because it was unable to maintain the necessary level of staffing. Additionally, management did not ensure monitoring visits and follow-up visits on identified noncompliance occurred, as the CCDF program requires.

### *Non-relative FFN provider initial training, ongoing training, and annual technical visits*

Management did not monitor sufficiently to ensure that staff completed technical visits. Further, due to system limitations, the Department did not effectively identify during the audit period which providers were subject to training and technical visit requirements.

## ***Effect of Condition***

### *Licensed provider annual monitoring and noncompliance follow-ups*

By not completing monitoring visits or following up on noncompliance in a timely manner, the Department did not have assurance that providers met health and safety requirements. Further, not following up on noncompliance violations in a timely manner can put children in jeopardy of harm, neglect, and unhealthy environments.

### *Non-relative FFN provider initial training, ongoing training, and technical visits*

By not conducting all required technical visits, the Department did not have assurance that providers met health and safety requirements. System limitations and the inability to obtain a complete population for sampling and testing created a condition that prevented our Office from fully auditing the Department's compliance with these requirements.

## ***Recommendations***

We recommend the Department:

- Strengthen internal controls to ensure it sufficiently monitors all health and safety requirements
- Ensure management follows established policies and procedures to ensure licensors complete all monitoring visits and conduct thorough, timely follow-ups on any identified noncompliance issues
- Ensure management follows established policies and procedures to ensure non-relative FFN providers complete their required initial training, ongoing training, and receive technical visits

## ***Department's Response***

*The Department is strongly committed to ensuring the health, safety, and well-being of all children in care. As to the Auditor's specific findings, the Department concurs and offers the following detail:*

### *Licensed provider annual monitoring and noncompliance follow-ups*

*Due to the COVID-19 pandemic, the Department experienced a high level of child care licensure turnover. The Department focused available resources on assisting new and current providers to ensure access to child care for families, first responders, and health care workers. Given the Department's limited staffing resources and high volume of providers, the Department was unable to complete all monitoring visits and was unable to send licensing staff to assist other offices with this work. Starting in fall 2022, the Department began work to recruit new staff and train them on child care licensing rules and regulations to address turnover; however, this effort takes time, due to the extensive training we give our staff. These efforts are demonstrating strong commitments to improvements in the health and safety compliance for child care providers. As of November 2023, the Department is on target for 100% compliance with monitoring visits even with a 4.1% increase in child care providers during federal fiscal year 2023.*

*As part of its quality improvement initiatives, the Department has implemented data driven decisions to assist providers and their staff to meet health and safety requirements and prioritized monitoring visits to come back into compliance. In addition, the Department has implemented new recruitment and training plans for child care licensors. In November 2022, the Department added a new position to assist supervisors with onboarding and training of all new staff hired. The Department concurs that health and safety monitoring visits were not properly completed during the audit period and is confident that corrective actions taken will improve this area moving forward. The Department is focusing resources to strengthening internal controls around all health and safety requirements.*

### *Non-relative FFN provider initial training, ongoing training, and annual technical visits*

*The Department tracks health and safety requirements for FFN providers using the limited tools and fields currently available in WA Compass. The WA Compass system was implemented for licensed child care providers and has not been fully developed for the FFN provider type. The State Auditor's Office requested data from the WA Compass system for their audit testing in a format the system does not currently support. Due to the fluid nature of the FFN providers, and their payment start dates, the Department was unable to pull data that reflected only providers with open authorizations during the audit period. Further, WA Compass does not currently include all health and safety requirements for FFN providers. The Department has dedicated staff resources to update WA Compass to include all health and safety requirements for FFNs and address data format issues. Staff will continue to track and monitor FFN health and safety requirements with available tools until all system development is completed.*

## *Auditor's Remarks*

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 45 CFR Part 98.41, *Health and safety requirements*, states:

a. Each Lead Agency shall certify that there are in effect, within the State (or other area served by the Lead Agency), under State, local or tribal law, requirements (appropriate to provider setting and age of children served) that are designed, implemented, and enforced to protect the health and safety of children. Such requirements, which are subject to monitoring pursuant to § 98.42, shall:

1. Include health and safety topics consisting of, at a minimum:

i. The prevention and control of infectious diseases (including immunizations); with respect to immunizations, the following provisions apply:

A. As part of their health and safety provisions in this area, Lead Agencies shall assure that children receiving services under the CCDF are age-appropriately immunized. Those health and safety provisions shall incorporate (by reference or otherwise) the latest recommendation for childhood immunizations of the respective State, territorial, or tribal public health agency.

B. Notwithstanding this paragraph (a)(1)(i), Lead Agencies may exempt:

1. Children who are cared for by relatives (defined as grandparents, great grandparents, siblings (if living in a separate residence), aunts, and uncles), provided there are no other unrelated children who are cared for in the same setting.



2. Children who receive care in their own homes, provided there are no other unrelated children who are cared for in the home.
3. Children whose parents object to immunization on religious grounds.
4. Children whose medical condition contraindicates immunization.

C. Lead Agencies shall establish a grace period that allows children experiencing homelessness and children in foster care to receive services under this part while providing their families (including foster families) a reasonable time to take any necessary action to comply with immunization and other health and safety requirements.

1. The length of such grace period shall be established in consultation with the State, Territorial or Tribal health agency.
  2. Any payment for such child during the grace period shall not be considered an error or improper payment under subpart K of this part.
  3. The Lead Agency may also, at its option, establish grace periods for other children who are not experiencing homelessness or in foster care.
  4. Lead Agencies must coordinate with licensing agencies and other relevant State, Territorial, Tribal, and local agencies to provide referrals and support to help families of children receiving services during a grace period comply with immunization and other health and safety requirements;
- ii. Prevention of sudden infant death syndrome and use of safe sleeping practices;
  - iii. Administration of medication, consistent with standards for parental consent;
  - iv. Prevention and response to emergencies due to food and allergic reactions;
  - v. and physical premises safety, including identification of and protection from hazards, bodies of water, and vehicular traffic;
  - vi. Prevention of shaken baby syndrome, abusive head trauma, and child maltreatment;
  - vii. Emergency preparedness and response planning for emergencies resulting from a natural disaster, or a man- caused event (such as violence at a child care facility), within the meaning of those terms under section 602(a)(1) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5195a(a)(1)) that shall include procedures for evacuation, relocation, shelter-in-place and lock down, staff and volunteer emergency preparedness training and practice drills, communication and reunification with families,

continuity of operations, and accommodation of infants and toddlers, children with disabilities, and children with chronic medical conditions;

viii. Handling and storage of hazardous materials and the appropriate disposal of biocontaminants;

ix. Appropriate precautions in transporting children, if applicable;

x. Pediatric first aid and cardiopulmonary resuscitation;

xi. Recognition and reporting of child abuse and neglect, in accordance with the requirement in paragraph Pediatric first aid and cardiopulmonary resuscitation; (xi) Recognition and reporting of child abuse and neglect, in accordance with the requirement in paragraph(e) of this section; and

xii. May include requirements relating to:

A. Nutrition (including age-appropriate feeding);

B. Access to physical activity;

C. Caring for children with special needs; or

D. Any other subject area determined by the Lead Agency to be necessary to promote child development or to protect children's health and safety.

2. Include minimum health and safety training on the topics above, as described in § 98.44.

b. Lead Agencies may not set health and safety standards and requirements other than those required in paragraph (a) of this section that are inconsistent with the parental choice safeguards in § 98.30(f).

c. The requirements in paragraph (a) of this section shall apply to all providers of child care services for which assistance is provided under this part, within the area served by the Lead Agency, except the relatives specified at §98.42(c).

d. Lead Agencies shall describe in the Plan standards for child care services for which assistance is provided under this part, appropriate to strengthening the adult and child relationship in the type of child care setting involved, to provide for the safety and developmental needs of the children served, that address:

1. Group size limits for specific age populations;

2. The appropriate ratio between the number of children and the number of caregivers, in terms of age of children in child care; and

3. Required qualifications for caregivers in child care settings as described at §98.44(a)(4).

e. Lead Agencies shall certify that caregivers, teachers, and directors of child care providers within the State or service area will comply with the State's, Territory's, or Tribe's child abuse reporting requirements as required by section 106(b)(2)(B)(i) of the Child Abuse and Prevention and Treatment Act (42 U.S.C. 5106a(b)(2)(B)(i)) or other child abuse reporting procedures and laws in the service area.

Washington Administrative Code (WAC) 110-16-0025 Health and safety training:

1.A provider described in WAC 110-16-0015 (4)(b) or (c) must complete the following training within ninety calendar days of the subsidy payment begin date:

a. Infant, child, and adult first aid and cardiopulmonary resuscitation (CPR):

i. This training must be taken in person and the provider must demonstrate learned skills to the instructor.

ii. The instructor must be certified by the American Red Cross, American Heart Association, American Safety and Health Institute, or other nationally recognized certification program.

b. Prevention of sudden infant death syndrome and safe sleep practices when caring for infants; and

c. Department approved health and safety training which includes the following topic areas:

i. Prevention and control of infectious diseases;

ii. Administration of medication;

iii. Prevention of, and response to, emergencies due to food and allergic reactions;

iv. Building and physical premises safety, including identification of and protection from hazards, bodies of water, and vehicular traffic;

v. Prevention of shaken baby syndrome, abuse head trauma, and child maltreatment;

vi. Emergency preparedness and response planning for natural disasters and human-caused events;

vii. Handling and storage of hazardous materials and the appropriate disposal of bio contaminants;

viii. Appropriate precautions in transporting children;

ix. Recognition and reporting of child abuse and neglect, including the prevention of child abuse and neglect as defined in RCW 26.44.020 and mandatory reporting requirements under RCW 26.44.030; and

x. Other topic areas as determined by the department.

2. A provider described in WAC 110-16-0015 (4)(b) or (c) can meet the health and safety training in subsection (1)(c) of this section if the department verifies that the provider has completed any of the following either prior to or within ninety calendar days of the subsidy payment begin date:

a. Child care basics, a department approved thirty-hour health and safety training.

b. Washington state early childhood education initial certificate (twelve credits) that includes early childhood education and development 105 health, safety, and nutrition.

3. A provider described in WAC 110-16-0015 (4)(b) or (c) must complete a minimum of two hours of health and safety training annually, using the subsidy payment begin date. The training must include, but is not limited to, one or more of the following:

c. Prevention and control of infectious diseases;

d. Emergency preparedness and response planning for natural disasters and human-caused events;

e. Recognizing and prevention of shaken baby syndrome, head trauma abuse, neglect, and child maltreatment; and

f. Prevention of sudden infant death syndrome and safe sleep practices, if caring for an infant or toddler.

WAC 110-16-0030 Health and safety activities:

(1) A provider described in WAC 110-16-0015 (4)(b) or (c), must participate in an annual, scheduled visit conducted by department staff in the home where care is provided.

(2) The purpose of the visit is to:

(a) Provide technical assistance to the provider regarding the health and safety requirements described in this chapter;

(b) Observe the provider's interactions with the child, and discuss health and safety practices;

(c) Provide written information and local resources about child development to include the major domains of cognitive, social, emotional, physical development, and approaches to learning; and

(d) Provide regional contact information for FFN child care services and resources.

(3) A provider will be considered out of compliance with the requirements of this chapter if, after three attempts, the department is not able to complete an annual, scheduled visit in the home where care is provided.

(4) At the annual, scheduled visit, the provider must show, unless previously provided to the department:

(a) Proof of identity;

(b) Proof of current certification for first aid and cardiopulmonary resuscitation (CPR) in the form of a card, certificate, or instructor letter;

(c) Proof of vaccination against or acquired immunity for vaccine-preventable diseases for all children in care, if the provider's children are on-site at any time with the eligible children. Proof can include:

i. A current and complete department of health (DOH) certificate of immunization status (CIS) or certificate of exemption (COE) or other DOH approved form; or

ii. A current immunization record from the Washington state immunization information system (WA IIS).

(d) Written permission from the parent to:

i. Allow children to use a swimming pool;

ii. Administer medication for treatment of illnesses and allergies of the children in care;

iii. Provide for and accommodate developmental and special needs; and

iv. Provide transportation for care, activities, and school when applicable.

(e) The written emergency preparedness and response plan required in WAC 110-16-0035 (8)(c).

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-065 The Department of Children, Youth, and Families did not have adequate controls over and did not comply with certain requirements of its Public Assistance Cost Allocation Plan.**

<b>Assistance Listing Number and Title:</b>	93.658 Foster Care Title IV-E 93.658 COVID-19 Foster Care Title IV-E
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2303WAFOST
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-047

### ***Background***

As a condition of receiving federal grant funds, the Department of Children, Youth, and Families must submit a Public Assistance Cost Allocation Plan (PACAP) to the U.S. Department of Health and Human Services each state fiscal year. The PACAP describes how the Department is authorized to allocate indirect costs like overhead and general administrative expenses to all funding sources, including federal grants.

The Department uses the Cost Allocation System (CAS), a subsystem of the Agency Financial Reporting System (AFRS), to execute its PACAP. The Department develops appropriate methodologies and updates cost allocation base input tables that contain cost objectives, which automatically distribute the cost of payments to either state, local or federal funding sources. The tables in CAS can be added, deleted, changed, or inactivated each calendar month.

As part of its cost allocation process, the Department establishes bases that are used to distribute costs to multiple funding sources. Each base consists of elements that are assigned a percentage

that dictates how much of the original payment is allocated to it. For example, a base could be made up of three elements that allocate 35 percent, 25 percent, and 40 percent, respectively, that will total 100 percent. Records of these bases are kept in workbooks that management reviews and approves before they are uploaded or keyed into AFRS for use.

In fiscal year 2023, the Department allocated about \$18 million in indirect costs to the Foster Care grant.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate controls over and did not comply with certain requirements of its PACAP. The prior finding number was 2022-047.

### ***Description of Condition***

The Department did not have adequate controls over and did not comply with certain requirements of its PACAP. According to the Department's PACAP, Base 100, which are charges for administrative costs, should be updated monthly with full-time equivalents disbursed to reflect the work that agency staff have performed. This method allows the Department to allocate administrative charges proportionately to the staffing level required to meet the program's needs.

We examined five monthly workbooks completed during the audit period. We found the Department did not complete a workbook for one month of the audit period (September 2022).

We determined this internal control deficiency to be a material weakness that led to material noncompliance.

### ***Cause of Condition***

Management did not assign sufficient staffing resources to ensure all monthly workbooks were completed in accordance with the Department's approved PACAP.

### ***Effect of Condition***

The Department's inadequate internal controls affected the accuracy of the indirect costs charged to the Foster Care grant. When workbooks are not updated, the Department increases its risk of undercharging or improperly allocating indirect costs to the Foster Care program.

## ***Recommendation***

We recommend the Department strengthen internal controls to ensure that monthly workbooks are properly updated in accordance with the approved PACAP.

## ***Department's Response***

*The Department concurs with the finding.*

*The Department did not have adequate staffing levels to maintain the business processes for one workbook for the Public Assistance Cost Allocation Plan (PACAP) cost base 100 for the administrative charges during the state and federal fiscal year close deadlines. Available staff were focused on grant reconciliations and closing out the prior fiscal year financial transactions. The Department is committed to improving our internal controls and has reviewed the base edit form written procedures with staff and added monthly reminders for the Cost Allocation and Grants Management Unit. In addition, the Department has confirmed that all cost base 100 workbooks have been properly completed for state fiscal year 2024.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 45 CFR Part 95, *Subpart E – Cost Allocation Plans*, section 95.501, Purpose, states:

(a) Preparation, submission, and approval of State agency cost allocation plans for public assistance programs; and

(b) Adherence to approved cost allocation plans in computing claims for Federal financial participation.



Public Assistance Cost Allocation Plan – Appendix 3 Administrative Costs, Base 100, states in part: FTEs are based on actual months and are reported by funding source. This information is obtained on a monthly basis from the Enterprise Reporting system at DCYF and is used on a rolling period with a one-month lag. For example, the FTEs for July would be used in the September plan.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-066 The Department of Children, Youth, and Families did not have adequate internal controls to ensure payments to providers for travel and family visits were allowable and adequately supported for the Foster Care program.**

<b>Assistance Listing Number and Title:</b>	93.658 Foster Care Title IV-E 93.658 COVID-19 – Foster Care Title IV-E
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2303WAFOST
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-048

### *Background*

The federal Foster Care Title IV-E program helps states provide safe and stable out-of-home care for children under the jurisdiction of the state’s child welfare agency until they are returned home, placed with adoptive families, or placed in other planned, permanent arrangements. The program provides funds to reduce the costs of foster care for eligible children, reduce administrative costs to manage the program, and provide training for adults who are involved in the program, including state agency staff, foster parents and certain private agency staff.

In Washington, the Department of Children, Youth, and Families administers the Foster Care program. During fiscal year 2023, the Department spent about \$140.5 million in federal grant funds, including about \$11.6 million for travel and family visits.

Parent-child visits are a key strategy for minimizing a child’s time in out-of-home care and working toward family reunification. The Department creates a visit plan based on dependency court order visit requirements and other information to ensure the child’s safety. This visit plan is created and saved in a system called FamLink. When the Department needs contracted family time services, it sends a visit plan/referral through a FamLink-Sprout interface. Visit coordinators send this referral to the most appropriate contracted service provider through the Sprout system. These referrals authorize the contracted provider to provide the needed services. After the visit, contracted service providers complete visit reports, which include travel mileage and travel time. Based on these reports and information the contractor enters into the Sprout system, the system creates an invoice based on billable services and rates. To catch errors and ensure quality assurance, Sprout reports and invoices are reviewed and approved by the contracted service provider administrator or manager. The Department pays the provider solely based on the summary-level information entered into Sprout.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Department did not have adequate internal controls to ensure payments to providers for family visits were allowable and adequately supported for the Foster Care program. The prior finding numbers were 2022-048 and 2021-040.

### ***Description of Condition***

The Department did not have adequate internal controls to ensure payments to providers for travel and family visits were allowable and adequately supported for the Foster Care program.

The Department did not follow its procedures for performing fiscal monitoring of contracted service providers to ensure federally funded payments for travel and family visits were adequately supported and only for allowable activities.

We consider this internal control deficiency to be a significant deficiency.

### ***Cause of Condition***

In response to the prior audit finding, the Department developed a corrective action plan to address the internal control deficiencies. However, the Department was unable to fully implement the corrective action plan during the audit period.

### ***Effect of Condition***

By not performing adequate fiscal monitoring, the Department cannot ensure payments for travel and family visits are allowable and adequately supported.

## ***Recommendation***

We recommend the Department follow its fiscal monitoring procedures to ensure payments to providers for travel and family visits are allowable and adequately supported.

## ***Department's Response***

*The Department of Children, Youth, and Families appreciates, acknowledges, and supports the State Auditor's Office's (SAO) mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develops strategies to make government more efficient and effective.*

*The Department is committed to strengthening internal controls and complying with grant requirements. As stated in the Cause of Condition, the Department did not have the opportunity to fully implement the corrective action plan during the audit period. Due to the timing and frequency of the statewide single audits, the Department is not made aware of a finding until months after the state fiscal year (SFY) concludes. It is not always feasible to correct audit issues before a new audit cycle begins. There by the previous year's audit issues will remain outstanding up to nine months of the current audit period. For this reason, the Department anticipates receiving repeat findings for consecutive years.*

*In April 2023, the Fiscal Integrity Unit, within the Financial and Business Services Division (FBSD), worked with the Child Welfare and Information Technology Divisions to implement the following internal controls:*

- *Utilized algorithms in the Sprout system to identify reimbursement requests outside of a reasonable amount.*
- *Required providers to submit additional documentation or explanation for those identified amounts.*
- *Implemented a re-run process for prior billing periods to eliminate potential double billings by providers.*
- *Trained headquarters and field office accounting staff to utilize the new algorithms and review additional documentation prior to processing payments.*

*In August 2023, the Contracts Compliance Team, within the FBSD, hired one new staff dedicated to reviewing all regional client service child welfare contracts including family time visit payments and will hire an additional staff in December 2023. The Contracts Compliance Team developed compliance audit plans for child welfare contracts and began fiscal monitoring of family time visit payments in November 2023.*

*The Department also required additional review and approvals by program staff for the Network Administrator in Eastern Washington for invoices prior to release of payment. The Department continues to identify and implement regional program approvals for Western Washington providers and implement fiscal monitoring controls to ensure payments to providers for travel and family visits are allowable and adequately supported.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-067 The Department of Children, Youth, and Families did not have adequate internal controls to ensure monthly foster care maintenance payments to children’s caregivers were adequate and accurate for the Foster Care program.**

<b>Assistance Listing Number and Title:</b>	93.658 Foster Care Title IV-E 93.658 COVID-19 – Foster Care Title IV-E
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2303WAFOST
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The federal Foster Care Title IV-E program helps states provide safe and stable out-of-home care for children under the jurisdiction of the state’s child welfare agency until they are returned home, placed with adoptive families, or placed in other planned, permanent arrangements. The program provides funds to reduce the costs of foster care for eligible children, reduce administrative costs to manage the program, and provide training for adults who are involved in the Foster Care program, including state agency staff, foster parents and certain private agency staff.

In Washington, the Department of Children, Youth, and Families administers the Foster Care program. During fiscal year 2023, the Department spent about \$140.5 million in federal grant funds, including about \$8.6 million for foster care maintenance payments to family foster homes.

These monthly maintenance payments help licensed caregivers (foster parents and licensed kinship caregivers) meet the needs of children and youth experiencing foster care. The Department's Federal Funding Unit manages each of its Title IV-E foster care cases. Title IV-E Specialists are stationed throughout the state and screen all new foster care cases for Title IV-E Eligibility.

When children or youth are placed in foster care homes, specialists meet with caregivers to discuss the amount of time they spend meeting a child's needs. To ensure maintenance payments are accurate and allowable, the specialists enter the caregivers' answers into the Foster Care Rate Assessment tool, which calculates the appropriate reimbursement rate for caregivers' time spent meeting a child's needs. Prior to payment, a Department supervisor reviews the rate in a system called FamLink. These reimbursement rates must be reassessed every six months.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls to ensure monthly foster care maintenance payments to children's caregivers were adequate and accurate for the Foster Care program.

We used a statistical sampling method to randomly select and examine 59 foster care maintenance payments out of a total population of 22,538 made during the audit period. We found that the Department did not perform six-month reviews of the reimbursement rates for five payments.

We consider this internal control deficiency to be a significant deficiency.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management said limitations with the FamLink system prevented the Department from running reports to verify that rate assessments were reviewed timely. Additionally, management did not establish another method to monitor these requirements.

### ***Effect of Condition***

By not performing six-month reviews of all reimbursement rates, the Department cannot ensure it provided accurate monthly maintenance payments to help caregivers meet the needs of every child or youth in foster care.

## ***Recommendation***

We recommend the Department establish adequate internal controls to ensure it performs all six-month reviews of caregivers' reimbursement rates for the Foster Care program.

## ***Department's Response***

*The Department of Children, Youth, and Families appreciates, acknowledges, and supports the State Auditor's Office's (SAO) mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develops strategies to make government more efficient and effective.*

*The Department is committed to strengthening internal controls and complying with grant requirements. As stated in the Cause of Condition, the Department utilizes FamLink as the case management system for Foster Care which due to system limitations did not have the reporting capabilities to track rate setting reviews during the audit period. The Department created a report in FamLink to assist rate assessors in identifying six-month reviews that had not been performed timely. This tool has helped supervisors identify late rate assessments but has not helped them track six-month rate assessment due dates. A request has been submitted to the Department's Office of Innovation, Alignment, and Accountability to update the report to show when the next rate assessment is due. Until this report update is completed, the supervisors will be performing monthly tracking to assist with internal controls and compliance with reviews.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Washington Administrative Code 110-50-0490, How often do the foster parent and caseworker meet to complete the rate assessment?, states:



The caseworker or designated rate assessment specialist will meet with the foster parent in person or telephonically to complete the assessment:

1. Within thirty days of the child's placement in the foster parent's home;
2. At least every six months after the first assessment, except under limited circumstances that serve the best interest of the child; and
3. When there is a significant change in circumstances for the child or in the foster parent's ability or time required to meet the child's needs.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-068** The Department of Children, Youth, and Families did not have adequate internal controls to ensure group care facility employees and adults residing in prospective caregivers' households had cleared background checks before having unsupervised access to children.

<b>Assistance Listing Number and Title:</b>	93.658 Foster Care Title IV-E 93.658 COVID-19 Foster Care Title IV-E
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2303WAFOST
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Eligibility
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-050

### *Background*

The federal Foster Care Title IV-E program helps states provide safe and stable out-of-home care for children under the jurisdiction of the state's child welfare agency until they are returned to home, placed with adoptive families, or placed in other planned, permanent arrangements. The program provides funds to reduce the costs of foster care for eligible children, reduce administrative costs to manage the program, and provide training for the adults in the Foster Care program, including state agency staff, foster parents and certain private agency staff.

Prospective foster parents and other out-of-home caregivers, as well as any adults residing in the prospective caregivers' households must pass the background check. During an emergency situation when a child must be placed in out-of-home care due to the absence of appropriate parents or custodians, the Department shall request a federal name-based criminal history record check of each adult residing in the home of the potential placement resource. Upon receipt of the results of

the name-based check, the Department shall provide a complete set of each adult resident's fingerprints to the Washington state patrol for submission to the federal bureau of investigation within 15 calendar days from the date the name search was conducted. The child shall be removed from the home immediately if any adult resident fails to provide fingerprints and written permission to perform a federal criminal history record check when requested.

In Washington, the Department of Children, Youth, and Families administers the Foster Care program. During fiscal year 2023, the Department spent about \$140.5 million in federal grant funds. This included about \$33.3 million for payments to providers for direct client services, with \$1.4 million paid to licensed group care facilities and \$13.3 million paid to foster family homes. State and federal law require background checks for foster family homes and licensed group care facilities.

#### *Licensed group care facilities*

Licensed group care facilities are maintained and operated for groups of children on a 24-hour basis to provide safe, healthy living environments that meet the developmental needs of the children in care. These facilities are not permanent homes, but they provide a higher level of care for the foster children who are in them. Before a facility becomes licensed, it must complete an application that the Department reviews to ensure the facility is compliant with licensing requirements. This includes ensuring all people working in the facility have cleared background checks, which is a requirement in state and federal law.

After the initial application, the Department requests the group care facility to provide quarterly reports of new and existing employees to ensure all have cleared background checks before they are allowed unsupervised access to children. To track this, the Department enters employees' information and the facilities they work at into the FamLink system. FamLink is a service delivery and support system the Department uses to track clients statewide, and management uses it to track service performance and outcomes.

#### *Foster family homes*

Prospective foster parents, as well as any adults residing in prospective caregivers' households, must have satisfactorily met background checks. These checks, including state and federal criminal records and child abuse and neglect central registries, are part of the process of assessing the suitability of these caregivers to provide a safe home for children placed in their care.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls to ensure group care facility employees had cleared background checks before having unsupervised access to children. The prior finding number was 2022-050.

### ***Description of Condition***

The Department did not have adequate internal controls to ensure group care facility employees and adults residing in prospective caregivers' households had cleared background checks before having unsupervised access to children.

#### *Licensed group care facilities*

In the prior audit, we found that the Department did not effectively monitor when employees started working in facilities. Without documenting employees' start date of employment, the Department cannot ensure they had cleared background checks before having unsupervised access to children. We found this internal control weakness still existed in the current audit because the Department was not able to fully implement its corrective action plan during the audit period. We tested a sample of background checks for facility staff to ensure they were performed properly and determined they were.

#### *Foster family homes*

We used a statistical sampling method to randomly select and examine 56 out of 493 households whose adult residents required background checks to ensure they were performed properly. We found the Department placed one child in emergent care with two adults who did not receive timely fingerprint checks within the required timeline of 15 calendar days. The adults in the household had their fingerprint checks at 17 days and were determined eligible for foster child placement.

We consider this internal control deficiency to be a material weakness.

### ***Cause of Condition***

In response to the prior audit finding, the Department developed a corrective action plan to address the internal control deficiencies, but did not fully implement it during the current audit period.

Further, the Department provided a complete set of each adult resident's fingerprints to the Washington State Patrol two days late.

## ***Effect of Condition***

Without documenting employees' start dates, the Department cannot ensure they have cleared background checks before beginning work. By not adequately monitoring group care facility employees' start dates, ineligible employees could have unsupervised access to foster care children before they have cleared the required background checks.

In addition, by not obtaining timely fingerprint background checks for emergent placements, children may be in unsafe environments that affect their health and safety.

## ***Recommendations***

We recommend the Department:

- Strengthen its internal controls and ensure all group care facility employees have cleared background checks before beginning work
- Ensure it provides the Washington State Patrol with all fingerprint background checks for emergent placements within 15 calendar days from the date the name search was conducted

## ***Department's Response***

*The Department is committed to ensuring the health, safety, and well-being of all children in our care. As to the Auditor's specific findings, the Department partially concurs and offers the following detail:*

### ***Licensed group care facilities***

*As stated in the audit finding section, Description of Condition, all group care facility staff sampled during the audit had a cleared background check prior to working in the facility. While we agree the use of definitions such as "effective date" and "start date" could be misleading, we do not concur the Department did not have adequate internal controls to ensure group care facility employees had cleared background checks before having unsupervised access to children. We are confident that staff who work with children and youth have a cleared background check.*

*The Department concurs we do not document staff members' start dates in FamLink. FamLink is used to document background clearance information, but it only allows for one date to be entered as the "effective date." This "effective date" is imported to the Background Check System as the "start date." The Department's Licensing Division enters the "effective date" as the date that the background check paperwork on an applicant/staff member is received from the facility, this is to verify the correct applicant/staff member whose background check is being processed. The data pulled as part of the audit referenced the "start date" from the Background Check System, which the auditor's office interpreted as hire date or first date they began work in the facility, which was not accurate.*

*As stated in the Cause of Condition, the Department did not fully implement the corrective action plan during the audit period. Due to the timing and frequency of the statewide single audits, the Department is not made aware of a finding until months after the state fiscal year (SFY) concludes. It is not always feasible to correct audit issues before a new audit cycle begins. Thereby, the previous year's audit issues will remain outstanding up to nine months of the current audit period. For this reason, the Department anticipates receiving repeat findings for consecutive years.*

*To strengthen internal controls and documentation, effective April 1, 2023, the Department implemented a corrective action plan for processing background checks for group care facilities in response to the prior audit. Applicant/staff member background check request forms are submitted directly to the Background Check Unit by the facility. The Background Check Unit processes a fingerprint background check, a child abuse/neglect history check, and if applicable, a suitability assessment. The results are then provided to the Licensing Division and the group care facility. If the applicant is cleared, the Licensing Division staff adds the staff member to the group care facility in FamLink. The new "effective date" in FamLink is the final approval from the Background Check Unit. In addition, regional licensors continue to conduct yearly health and safety monitoring visits, which includes a random sample review of personnel files containing background check information.*

#### *Foster family homes*

*As noted in the Background Section of the finding, RCW 26.44.240 does state the Department must immediately remove a child, but the Department is required to recommend removal of the child to the court and receive approval prior to taking action. The court does not always rule in the Department's favor and the child remains in the placement.*

*As to the specific exceptions identified, the household that completed fingerprints two days after the required 15 calendar day period was delayed due to one of the applicants last name being misspelled in the system. The applicant was turned away at their fingerprint appointment due to the misspelling causing the delay in the timeline for both members of the household. The applicant notified the Department and once the name was corrected the applicant was able to fingerprint and both applicants in the household received a "no record" result as was reported on their initial National Crime Information Center (NCIC) Code X checks prior to the emergent placement.*

#### ***Auditor's Remarks***

We appreciate the Department's commitment to resolving these matters.

The purpose of our testing was to ensure employees had a clear background check prior to them working at the group home facility. We knew that the "start date" from the Background Check System was not the first date an employee began working in the facility. During our review, we did not use the start dates in the system, but instead reviewed supporting documentation to identify the actual start dates when possible. However, the Department was unable to demonstrate whether

some employees had clear background checks before working because they did not have the start date of their employment.

We reaffirm our finding and will follow up on the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 303, Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 U.S. Code § 671 - State plan for foster care and adoption assistance, specifies the federal requirements for background checks.

RCW 43.43.837, Fingerprint-based checks—Requirements for applicants and service providers—Shared background checks—Fees—Rules to establish financial responsibility.

RCW 26.44.240, Out-of-home care—Emergency placement—Criminal history record check.

Department of Children, Youth, and Families, Policies and Procedures 6800 – Background Checks

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-069 The Department of Children, Youth, and Families did not have adequate internal controls over reporting requirements for the Foster Care program.**

<b>Assistance Listing Number and Title:</b>	93.658 Foster Care Title IV-E 93.658 COVID-19 – Foster Care Title IV-E
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2303WAFOST
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Requirement:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-051

### ***Background***

The purpose of the Foster Care program is to provide safe and stable out-of-home care for children under placement and care authority of state welfare agencies. To accomplish this, the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS) offers financial support to states to offset the cost of foster care maintenance for eligible children, administrative costs to manage the program, and training for state agency staff, foster parents and qualified private agency staff. As of June 2023, about 8,000 children were in Washington’s foster care system. In fiscal year 2023, the Department spent almost \$140.5 million in federal program funds.

Within 30 days after each fiscal quarter, the Department of Children, Youth, and Families is required to file the CB-496: Title IV-E Programs Quarterly Financial Report with HHS. This report identifies the Department’s Foster Care program expenditures, and the number of children it has served. The ACF relies on the information reported to award funds, determine the allowability of the reported expenditures, and provide reports to Congress.



To complete the CB-496, Department management creates a crosswalk by examining the Department's chart of accounts and expenditure-codes in relation to HHS's published CB-496 instructions. This ensures that the reports ran will produce the required information for each line of the CB-496.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with reporting requirements for the Foster Care program. The prior finding number was 2022-051.

### *Description of Condition*

The Department did not have adequate internal controls over reporting requirements for the Foster Care program.

During our review of all four quarterly crosswalks, we found the Department did not have the correct account coding to report fields correctly. Out of the four quarterly crosswalks, the Department had 117 lines in aggregate, and 12 (10 percent) of the lines were incorrect.

We also reviewed all four reports the Department submitted during the audit period, and we found that all of them contained inaccuracies. In total, the Department overreported its program expenditures by a total of \$571,586. The Department also overstated the total number of children receiving foster care benefits by 153.

We consider these internal control deficiencies to be a material weakness.

### *Cause of Condition*

When completing the quarterly reports, the Department did not follow HHS's published instructions. It was found that the Department did not create accurate crosswalks to ensure reports were run properly, and although there was an established review process, the reviews performed were insufficient to detect errors in the reports. Management advised that due to competing priorities and staffing shortages, the Department had limited capacity to thoroughly review the reports before submitting them to HHS.

## ***Effect of Condition***

Because HHS uses these reports to determine award amounts and whether reported expenditures are allowable, it may have relied on inaccurate data to make these determinations for the Department. The grant agreement also allows HHS to take action for the Department's noncompliance, which can include temporarily withholding funds, wholly or partly suspending or terminating the award, and withholding further program awards.

## ***Recommendations***

We recommend the Department:

- Follow HHS's published instructions when completing the quarterly CB-496 reports
- Strengthen its review processes to ensure the reports are accurate and supported before submitting them to HHS

## ***Department's Response***

*The Department of Children, Youth, and Families appreciates, acknowledges, and supports the State Auditor's Office's (SAO) mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, and develops strategies to make government more efficient and effective.*

*During the audit period, the Department acknowledges errors were made in the quarterly reports and crosswalks. The Department partially concurs with the SAO findings. As to the Auditor's specific findings, the Department offers the following detail:*

### *Quarterly Crosswalks*

*The Department provided electronic copies of the quarterly crosswalks to SAO for the reporting period being reviewed. During a previous audit SAO recommended that the Department maintain paper copies of the crosswalks and reports to show review and approvals. The paper copies of the crosswalks notated the changes made during the review and approval process for the quarterly reports. Due to staffing and limited time available the paper copies were not reviewed and provided to SAO to clear the exceptions identified above. The incorrect crosswalk information did not have an impact on the accuracy of the data reported.*

### *Inaccurate Reports*

*SAO stated the Department over reported its program expenditures by a total of \$571,586. The Department does not concur with the total amount determine. The FFY22 Quarter 4 report was noted as overstated by \$254,721, but the expenditures were correctly reported; however the*

*crosswalk used as reference was documented incorrectly. As stated above the incorrect crosswalk information did not have an impact on the expenditure data reported.*

*As to the FFY23 Quarter 3 report, the Department has reconciled the data and determined that we over reported by \$237,212. The Department will submit a correction to the federal partner during the next reporting period.*

*The Department will review and strengthen our internal processes in order to complete the quarterly reports accurately.*

### ***Auditor's Remarks***

We appreciate the Department's commitment to strengthening its internal processes to complete the quarterly reports accurately.

#### ***Quarterly Crosswalks***

Based on our understanding of the process, obtained from the Department, the purpose of the Crosswalks is to create guidelines for accurately completing the CB-496 reports and is one of the key internal controls the Department asserted ensured accuracy of the CB-496 reports. This key internal control was confirmed by the Department on July 26, 2023. During our compliance testing, we noted several exceptions that resulted from the inaccuracy of the crosswalks.

#### ***Inaccurate Reports***

The instructions on the Crosswalk indicate certain line items should be subtracted to determine the amount to be reported. The instructions provided by the Federal Government for line 7a, In-Placement Administrative Costs – Provider and Agency Management, indicate lines 11a through 14b need to be subtracted. In the crosswalks the Department stated that only Line 13a was subtracted. Therefore, \$254,721 more was reported on the CB-496 than instructions indicated.

We reaffirm our finding, and we will follow up on the status of the Department's corrective action during our next audit period.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 45 CFR Part 201, *Grants to States for Public Assistance Programs*, establishes applicable requirements for form and manner of submittal of the estimates for public assistance grants.

Section 201.5 Grants, states in part:

(a) Form and manner of submittal.

1. Time and place: The estimates for public assistance grants for each quarterly period must be forwarded to the regional office 45 days prior to the period of the estimate. They include a certification of State funds available and a justification statement in support of the estimates. A statement of quarterly expenditures and any necessary supporting schedules must be forwarded to the Department of Health and Human Services, Family Support Administration, not later than 30 days after the end of the quarter.
2. Description of forms: “State Agency Expenditure Projection – Quarterly Projection by Program” represents the State agency’s estimate of the total amount and the Federal share of expenditures for assistance, services, training, and administration to be made during the quarter for each of the public assistance programs under the Act. From these estimates the State and Federal shares of the total expenditures are computed. The State’s computed share of total estimated expenditures is the amount of State and local funds necessary for the quarter. The federal share is the basis for the funds to be advanced for the quarter. The State agency must also certify, on this form or otherwise, the amount of State funds (exclusive of any balance of advances received from the Federal Government) actually on hand and available for expenditure; this certification must be signed by the executive officer of the State agency submitting the estimate or a person officially designated by him, or by a fiscal officer of the State if required by State law or regulation. (A form “Certificate of Availability of State Funds for Assistance and Administration during Quarter” is available for submitting this information, but its use is optional.) If the amount of State funds (or State and local funds if localities participate in the program), shown as available for expenditures is not sufficient to cover the State’s proportionate share of the amount estimated to be expended, the certification must contain a statement showing the source from which the amount of the deficiency is expected to be derived and the time when this amount is expected to be made available.
3. The State agency must also submit a quarterly statement of expenditures for each of the public assistance programs under the Act. This is an accounting statement of the disposition of the Federal funds granted for past periods and provides the basis for making the adjustments necessary when the State’s estimate for any prior quarter was greater or less than the amount the State

actually expended in that quarter. The statement of expenditures also shows the share of the Federal Government in any recoupment, from whatever source, including for title IV-A the appropriate share of child support collections made by the State, of expenditures claimed in a prior period, and also in expenditures not properly subject to Federal financial participation which are acknowledged by the State agency, including the share of the Federal Government for uncashed and cancelled checks as described at 45 CFR 201.67 and replacement checks as described at 45 CFR 201.70 in this part, or which have been revealed in the course of an audit.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-070 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable and properly supported for the Social Services Block Grant.**

<b>Assistance Listing Number and Title:</b>	93.667 Social Services Block Grant
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2202WASOSR; 2302WASOSR
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$8,518,020
<b>Prior Year Audit Finding:</b>	No

### *Background*

The Department of Children, Youth, and Families administers the Social Services Block Grant (SSBG) program to provide services to children, youth, and young adults for case management, foster care, protective services, transportation, childcare and other services, such as child welfare services, intake and assessment, crisis counseling, family reconciliation, and licensing staff. In fiscal year 2023, the Department spent about \$45.8 million in federal funding. Of this amount, the Department paid about \$19.8 million to providers for direct client services.

SSBG gave the Department broad flexibility to design and administer the program based on its approved plan. The Department used the SSBG Pre-Expenditure Report and Intended Use Plan approved by the federal partner to identify activities eligible for the SSBG program. Payments to the providers were initially incurred for other programs and then transferred to the SSBG program to align with the amounts allocated in the Pre-Expenditure Report. The Department periodically processed journal vouchers to make these transfers.

Federal law requires recipients to have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable and properly supported for the SSBG.

Department management said it used the approved SSBG Pre-Expenditure Report and Intended Use Plan to identify eligible activities initially charged to the Foster Care program, then periodically transferred them to the SSBG grant to align with the Pre-Expenditure Report. The Department also said management performed a monthly reconciliation to verify the expenditures were for allowable activities and within the period of performance.

During our testing, we found the Department used the Pre-Expenditure report to identify eligible activities for the SSBG program and transferred funds accordingly. However, we found the Department did not perform monthly reconciliations to verify these expenditures were for allowable activities and within the period of performance.

We examined the Department’s accounting records to determine if payments the Department transferred to the SSBG program were for activities that were allowable, authorized, accurate and supported. We identified total provider payments of \$19,767,744 that were transferred to the SSBG program during fiscal year 2023. We analyzed provider payments and requested the Department verify whether it could provide adequate level of expenditure so we could determine whether payments were allowable and supported. Based on our analysis and confirmation from the Department, we categorized the total expenditures into two categories, which are identified in the table below.

<b>Category</b>	<b>Amount</b>
Provider payments for which the Department provided an adequate level of support	\$11,249,724
Provider payments for which the Department could not provide an adequate level of support	\$8,518,020
<b>Total payments to providers</b>	<b>\$19,767,744</b>

*Provider payments for which the Department provided an adequate level of support*

We used a statistical sampling method to randomly select and examine 118 out of a total sampling population of 16,006 payments. We also selected and examined two individually significant items.

We reviewed the supporting documentation, description of activities, and payment approvals. We found the payments were for activities that were supported, allowable, authorized and accurate.

*Provider payments for which the Department could not provide an adequate level of support*

We were unable to perform testing on 1,102 payments totaling \$8,518,020 because the Department was only able to provide summary level information. The Department was unable to provide an adequate level of support for us to determine whether the costs were for activities that were allowable, authorized, and within the period of performance.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Due to staffing vacancies during the fiscal year, the Department did not perform monthly reconciliations to verify the expenditures were for allowable activities and within the period of performance.

In addition, the Department processed expenditure transfers at the grant level. As a result, the Department could not provide adequate level of expenditure for 43 percent of payments to providers charged to the SSBG program. Therefore, we could not determine whether the payments transferred to SSBG were accurate, for allowable activities, and incurred during the period of performance.

### ***Effect of Condition and Questioned Costs***

By not complying with federal law regarding maintaining adequate supporting documentation for expenditures, the Department created a condition that made it impossible for our Office to audit some of the federal dollars it transferred to SSBG.

We are questioning \$8,518,020 in federal program costs the Department charged to the SSBG program during the audit period. We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.



## ***Recommendations***

We recommend the Department:

- Design and implement internal controls to ensure the funds it transfers to SSBG are supported by transaction-level support sufficient to comply with federal law
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Department utilizes grant-level management for all federal funds, including the SSBG grant. This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG grants to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data recommended by the State Auditor's Office (SAO) for some transfers. The SAO maintained that the program is not auditable without transaction level data.*

*The Department maintains that funds were not improperly charged to the SSBG grant. This is a two-year grant that the Department spends down in one fiscal year. The expenditures were allowable and within the period of performance. Cost objectives within the accounting system are used to track SSBG funding. Expenditures eligible for the SSBG grant are transferred at the cost objective level and not the transaction level.*

*The SAO tested a sample of 16,006 payments which totaled 94% of total provider payments charged to the grant. SAO found that all payments were for activities that were supported, allowable, authorized, and accurate. SAO did not test the remaining payments, which totaled 6% of the total provider payment charged to the grant, because the transfer of expenditures were not complete at the transaction level for those payments. Those remaining payments were transferred from eligible and allowable expenditures for the SSBG grant.*

*The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. In response to the auditor's recommendations related to fiscal year 2023 Child Care and Development Fund findings, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided effective July 2024 to develop and maintain the business process that would allow adjustments to include transaction level data.*

## *Auditor's Remarks*

The Department stated that we tested 94 percent of total provider payments charged to the grant. However, this is not accurate. We randomly selected 118 provider payments, using a statistical sampling method, that came from a population that made up 57 percent of the total amount paid to providers. We were not able to perform testing for 43 percent of the total amount paid to providers because the Department could not provide an adequate level of support for the payments.

The level of documentation needed to support grant expenditures is not established by our office but in title 45 of the U.S. Code of Federal Regulations and the state's grant award. Without adequate transactional level payment data, our Office is unable to perform tests to verify the remaining payments were transferred from eligible and allowable expenditures for the SSBG grant.

We reaffirm our finding and will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR, Section 96.30 – Fiscal and administrative requirements, states in part:

- a. Fiscal Control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibition of the statute authorizing the block grant.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-071 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure cash draws for the Social Services Block Grant were properly supported.**

<b>Assistance Listing Number and Title:</b>	93.667 Social Services Block Grant
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2022WASOSR; 2302WASOSR
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Cash Management
<b>Known Questioned Cost Amount:</b>	\$1,504,566
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Department of Children, Youth, and Families administers the Social Services Block Grant (SSBG) program to provide services to children, youth, and young adults for case management, foster care, protective services, transportation, childcare and other services, such as child welfare services, intake and assessment, crisis counseling, family reconciliation, and licensing staff. In fiscal year 2023, the Department spent about \$45.8 million in federal funding.

SSBG gave the Department broad flexibility to design and administer the program based on its approved SSBG Pre-Expenditure Report and Intended Use Plan. Expenditures the Department charged to SSBG during the audit period were activities initially incurred for other programs and transferred to the SSBG program to align with the amounts allocated in the Pre-Expenditure Report.

The Department uses the Grant Management System (GMS) to calculate draws for SSBG. GMS automatically uploads federal grant expenditures and revenues nightly from the Agency Financial Reporting System (AFRS), and it calculates cash draws on a semi-monthly basis, or as needed.

GMS automatically calculates the federal grant cash draw amount by deducting revenues drawn to date from year-to-date expenditures. The Department periodically processed journal vouchers to transfer eligible expenditures to SSBG. In fiscal year 2023, the Department prepared draws twice per month on a reimbursement basis.

Federal law requires recipients to have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure cash draws for the SSBG were properly supported.

Department management said a supervisor reviewed expenditure reports from AFRS and the GMS system to ensure the cash draw for the period was supported, accurate and included expenditures incurred year to date. Management then reviewed the cash draw to ensure it was supported and accurate before requesting it.

We used a non-statistical sampling method to randomly select and examine five out of a total population of 10 cash draws to determine if they were supported by accounting records. We found one cash draw that the Department made on January 10, 2023, where the GMS-calculated draw amount was negative \$4,495,434. Instead of returning the overdrawn funds, the Department made a drawdown for \$1,504,566 by manually adjusting the current draw amount to be \$6 million in GMS. This draw was based on the Department's estimate that it had sufficient eligible expenditures. However, the Department did not identify eligible expenditures, and did not process an accounting adjustment to transfer eligible expenditures into SSBG until February 9, 2023, one month after the cash draw was made. We determined that management had reviewed and approved this draw, but it was not supported or accurate.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

## ***Cause of Condition***

The Department identified \$4,495,434 in costs that had been improperly charged to the SSBG grant, and then moved them to a different funding source in the accounting system on December 13, 2022, and December 22, 2022. Management estimated the Department had sufficient eligible expenditures in the accounting system to support the overdrawn amount, as well as an additional \$1,504,566 cash draw. However, due to competing priorities and staffing issues, the Department did not identify eligible expenditures and transfer them to SSBG before making the draw.

## ***Effect of Condition and Questioned Costs***

By not reviewing expenditure reports, the Department could not verify whether it had sufficient eligible expenditures in the accounting system to support the draw. In addition, by not transferring eligible expenditures to the SSBG program timely, the cash drawdown was not supported by expenditures in the accounting system.

We are questioning the \$1,504,566 cash draw because we cannot determine whether the manual adjustment of \$6 million was for eligible costs for the SSBG program, as the Department was unable to provide an adequate level of expenditure to determine whether the costs were supported.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Department:

- Strengthen internal controls to ensure it only draws federal funds if they are supported in the accounting system
- Ensure management does not bypass established internal controls
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Department's Response***

*The Department utilizes grant-level management for all federal funds, including the SSBG grant. This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG grants to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data*

*recommended by the State Auditor's Office (SAO) for some transfers. The SAO maintained that the program is not auditable without transaction level data.*

*The Department maintains that funds were not improperly charged or overdrawn for the SSBG grant. This is a two-year grant that the Department spends down in one fiscal year. The expenditures drawn were allowable and within the period of performance. Cost objectives within the accounting system are used to track SSBG funding and then allowable charges are transferred to a different accounting code prior to the draws. The unit supervisor reviewed the cost objectives to verify available expenditures had been charged to support the grant draw. For the one draw in question the grant analyst was out of the office and due to a staffing shortage the transfer of expenditures was completed after the draw.*

*The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. In response to the auditor's recommendations related to fiscal year 2023 Child Care and Development Fund findings, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided effective July 2024 to develop and maintain the business process that would allow adjustments to include transaction level data.*

### ***Auditor's Remarks***

We thank the Department for acknowledging the reconciliation of the draw amount questioned was not performed timely.

The level of documentation needed to support grant expenditures is not established by our office but in title 45 of the U.S. Code of Federal Regulations and the state's grant award. Without adequate transactional level payment data, our Office is unable to verify whether the \$6 million transfer to the SSBG grant was allowable and supported.

We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR, Section 96.30 – Fiscal and administrative requirements, states in part:

- a. Fiscal Control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports

required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibition of the statute authorizing the block grant.

Title 45 CFR Part 96.32, Financial Settlement, states:

The State must repay to the Department amounts found after audit resolution to have been expended improperly. In the event that repayment is not made voluntarily, the Department will undertake recovery.

Title 31 CFR Part 205.33, *How are funds transfers processed?*, states in part:

- a. A State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project. The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. States should exercise sound cash management in funds transfers to subgrantees in accordance with OMB Circular A-102 (For availability, see 5 CFR 1310.3.).

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-072 The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with reporting requirements to ensure reports were complete and accurate for the Social Services Block Grant program.**

<b>Assistance Listing Number and Title:</b>	93.667 Social Services Block Grant
<b>Federal Grantor Name:</b>	U.S Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2202WASOSR; 2302WASOSR
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Department of Children, Youth, and Families administers the Social Services Block Grant (SSBG) program to provide services to children, youth, and young adults for case management, foster care, protective services, transportation, childcare and other services, such as child welfare services, intake and assessment, crisis counseling, family reconciliation, and licensing staff. In fiscal year 2023, the Department spent about \$45.8 million in federal funding.

The Department is required to submit annual SF-425 financial reports for each open SSBG grant. These reports contain information such as the federal grant number, the recipient organization, grant period, reporting period end date, and a summary of expenditures and revenues related to the grant during the reporting period.



The Department is also required to submit annual SSBG Post-Expenditure reports that describe how the Department expended its SSBG grant for each fiscal year. These reports include information such as:

1. The number of eligible people who received services that were fully or partially paid for with SSBG funds.
2. The amount of SSBG funds spent on providing each service.
3. The method(s) by which each service was provided, showing separately for each service provided by public agencies, private agencies, or both.
4. The criteria applied in determining eligibility for each service, such as income eligibility guidelines, sliding fee scales, the effect of public assistance benefits, and any requirements for enrollment in school or training programs.
5. The state’s definition of “child,” “adult,” and “family.”
6. Temporary Assistance for Needy Families funds transferred into SSBG

In its approved state plan, the Department has broad flexibility to design and administer the SSBG program. The Department used the SSBG Pre-Expenditure Report and Intended Use Plan approved by the federal partner to identify activities eligible for the SSBG program. Most of the expenditures charged to the SSBG program were initially incurred for other programs and transferred to the SSBG program. The Department periodically processed accounting adjustments to make these transfers.

Federal law requires recipients to have accounting procedures that are sufficient for tracing grants to a level of expenditure adequate to show that they have been used in accordance with program requirements.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with reporting requirements to ensure reports were complete and accurate for the SSBG program.

#### ***Financial Reporting – SF-425***

We selected and examined the two SF-425 reports that the Department was required to submit in state fiscal year 2023. During the audit period, the Department processed expenditure transfers at the grant level. As a result, the Department did not identify the specific transactions, or provide the required level of supporting documentation, for 43 percent of payments to providers that were charged to the SSBG program. These transactions represented 18 percent of total SSBG

expenditures. Therefore, we could not rely on the data supporting the Department's reported SF-425 expenditures and could not determine if the reports were accurate and complete. This condition is also referenced in audit finding 2023-070.

### *Performance Reporting – Post-Expenditure Report*

Department personnel said they reviewed and approved the Post-Expenditure Report workbook before the information was uploaded into the SSBG portal to ensure the data was complete and accurate. Department personnel then reviewed and approved the Post-Expenditure Report in the SSBG portal to ensure it was complete and accurate before management performed a final review, certified the report, and submitted it.

We selected and examined the only SSBG Post-Expenditure Report that the Department was required to submit during the audit period. We found no documented evidence that the appropriate Department personnel reviewed the Post-Expenditure Report Workbook and the SSBG Post-Expenditure Report for accuracy and completeness before management completed the final review and certification of the report.

The unsupported SF-425 expenditures identified above were also included in this report. Therefore, we could not rely on the data supporting the expenditures reported in the Department's SSBG Post-Expenditure report and could not determine if it was accurate and complete.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

Management said it did not review the Post-Expenditure Report Workbook and SSBG Post-Expenditure Report due to a lack of staffing.

The Department processed expenditure transfers at the grant level and made accounting adjustments without identifying the actual payments that were used to support those adjustments.

### *Effect of Condition*

Without establishing adequate internal controls, the Department cannot reasonably ensure that expenditure amounts reported to the grantor are complete and accurate.

By not complying with federal law regarding maintaining adequate supporting documentation for expenditures, the Department created a condition that made it impossible to audit some of the federal dollars it transferred to SSBG and reported on the SF-425 financial report and the SSBG Post-Expenditure report.

## ***Recommendations***

We recommend the Department:

- Improve internal controls to ensure that management reviews reports along with supporting expenditure and revenue data to ensure completeness and accuracy
- Design and implement internal controls to ensure financial and program reports are supported with an adequate level of detail

## ***Department's Response***

*The Department utilizes grant-level management for all federal funds, including the SSBG grant. This process consists of making grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG grants to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data recommended by the State Auditor's Office (SAO) for some transfers. The SAO maintained that the program is not auditable without transaction level data.*

*The Department maintains that funds were not improperly charged to the SSBG grant. This is a two-year grant that the Department spends down in one fiscal year. The Department provided the SAO with detailed expenditure data reports and email documentation of management reviews of the expenditures being charged to the SSBG grant and changes being requested prior to submission. Management reviewed the expenditure data prior to certifying and submitting the reports in the federal reporting system verifying the requested changes were made. The federal reporting system creates an email after certification which the Department shared with the SAO. The Department was unable to provide email communication between staff and management related to the approval of the changes requested as documentation of the final approval prior to management certifying the report in the federal system as requested by SAO.*

*SAO stated in the cause of condition that the Department processed expenditure transfers at the grant level and made accounting adjustments without identifying the actual payments. The SAO tested a sample of 16,006 payments which totaled 94% of total provider payments charged to the grant. SAO found that all payments were for activities that were supported, allowable, authorized, and accurate. SAO did not test the remaining payments, which totaled 6% of the total provider payment charged to the grant, because the transfer of expenditures were not complete at the transaction level for those payments. Those remaining payments were transferred from eligible and allowable expenditures for the SSBG grant.*

*The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. In response to the auditor's recommendations related to fiscal year 2023 Child Care and Development Fund findings, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided effective July 2024 to develop and maintain the business process that would allow adjustments to include transaction level data.*

### ***Auditor's Remarks***

The Department stated that we tested 94 percent of total provider payments charged to the grant. However, this is not accurate. We randomly selected 118 provider payments, using a statistical sampling method, that came from a population that made up 57 percent of the total amount paid to providers. We were not able to perform testing for 43 percent of the total amount paid to providers because the Department could not provide an adequate level of support for the payments.

The level of documentation needed to support grant expenditures is not established by our office but in title 45 of the U.S. Code of Federal Regulations and the state's grant award. Without adequate transactional level payment data, our Office is unable to perform tests to verify the remaining payments were transferred from eligible and allowable expenditures for the SSBG grant.

We reaffirm our finding and will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR, Section 96.30 – Fiscal and administrative requirements, states in part:

- A. Fiscal Control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibition of the statute authorizing the block grant.

Title 45 CFR Part 96.74, Annual Reporting Requirements, establishes the reporting requirements for the Pre-Expenditure and Post-Expenditure program reports.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-073 The Health Care Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.**

**Assistance Listing Number and Title:** 93.767 Children’s Health Insurance Program  
93.767 COVID-19 Children’s Health Insurance Program  
93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 Medical Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5021; 2305WA3002;  
2305WA5021; 2205WA5MAP;  
2205WA5ADM; 2205WAIMPL;  
2305WA5MAP; 2305WA5ADM;  
2305WAIMPL

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Tests and Provisions: Managed Care Financial Audit

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-054

## ***Background***

The Health Care Authority administers both the Medicaid and the Children's Health Insurance Program (CHIP). Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. CHIP provides health coverage for more than 106,000 children and pregnant people in families with incomes too high to qualify for Medicaid. During fiscal year 2023, the Medicaid program spent about \$19.6 billion in federal and state funds, and CHIP spent nearly \$224.3 million in federal and state funds.

Managed Care Organizations (MCOs) contract with the Authority under a comprehensive risk contract to provide prepaid health care services to eligible enrollees under their managed care programs. In fiscal year 2023, the Authority contracted with five MCOs and paid them more than \$9.9 billion for Medicaid and CHIP services.

Under federal regulations, contracts between states and MCOs must include a requirement that MCOs annually submit an audited financial report to the state. These audits must be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards.

At least once every three years, the Authority must conduct or contract for an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data each MCO submits. The Authority must also post these audit results on its website. These requirements went into effect for contract years starting after July 1, 2017.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements. The prior finding numbers were 2022-054 and 2021-048.

## ***Description of Condition***

The Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.

### *Audited financial reports*

During the audit period, the Authority took steps toward updating the MCO contract language to include the audited financial report requirements. However, the changes included the option for MCOs to submit audited financial reports in accordance with statutory accounting principles

(SAP), which is not an acceptable accounting method under federal regulations. As a result, the Authority accepted audited financial reports in accordance with SAP from all five MCOs.

#### *Periodic audits*

The Authority did not establish internal controls to ensure it complied with the periodic audit requirements of MCO encounter and financial data.

To meet the periodic audit requirements, the Authority would have needed to complete MCO audits of both the encounter and financial data within the last three years. Though the Authority completed encounter data audits in July 2021, it did not complete any financial data audits within the last three years.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

#### *Audited financial reports*

Officials said the Authority allowed MCOs to submit audited financial reports in accordance with SAP so they were consistent with the Washington State Office of the Insurance Commissioner. The Office of the Insurance Commissioner considers SAP an acceptable accounting method for determining and reporting the financial condition and the results of operations of an insurance company, and determining its solvency under Washington insurance law. However, this accounting method does not comply with the federal requirements.

#### *Periodic audits*

Authority officials interpreted the compliance requirements on conducting periodic audits to mean that the agency is compliant if an audit is in progress—rather than being fully completed—at least every three years. Because of this interpretation, the Authority has not implemented internal controls to prescribe how and when to perform periodic audits of the MCOs for both the encounter and financial data.

### ***Effect of Condition***

By not collecting proper audited financial reports and conducting periodic audits, the Authority increases its risk of relying on inaccurate or incomplete information. This could lead to an increased risk of making improper payments and reduced public transparency. The Authority could also be subject to sanction by the federal grantor for not meeting Medicaid and CHIP requirements.



## *Recommendations*

We recommend the Authority:

- Implement policies and procedures over obtaining properly audited financial reports
- Update MCO contracts to require audits of financial statements that are conducted in accordance with generally accepted accounting principles and generally accepted auditing standards
- Implement policies and procedures over conducting required periodic audits
- Establish a process to conduct and fully complete audits of encounter data and financial data at least once every three years

## *Authority's Response*

*The Authority partially concurs with the finding.*

*The Authority does not concur with the auditor's conclusion that the Authority lacks adequate internal controls to ensure periodic audit requirements of MCO encounter and financial data are met. The Authority has established internal controls to ensure encounter and financial audits are conducted as required by CMS. The Authority's internal controls include MCO contract requirements specific to the MCO encounter and financial audits, and an overarching audit policy and process, as well as detailed audit plans that include scheduled MCO audits for each state fiscal year.*

*The Authority concurs that the MCO financial audit has not concluded within the 3-year timeframe, however the financial data review has been completed for 2021 dates of service and is in the final review phase of the audit. The next MCO financial audit will be scheduled for 2023 dates of service, to be conducted in 2025.*

*The Authority concurs that it allowed MCOs to submit audited financial reports in accordance with statutory accounting principles (SAP) so they were consistent with the Washington State Office of the Insurance Commissioner and acknowledges that this accounting method does not comply with the federal requirements. The Authority will amend contract language to require MCOs to submit audited financial reports using generally accepted accounting principles and generally accepted auditing standards.*

## *Auditor's Remarks*

As stated in its response, the Authority concurs it did not complete required periodic audits and accepted financial reports that were not compliant with federal law. The combination of these facts, along with the Authority's lack of policies and procedures, was the basis for us to assess a material weakness in internal controls exists over the Medicaid special test requirement.

We reaffirm our finding and will follow up on the status of the Authority's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 42 CFR Part 438, Managed Care, establishes the following applicable requirements:

Section 438.3 Standard Contract Requirements states in part:

- (m) *Audited financial reports.* The contract must require MCOs, PIHPs, and PAHPs to submit audited financial reports specific to the Medicaid contract on an annual basis. The audit must be conducted in accordance with generally accepted accounting principles and generally accepted auditing standards.

Section 438.600 Statutory basis, basic rule, and applicability states in part:

- (c) *Applicability.* States will not be held out of compliance with the following requirements of this subpart prior to the dates noted below so long as they comply with the corresponding standard(s) in 42 CFR part 438 contained in the CFR, parts 430 to 481, edition revised as of October 1, 2015:
  - (1) States must comply with §438.602(a), 438.602(c) through (h), 438.604, 438.606, 438.608(a), and 438.608(c) and (d), no later than the rating period for contracts starting on or after July 1, 2017.
  - (2) States must comply with §438.602(b) and § 438.608(b) no later than the rating period for contracts beginning on or after July 1, 2018.

Section 438.602 State responsibilities states in part:

- (e) Periodic audits. The State must periodically, but no less frequently than once every 3 years, conduct, or contract for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO, PIHP or PAHP.
- (g) Transparency. The State must post on its Web site, as required in §438.10(c)(3), the following documents and reports:
  - (1) The MCO, PIHP, PAHP, or PCCM entity contract.
  - (2) The data at §438.604(a)(5).
  - (3) The name and title of individuals included in §438.604(a)(6).
  - (4) The results of any audits under paragraph (e) of this section.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-074 The Health Care Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and Children’s Health Insurance Program.**

**Assistance Listing Number and Title:** 93.767 Children’s Health Insurance Program  
93.767 COVID-19 Children’s Health Insurance Program  
93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 Medical Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5MAP; 2205WA5ADM, 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL; 2205WA5021; 2305WA3002; 2305WA5021

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Tests and Provisions – Provider Eligibility (Screening and Enrollment)

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-055

## *Background*

The Health Care Authority administers both Medicaid and the Children's Health Insurance Program (CHIP). Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the State's federal expenditures. CHIP provides health coverage for more than 106,000 children and pregnant people in families with incomes too high to qualify for Medicaid. During fiscal year 2023, the Medicaid program spent more than \$19.6 billion in federal and state funds, and CHIP spent nearly \$224.3 million in federal and state funds.

The Authority ensures medical providers for both programs are eligible to provide services for clients. Providers must continue to meet eligibility requirements to receive payments under the programs. Washington had more than 135,000 participating providers in fiscal year 2023. During that time, the Authority paid more than \$11.7 billion to providers for direct client services under the programs.

The Authority is responsible for performing screening measures appropriate for the provider type at application and initial enrollment. Federal Regulations require that the state Medicaid agency determine the exclusion status of providers through the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities, the System for Award Management, and any other databases as the State or Secretary may prescribe. All providers in a Medicaid program must have a valid National Provider Indicator (NPI) provided through the NPPES system before enrollment. Without passing these database checks, providers cannot be enrolled in Medicaid.

The state Medicaid agency must also revalidate the enrollment of all Medicaid and CHIP providers at least every five years. To meet this requirement, the Authority has implemented an automated revalidation notification process that is supposed to send a letter to providers in time for them to be revalidated before the end of the five-year period. Federal law also requires state Medicaid agencies to check federal databases at least monthly to confirm the identity and exclusion status of providers, as well as any person with ownership, controlling interest, or acting as an agent or managing employee of the provider.

The provider enrollment and revalidation processes are similar. The first step in both processes is to determine the providers' screening risk level. A provider can be designated as one of three risk levels: limited, moderate, or high. Each risk level requires progressively greater scrutiny of the provider before it can be enrolled or revalidated. For providers enrolled with both Medicare and Medicaid, state Medicaid agencies must assign them to the same or higher risk category applicable under Medicare. Additionally, certain provider behaviors require them to be moved to a higher screening level. The following are the required screening procedures for all risk types:

- Verify that the provider meets applicable federal regulations or state requirements for the provider type before making an enrollment determination
- Conduct license verifications, including for licenses in states other than where the provider is enrolling
- Conduct database checks to ensure providers continue to meet the enrollment criteria for their provider type. Such database checks include the NPDES, List of Excluded Individuals/Entities, Excluded Parties List System, and Death Master File Index

If state Medicaid agencies assess providers at a moderate or high risk, they are required to conduct onsite visits for those that did not have one as part of their Medicare enrollment. Federal regulations require a high-risk provider, or a person with a 5 percent or more direct or indirect ownership in the provider, to receive a fingerprint-based criminal background check. The deadline to fully implement a fingerprint-based criminal background check was July 1, 2018.

The Authority is also responsible for ensuring that providers obtain the proper signed attestations and disclosures. For servicing only providers, a direct link must be made to a billing provider that has an active Core Provider Agreement (CPA) on file. A CPA contains the required attestation and disclosures of the billing provider to allow for the payment of medical claims.

To ensure the Authority has completed all applicable screening and enrollment or revalidation steps before enrolling or revalidating providers, staff members use checklists for each enrollment and revalidation. The staff member signs and dates the checklist to indicate the provider is eligible to render services and receive payments.

In response to the COVID-19 pandemic, the Authority obtained flexibilities under blanket waivers approved by the Centers for Medicare and Medicaid Services (CMS), which were effective March 1, 2020, through the end of the emergency declaration period. These included the waiving of provider application fees and fingerprint-based criminal background checks. The CMS waivers also allowed for expedited processing of any new or pending provider application, as well as the postponement of all revalidation actions until the end of the emergency declaration which ended in March 2023 for the Medicaid and CHIP programs. While CMS waived the requirement for HCA to perform revalidations during the public health emergency, HCA management determined that HCA would perform revalidation work beginning October 2020 and throughout the audit period.

Also in response to the COVID-19 pandemic, the Authority's Chief Medical Officer approved a blanket waiver for the backdating of all provider's effective dates, as allowed by CMS and Washington Administrative Code. This waiver allows all providers to submit claims for services provided before their enrollment and revalidation applications are approved.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Authority did not have adequate internal controls over and did not comply with requirements to ensure it revalidated providers every five years and met screening requirements. The prior finding numbers were 2022-055, 2021-047, 2020-046, 2019-048, 2018-042, 2017-033, and 2016-035.

### *Description of Condition*

The Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and CHIP programs.

During the audit period, the Authority processed 12,185 new provider enrollments and was required to perform ongoing eligibility determinations for 123,405 active providers. We used a statistical sampling method to randomly select and examine 59 newly enrolled providers and 59 active providers to determine if the Authority properly screened them based on their enrollment status and correctly determined their eligibility status. Of the 118 providers examined, we found 11 instances (over 9 percent) when the Authority did not take the appropriate actions to ensure providers met eligibility requirements. Specifically we found:

- Staff enrolled two new providers and did not terminate three active providers without a valid CPA on file. Because the providers were not covered by a valid CPA, they were improperly enrolled and not eligible to provide services.
- Staff did not properly screen a provider based on risk. No risk level indicator was associated with the provider within the ProviderOne system.
- Staff did not conduct a proper license check on four active providers, who had invalid or expired licenses and should have been terminated from the system.
- Staff backdated one provider's effective date to before they had a valid NPI, which is required before participating in the Medicaid program.

To determine if the Authority had revalidated providers every five years or had taken actions to deactivate providers, we used computer assisted audit techniques to analyze the entire population of 347 providers that should have been revalidated or deactivated after the emergency declaration ended in March 2023. We found the Authority's internal controls were insufficient and resulted in none of the 347 providers (100 percent) being revalidated before the due date. We determined 28

providers were subsequently revalidated, and the Authority backdated them. We used non-statistical sampling to randomly select and examine 11 of the 28 providers who were revalidated late and backdated. We identified no exceptions. We also determined 192 providers were deactivated, but the Authority did not process the deactivation until at least 30 days after the eligibility end date. There were an additional 127 providers that should have been deactivated, but the Authority did not take actions to deactivate or revalidate them during the audit period.

Federal law requires the Authority to check federal databases at least monthly to confirm the identity and exclusion status of providers. However, the automated system that performs these checks and notifies the Authority of possible problems with providers was not operating correctly, and it frequently provided incorrect information. Management decided to ignore this information and stopped performing the monthly database checks for the majority of the audit period. The monthly automated system checks were re-enabled and the Authority started the process again in March 2023.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

Although the Authority has established internal controls over screening and enrolling providers, they were ineffective for preventing or detecting noncompliance. Management also did not ensure staff consistently followed the procedures in place.

Additionally, the automated revalidation notification was inadequate for ensuring the Authority complied with the five-year revalidation requirement. To comply with this requirement, the Authority should notify providers about their revalidations and ensure they are started and completed before the due date. Our audit found that the Authority's automated system is designed to notify providers of their revalidations one day after the due date. We formally notified the Authority of this weakness in the automated system in April 2022 during the fiscal year 2021 audit. The Authority has not implemented manual processes to ensure compliance with the revalidation requirement. Due to this inadequate system design and the lack of manual processes, all provider revalidations were completed after their due dates.

Although management directed staff to stop performing the monthly database checks because of issues with the automated system, they did not reinstate the procedures used before the system was implemented so staff could continue verifying providers' identity and exclusion status.



## ***Effect of Condition***

By not conducting required licensing, screening, and enrollment processes in a timely manner, the Authority is at risk of not detecting or preventing ineligible providers from providing services to clients and receiving federal Medicaid and CHIP funds. Payments to providers who are ineligible are unallowable, and the Authority could be required to repay the grantor for these payments. We identified over \$3.9 million in costs at risk for the 347 providers who were not revalidated or deactivated timely.

## ***Recommendations***

We recommend the Authority:

- Strengthen internal controls to ensure providers are adequately screened, licensed, enrolled, and eligible to provide and bill for services
- Implement internal controls designed to bring it into material compliance with the provider revalidation process

## ***Authority's Response***

*The Authority partially concurs with the finding. The Authority concurs with the two new providers and three active providers that were not deactivated without a valid CPA, and the provider that did not have a risk level assigned in the ProviderOne system.*

*The Authority does not concur that four providers did not receive a proper license check, or the backdated provider prior to receiving an NPI. When a provider's license expires, the Authority enters an end date for the provider taxonomy, preventing any further payments. This is compliant with requirements. Regarding the backdated NPI, 42 CFR 455.440 only requires that Medicaid claims contain an NPI to be paid. The NPI was valid at the time the provider was screened, and no claims were paid without an NPI attached.*

*Corrective action has been in process to address the revalidation issues, and as of January 1, 2024 the Authority implemented a system change moving the revalidation date to 90 days before the end of the five year period.*

## ***Auditor's Remarks***

The four providers that did not receive proper license checks are still active in ProviderOne and should have been deactivated when the licenses expired. For the provider with the NPI issue, the NPI was valid at the time that the provider was screened, however the Authority backdated the provider's start date to before the NPI was valid.

We reaffirm our finding and will review the Authority's corrective actions during the next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 *U.S. Code of Federal Regulations* (CFR) Part 433, *State Fiscal Administration, Subpart F – Refunding of Federal Share of Medicaid Overpayments to Providers*, describes the requirements for identifying, reporting, collecting, and remitting Medicaid overpayments.

Title 42 CFR section 438 subpart H - Additional Program Integrity Safeguards, states in part:

Section 438.602 State responsibilities.

(b) Screening and enrollment and revalidation of providers.

(1) The State must screen and enroll, and periodically revalidate, all network providers of MCOs, PIHPs, and PAHPs, in accordance with the requirement of part 455 subparts B and E of this chapter. This requirement extends to PCCMs and PCCM entities to the extent the primary care case manager is not otherwise enrolled with the State to provide services to FFS beneficiaries.

(2) MCOs, PIHPs, and PAHPs may execute network provider agreements pending the outcome of the process in paragraph (b)(1) of this section of up to 120 days, but must terminate a network provider immediately upon notification from the State that the network provider cannot be enrolled, or the expiration of one 120 day period without enrollment of the provider, and notify affected enrollees.

(c) Ownership and control information. The State must review the ownership and control disclosures submitted by the MCO, PIHP, PAHP, PCCM, or PCCM entity, and any subcontractors as required in § 438.608(c).

(d) Federal database checks. Consistent with the requirements at § 455.436 of this chapter, the State must confirm the identity and determine the exclusion status of MCO, PIHP, PAHP, PCCM, or PCCM entity, any subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of the MCO, PIHP, PAHP, PCCM, or PCCM entity through routine checks of Federal databases.

This includes the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities (LEIE), the System for Award Management (SAM), and any other databases as the State or Secretary may prescribe. These databases must be consulted upon contracting and no less frequently than monthly thereafter. If the State finds a party that is excluded, it must promptly notify the MCO, PIHP, PAHP, PCCM, or PCCM entity and take action consistent with § 438.610(c).

Title 42 CFR section 455 subpart B – Disclosure of Information by Providers and Fiscal Agents, states in part:

Section 455.104 Disclosure by Medicaid providers and fiscal agents: Information on ownership and control.

- (a) Who must provide disclosures. The Medicaid agency must obtain disclosures from disclosing entities, fiscal agents, and managed care entities.
- (b) When disclosures must be provided. The Medicaid agency must require that disclosing entities, fiscal agents, and managed care entities provide the following disclosures:
  - (1)
    - (i) The name and address of any person (individual or corporation) with an ownership or control interest in the disclosing entity, fiscal agency, or managed care entity. The address for corporate entities must include as applicable primary business address, every business location and P.O. Box address.
    - (ii) Date of birth and Social Security Number (in the case of an individual).
    - (iii) Other tax identification number (in the case of a corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) or in any subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest.
  - (2) Whether the person (individual or corporation) with an ownership or control interest in the disclosing entity (or fiscal agent or managed care entity) is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling; or whether the person (individual or corporation) with an ownership or control interest in a subcontractor in which the disclosing entity (or fiscal agent or managed care entity) has a 5 percent or more interest is related to another person with ownership or control interest in the disclosing entity as a spouse, parent, child, or sibling.

- (3) The name of any other disclosing entity (or fiscal agent or managed care entity) in which an owner of the disclosing entity (or fiscal agent or managed care entity) has an ownership or control interest.
  - (4) The name, address, date of birth, and Social Security Number of any managing employee of the disclosing entity (or fiscal agent or managed care entity).
- (c) When the disclosures must be provided –
- (1) Disclosures from providers or disclosing entities. Disclosures from any provider or disclosing entity is due at any of the following times:
    - (i) Upon the provider or disclosing entity submitting the provider application.
    - (ii) Upon the provider or disclosing entity executing the provider agreement.
    - (iii) Upon request of the Medicaid agency during the re-validation of enrollment process under § 455.414.
    - (iv) Within 35 days after any change in ownership of the disclosing entity.
  - (2) Disclosures from fiscal agents. Disclosures from fiscal agents are due at any of the following times:
    - (i) Upon the fiscal agent submitting the proposal in accordance with the State’s procurement process.
    - (ii) Upon the fiscal agent executing the contract with the State.
    - (iii) Upon the renewal or extension of the contract.
    - (iv) Within 35 days after any change in ownership of the fiscal agent.
  - (3) Disclosures from managed care entities. Disclosures from managed care entities (MCOs, PIHPs, PAHPs, and HIOs), except PCCMs are due at any of the following times:
    - (i) Upon the managed care entity submitting the proposal in accordance with the State’s procurement process.
    - (ii) Upon the managed care entity executing the contract with the State.
    - (iii) Upon renewal of the contract.
    - (iv) Within 35 days after any change in ownership of the managed care entity.

- (4) Disclosures from PCCMs. PCCMs will comply with disclosure requirements under paragraph (c)(1) of this section.
- (d) To whom must the disclosures be provided. All disclosures must be provided to the Medicaid agency.
- (e) Consequences for failure to provide required disclosures. Federal financial participation (FFP) is not available in payments made to a disclosing entity that fails to disclose ownership or control information as required by this section.

Title 42 CFR section 455 Subpart E – Provider Screening and Enrollment, states in part:

Section 455.410 Enrollment and screening of providers

- (a) The State Medicaid agency must require all enrolled providers to be screened under to this subpart.
- (b) The State Medicaid agency must require all ordering or referring physicians or other professionals providing services under the State plan or under a waiver of the plan to be enrolled as participating providers.
- (c) The State Medicaid may rely on the results of the provider screening performed by any of the following:
  - (1) Medicare contractors
  - (2) Medicaid agencies or Children’s Health Insurance Programs of other States.

Section 455.412 Verification of provider licenses

The State Medicaid agency must –

- (a) Have a method for verifying that any provider purporting to be licensed in accordance with the laws of any State is licensed by such State.
- (b) Confirm that the provider’s license has not expired and that there are no current limitations on the provider’s license.

Section 455.414 Revalidation of enrollment

The State Medicaid agency must revalidate the enrollment of all providers regardless of provider type at least every 5 years.

## Section 455.436 Federal database checks

The State Medicaid agency must do all of the following:

- (a) Confirm the identity and determine the exclusion status of any providers and any person with an ownership or control interest or who is an agent or managing employee of the provider through routine checks of Federal databases.
- (b) Check the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities (LEIE), the Excluded Parties List System (EPLS), and any such other databases as the Secretary may prescribe.
- (c)
  - (1) Consult appropriate databases to confirm identity upon enrollment and reenrollment; and
  - (2) Check the LEIE and EPLS no less frequently than monthly.

## Section 455.450 Screening levels for Medicaid providers.

A State Medicaid agency must screen all initial applications, including applications for a new practice location, and any applications received in response to a re-enrollment or revalidation or enrollment request based on a categorical risk level of "limited," "moderate," or "high." If a provider could fit within more than one risk level described in this section, the highest level of screening is applicable.

- (a) Screening for providers designated as limited categorical risk. When the State Medicaid agency designated a provider as a limited categorical risk, the State Medicaid agency must do all of the following:
  - (1) Verify that a provider meets any applicable Federal regulations, or State requirements for the provider type prior to making an enrollment determination.
  - (2) Conduct license verifications, including State licensure verifications in States other than where the provider is enrolling, in accordance with § 455.412.
  - (3) Conduct database checks on a pre- and post-enrollment basis to ensure that providers continue to meet the enrollment criteria for their provider type, in accordance with § 455.436.
- (b) Screening for providers designated as moderate categorical risk. When the State Medicaid agency designates a provider as a "moderate" categorical risk, a State Medicaid Agency must do both of the following:

- (1) Perform the “limited” screening requirements described in paragraph (a) of this section.
  - (2) Conduct on-site visits in accordance with § 455.432.
- (c) Screening for providers designated as high categorical risk. When the State Medicaid agency designated a provider as a “high” categorical risk, a State Medicaid agency must do both of the following:
- (1) Perform the “limited” and “moderate” screening requirements described in paragraphs (a) and (b) of this section.
  - (2)
    - (i) Conduct a criminal background check; and
    - (ii) Require the submission of a set of fingerprints in accordance with § 455.434.
- (d) Denial or termination of enrollment. A provider, or any person with 5 percent or greater direct or indirect ownership in the providers, who is required by the State Medicaid agency or CMS to submit a set of fingerprints and fails to do so may have its –
- (1) Application denied under § 455.434; or
  - (2) Enrollment reminder under § 455.416
- (e) Adjustment of risk level. The State agency must adjust the categorical risk level from “limited” or “moderate” to “high” when any of the following occurs:
- (1) The State Medicaid agency imposes a payment suspension on a provider based on credible allegation of fraud, waste or abuse, the provider has an existing Medicaid overpayment, or the provider has been excluded by the OIG or another State’s Medicaid program within the previous 10 years.
  - (2) The State Medicaid agency or CMS in the previous 6 months lifted a temporary moratorium for the particular provider type and a provider that was prevented from enrolling based on the moratorium applies for enrollment as a provider at any time within 6 months from the date the moratorium was lifted.

## Medicaid Provider Enrollment Compendium (MPEC)

### **B. Enrolled Provider’s Payment Eligibility for Retroactive Dates of Service**

The practice of “backdating” enrollment involves approving an enrollment with a retroactive billing date. This practice allows a provider, once enrolled, to submit claims for services dated prior to the date upon which the SMA approved the enrollment. As discussed earlier, provider

screening enables states to identify ineligible parties before they are able to enroll and start billing. Components of provider screening include database and licensure checks, and may also include site visits and FCBCs. To the extent a SMA approves the enrollment of a new provider and permits the provider to bill for services dated prior to applicable screening(s), this practice creates risk. For example, if a newly enrolling provider is subject to a site visit, and the SMA completes a site visit for the provider but nonetheless permits the provider to bill for services dated prior to the date on which the site visit occurred, there is risk the provider was not present at the site on the date of service for which the provider is subsequently approved to bill.

It is incumbent upon the SMA to mitigate risk of improper payments as it determines a provider's eligibility for enrollment, including the date upon which a provider is deemed eligible to service Medicaid beneficiaries. The SMA should have a process to determine whether and when it is appropriate to approve an enrollment with a retroactive billing date, as doing so represents the SMA's determination of prior compliance. This process should be designed to mitigate risk.

Factors the SMA must take into consideration when approving a retrospective billing date include, but may not be limited to:

- Survey or certification requirements that supersede a state's ability to determine prior compliance

Factors the SMA might take into consideration when approving a retrospective billing date may include, but are not limited to:

- Emergency access
- Pre-authorization
- Whether a provider is enrolled in Medicare or another state's Medicaid Program

CMS recommends documenting the basis for establishing an enrollment with a retroactive billing eligibility date. Medicaid payment issued to a provider prior to the SMA's screening and enrollment of the provider is an improper payment, unless an exception applies as described under Section 1.5.1.

Washington Administrative Code AC – 182-502-0005 Core provider agreement (CPA), states:

- (1) The agency only pays claims submitted by or on behalf of a health care professional, health care entity, supplier or contractor of service that has an approved core provider agreement (CPA) with the agency, is a performing provider on an approved CPA with the agency, or has an approved agreement with the agency as a nonbilling provider in accordance with WAC 182-502-0006.



- (2) Performing providers of services to a medical assistance client must be enrolled under the billing providers' CPA.
- (3) Any ordering, prescribing, or referring providers must be enrolled in the agency's claims payments system in order for any services or supplies ordered, prescribed, or referred by them to be paid. The national providers identifier (NPI) of any referring, prescribing, or ordering provider must be included on the claim form. Refer to WAC 182-502-0005 for enrollment as a nonbilling provider.
- (4) For services provided out-of-state, refer to WAC 182-501-0180, 182-501-0182 and 182-501-0184.
- (5) The agency does not pay for services provided to clients during the CPA application process or application for nonbilling provider process, regardless of whether the agency later approves or denies the application, except as provided in subsection (6) of this section or WAC 182-502-0006(5).
- (6) Enrollment of a provider applicant is effective on the date the agency approves the provider application.
  - (a) A provider applicant may ask for an effective date earlier than the agency's approval of the provider application by submitting a written request to the agency's chief medical officer. The request must specify the requested effective date and include an explanation justifying the earlier effective date. The chief medical officer will not authorize an effective date that is:
    - (i) Earlier than the effective date of any required license or certification; or
    - (ii) More than three hundred sixty-five days prior to the agency's approval of the provider application.
  - (b) The chief medical officer or designee may approve exceptions as follows:
    - (i) Emergency services;
    - (ii) Agency-approved out-of-state services;
    - (iii) Medicaid provider entities that are subject to survey and certification by CMS or the state survey agency;
    - (iv) Retroactive client eligibility; or
    - (v) Other critical agency need as determined by the agency's chief medical officer or designee.

- (c) For federal qualified health centers (FQHCs), see WAC 182-548-1200. For rural health clinics (RHCs), see WAC 182-549-1200.
- (d) Exceptions granted under this subsection (6) do not supersede or otherwise change the agencies timely billing requirements under WAC 182-502-0150.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-075 The Health Care Authority improperly charged \$3,491 to the Medicaid program.**

<b>Assistance Listing Number and Title:</b>	93.778 COVID-19 Medical Assistance Program 93.778 Medical Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2205WA5MAP; 2205WA5ADM; 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Eligibility
<b>Known Questioned Cost Amount:</b>	\$3,491
<b>Prior Year Audit Finding:</b>	No

### ***Background***

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid, administered by the Health Care Authority, is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds.

The Affordable Care Act established a methodology for determining income eligibility for Medicaid, which is based on modified adjusted gross income (MAGI). MAGI is used to determine financial eligibility for Medicaid, premium tax credits, and cost sharing reductions available through the health insurance marketplace. By using one set of income counting rules and a single application across programs, the Affordable Care Act made it easier for people to apply and enroll in the appropriate program.

Federal law requires that certain types of information be collected during the application process. As a condition of eligibility, each person seeking Medicaid must provide their Social Security number (SSN), as described in 42 CFR § 435.910. If applicants do not know their SSN or have not been issued an SSN, states must help them obtain or apply for one.

States may choose to accept self-attestations of the information needed to determine or renew eligibility except with respect to income, SSN, and citizenship or immigration status.

### *Description of Condition*

The Authority improperly charged \$3,491 to the Medicaid program.

Under federal law, clients must have an SSN for the Authority to determine or renew their eligibility for services. Those responsible for newborn clients are allowed one full year from the newborn's date of birth to obtain and inform the Authority of an SSN.

During the COVID-19 public health emergency, the Authority, under federal guidance, was not required to reevaluate clients' eligibility for services. However, federal law still required clients over the age of one to have an SSN.

We found the Authority had adequate internal controls to ensure material compliance with eligibility requirements. However, we identified instances where the Authority paid benefits on behalf of people who did not provide an SSN as required.

We used a statistical sampling method to randomly select and examine 45 clients out of a total population of 44,497 who were coded as newborns. We found four clients of the 45 we examined did not meet the eligibility requirements.

Federal regulations require the auditor to issue a finding when the known or estimated questioned costs identified in a single audit exceed \$25,000. We are issuing this finding because, as stated in the Effect of Condition and Questioned Costs section of this finding, the estimated questioned costs exceed that threshold.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Families First Coronavirus Response Act specifies that all Medicaid recipients will maintain eligibility through the end of the public health emergency, unless they move out of state, die, request to be removed from the program, or are not eligible due to immigration status. Because the Authority was not reevaluating clients' eligibility, staff did not identify clients who did not have SSNs as required. Authority officials said that due to the Families First Coronavirus Response Act, they were unable to remove clients from Medicaid, even if they did not have the required SSN.

## *Effect of Condition and Questioned Costs*

The Authority improperly charged the Medicaid program for costs, as outlined in the table below.

<b>Projection to population</b>	<b>Known Questioned Costs</b>	<b>Likely Questioned Costs [Estimate]</b>
Federal expenditures	\$3,491	\$3,451,692
State expenditures	\$2,746	\$2,714,891

Our sampling methodology meets statistical sampling criteria under generally accepted auditing standards in AU-C 530.05. It is important to note that the sampling technique we used is intended to support our audit conclusions by determining if expenditures complied with program requirements in all material respects. Accordingly, we used an acceptance sampling formula designed to provide a moderate level of assurance, with a 90 percent confidence of whether exceptions exceeded our materiality threshold. Our audit report and finding reflect this conclusion. However, the likely improper payment projections are a point estimate and only represent our “best estimate of total questioned costs,” as required by 45 CFR § 75.516(3).

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## *Recommendation*

We recommend the Authority consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

## *Authority’s Response*

*The Authority partially concurs with the finding. In accordance with Families First Coronavirus Response Act, the Authority maintained coverage for cases where the household did not provide an SSN for their newborn until the end of the public health emergency.*

*As normal operations resume, any newborns that do not have an SSN at the age of one will be reviewed at their next renewal.*

## *Auditor’s Remarks*

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority’s corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 42 U.S. Code of Federal Regulations (CFR) Part 433, *State Fiscal Administration, Subpart F – Refunding of Federal Share of Medicaid Overpayments to Providers*, describes the requirements for identifying, reporting, collecting, and remitting Medicaid overpayments.

Title 42 CFR Subpart J, Part 435 – Eligibility in the States, states in part:

Section 910, Use of social security number, states in part:

(a) Except as provided in paragraph (h) of this section, the agency must require, as a condition of eligibility, that each individual (including children) seeking Medicaid furnish each of his or her Social Security numbers (SSN).

(e) If an applicant cannot recall his SSN or SSNs or has not been issued a SSN the agency must—

(1) Assist the applicant in completing an application for an SSN;

(2) Obtain evidence required under SSA regulations to establish the age, the citizenship or alien status, and the true identity of the applicant; and

(3) Either send the application to SSA or, if there is evidence that the applicant has previously been issued a SSN, request SSA to furnish the number.

(g) The agency must verify the SSN furnished by an applicant or beneficiary with SSA to ensure the SSN was issued to that individual, and to determine whether any other SSNs were issued to that individual.

(h) Exception.

(1) The requirement of paragraph (a) of this section does not apply and a State may give a Medicaid identification number to an individual who—

(i) Is not eligible to receive an SSN

Section 956, Verification of other non-financial information, states in part:

(a) *Citizenship and immigration status.*

(1) (i) The agency must—

(A) Verify citizenship status

(4) (i) The agency must maintain a record of having verified citizenship or immigration status for each individual, in a case record or electronic database in accordance with the State's record retention policies

(5) If the agency cannot promptly verify the citizenship or satisfactory immigration status of an individual the agency—

(i) Must provide a reasonable opportunity in accordance with paragraph (b) of this section;

(b) *Reasonable opportunity period.*

(1) The agency must provide a reasonable opportunity period to individuals who have made a declaration of citizenship or satisfactory immigration status in accordance with § 435.406(a), and for whom the agency is unable to verify citizenship or satisfactory immigration status in accordance with paragraph (a) of this section. During the reasonable opportunity period, the agency must continue efforts to complete verification of the individual's citizenship or satisfactory immigration status, or request documentation if necessary. The agency must provide notice of such opportunity that is accessible to persons who have limited English proficiency and individuals with disabilities, consistent with § 435.905(b). During such reasonable opportunity period, the agency must, if relevant to verification of the individual's citizenship or satisfactory immigration status—

(i) In the case of individuals declaring citizenship who do not have an SSN at the time of such declaration, assist the individual in obtaining an SSN, and attempt to verify the individual's citizenship in accordance with paragraph (a)(1) of this section once an SSN has been obtained and verified;

(iii) Provide the individual with an opportunity to provide other documentation of citizenship or satisfactory immigration status.

(3) If, by the end of the reasonable opportunity period, the individual's citizenship or satisfactory immigration status has not been verified in accordance with paragraph (a) of this section, the agency must take action within 30 days to terminate eligibility in accordance with part 431 subpart E ...

(d) Social Security numbers. The agency must verify Social Security numbers (SSNs) in accordance with § 435.910 of this subpart.

Title 45 CFR Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 410, establishes requirements for the collection of unallowable costs.



**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-076 The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure timely review of hospital complaints.**

**Assistance Listing Number and Title:** 93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 Medical Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5MAP; 2205WA5ADM; 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Tests and Provisions: Provider Health and Safety Standards

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** No

## *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds.

The Centers for Medicare and Medicaid Services (CMS), which administers the program at the federal level, relies on states to regulate and license hospitals that serve Medicaid clients. Medicaid coverage for hospitals is authorized only when services are provided in a facility that is licensed and certified by the state survey agency (for non-deemed hospitals) or an accrediting organization (for deemed hospitals). The term "deemed" means the facility has voluntarily requested and received permission from CMS to be certified by an accrediting organization, while hospitals that are "non-deemed" have not. The Department of Health is Washington's state licensing agency, and it is also responsible for investigating hospital complaints. The Department's Office of Investigation and Legal Services (OILS) is the front-line response system for providing the intake and assignment functions for complaints from staff, patients, accrediting organizations and the public. The Department's Office of Health Systems Oversight is responsible for coordinating and performing investigation surveys.

Deemed hospitals are surveyed for CMS certification by their accrediting organizations. However, the Department performs an investigation survey for complaints that meet the federal prioritization level. People can submit complaints to OILS online or by mail, email, or telephone. OILS uses the Integrated Licensing and Regulatory System (ILRS) to input and track complaints. OILS intake staff review all report types regardless of delivery method before entering them into ILRS. Intake staff check for possible imminent danger and then deliver the complaint to the Department's Office of Health Systems Oversight, as well as upload an electronic copy to a secure drive.

The CMS *State Operations Manual*, which is binding on Medicare-certified and Medicare-Medicaid-certified providers, provides state agencies with procedural guidelines for surveying and managing complaints and incidents.

Hospitals are responsible for following the provider health and safety standards that are mandated by state and federal regulations.

When the Department receives hospital complaints, state regulations require staff to perform an initial assessment of the reports within 21 days. In addition, staff must review the reports for possible imminent danger within two working days of receiving them. If staff identify imminent danger, they must immediately forward the report for processing.

The following two tables outline the federal requirements for response times that the Department must follow for deemed hospitals and non-deemed hospitals.

*Priority levels and response times for non-deemed hospitals*

<b>Priority levels</b>	<b>Required response times</b>
Immediate Jeopardy	Initiate onsite survey within two business days of receipt
Non-Immediate Jeopardy High	Initiate onsite survey within 45 calendar days of prioritization
Non-Immediate Jeopardy Medium	Must investigate no later than when the next onsite survey occurs
Non-Immediate Jeopardy Low	Must track/trend for potential focus areas during the next onsite survey

*Priority levels and response times for deemed hospitals*

<b>Priority levels</b>	<b>Required response times</b>
Immediate Jeopardy	Initiate onsite survey within two business days of receipt of regional office authorization
Non-Immediate Jeopardy High	Initiate onsite survey within 45 calendar days of receipt of regional office authorization
Non-Immediate Jeopardy Medium	Complainant is referred to the applicable accrediting organization(s)
Non-Immediate Jeopardy Low	Complainant is referred to the applicable accrediting organization(s)

The CMS *State Operations Manual* requires people with certain qualifications to assess each hospital complaint. These people must be professionally qualified to evaluate the nature of the problem based on their knowledge and experience of current clinical standards of practice and federal requirements.

If OILS determined possible imminent danger, the case manager and survey manager review the complaints for immediate jeopardy. If they determine there is possible imminent danger, then an Expedited Case Management Team is designated. If they do not identify immediate jeopardy, they prioritize the complaint at the next weekly case management meeting. Once case managers decide that a complaint at a non-deemed hospital meets the state and federal prioritization level for investigation, they assign it to field staff. For complaints at deemed hospitals that meet the federal

prioritization level for investigation, case managers request authorization from the CMS regional office through the Aspen Complaint Tracking System to initiate an investigation.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### *Description of Condition*

The Department did not have adequate internal controls over and did not comply with requirements to ensure timely review of hospital complaints.

The Department received 1,698 hospital complaints during state fiscal year 2023. We evaluated all of them to ensure the Department performed an initial assessment and review of the complaints for imminent danger within the required timelines. We found the Department did not review 1,297 complaints (76 percent) for imminent danger within two working days of receiving them. The review time for these complaints ranged between three and 66 days. In addition, the Department did not review eight complaints (0.5 percent) within the 21-day basic assessment period. The review time for these complaints ranged between 23 and 71 days.

We consider this internal control deficiency to be a material weakness, which led to material noncompliance.

This issue was not reported as a finding in the prior audit.

### *Cause of Condition*

The Department did not implement adequate internal controls to ensure staff reviewed the complaints within the required timeframe. Management acknowledged the Department was understaffed, which contributed to the lack of timely reviews for the complaints.

### *Effect of Condition*

When the Department does not prioritize and perform a prompt initial assessment of complaints, vulnerable patients are at higher risk of abuse, neglect and substandard care. The delays in reviewing these complaints also affect the Department's ability to initiate timely investigations of issues concerning providers. Further, when the Department does not promptly follow up on a complaint, the state also runs the risk of paying Medicaid funding to a noncompliant facility.

## ***Recommendation***

We recommend the Department implement internal controls to ensure it reviews complaints for imminent danger within two working days of receiving them, as state regulations and the State Operations Manual require.

## ***Department's Response***

*We appreciate the State Auditor's Office audit of the Medicaid Special Tests Health and Safety Standards grant requirement. DOH is committed to ensuring our programs comply with federal regulations and concurs generally with the finding. The Department asserts that it has a process to screen complaints for possible imminent danger so that a potential investigation can be initiated in a timely manner. However, we acknowledge that our current system lacks the internal controls necessary to demonstrate compliance. Moving forward, the Department will evaluate system controls in order to properly reflect the accurate date of initial screening then subsequent assessment and review.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Washington Administrative Code 246-14-040 *Uniform Procedures For Complaint Resolution*, states:

### **Initial assessment of reports.**

1. Initial assessment is the process of determining whether a report warrants an investigation and becomes a complaint. The complainant and credential holder or applicant will be notified as soon as possible after the initial assessment is complete.

2. The basic time period for initial assessment is twenty-one days.
3. All reports will be reviewed for imminent danger within two working days. If imminent danger is identified, the report will be immediately forwarded for processing.

The Centers for Medicare and Medicaid Services, *State Operations Manual*, Chapter 5 – Complaint Procedures, states in part:

#### Section 5010 –General Intake Process

A complaint is an allegation of noncompliance with Federal and/or State requirements. If the SA determines that the allegation(s) falls within the authority of the SA, the SA determines the severity and urgency of the allegations, so that appropriate and timely action can be pursued. Each SA is expected to have written policies and procedures to ensure that the appropriate response is taken for all allegations and is consistent with Federal requirements as well as with procedures in the State Operations Manual. This structure needs to include response timelines and a process to document actions taken by the SA in response to allegations. If a state's time frames for the investigation of a complaint/incident are more stringent than the Federal time frames, the intake is prioritized using the State's timeframes. The SA is expected to be able to share the logic and rationale that was utilized in prioritizing the complaint/incident for investigation. The SA response must be designed to protect the health and safety of all residents, patients, and clients.

#### Section 5070 –Priority Assignment for Nursing Homes, Deemed and Non-Deemed Non-Long Term Care Providers/ Suppliers, and EMTALA

An assessment of each complaint or incident intake must be made by an individual who is professionally qualified to evaluate the nature of the problem based upon his/her knowledge of Federal requirements and his/her knowledge of current clinical standards of practice.

For non-long term care providers/suppliers, in situations where a determination is made that immediate jeopardy may be present and ongoing, the SA is required to start the on site investigation within two business days of receipt of the complaint or incident report, or, in the case of a deemed provider or supplier, within two business days of RO authorization for investigation. The same process applies to EMTALA complaints or a survey related to a report of a hospital or CAH Distinct Part Unit patient death associated with the use of restraint or seclusion. The SA's investigation must be initiated within two business days of RO authorization for investigation.

CMS expects SAs to prioritize complaints at the appropriate level that is warranted. The timeframes in Section 5075 below represent maximum timeframes for investigation; the SA is not precluded from investigating complaints and facility-reported incidents within a shorter timeframe. In addition, the SA is not precluded from taking other factors into consideration in its triage decision. For example, the SA may identify a trend in allegations that indicates an increased risk of harm to residents or the SA may receive corroborating information from other complainants regarding the allegation.

Section 5075.9 – Maximum Time Frames Related to the Federal Onsite Investigation of Complaints/Incidents

Provider Type	Intake Prioritization – Immediate Jeopardy
Non-deemed non-long term care providers/suppliers	SA must initiate an onsite survey within 2 business days of receipt.
Deemed providers/suppliers	SA must initiate an onsite survey within 2 business days of receipt of RO authorization.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-077 The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program.**

**Assistance Listing Number and Title:** 93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 – State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 – Medical Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5MAP; 2205WA5ADM;  
2205WAIMPL; 2305WA5MAP;  
2305WA5ADM; 2305WAIMPL

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Test and Provisions – Provider Eligibility

**Known Questioned Cost Amount:** \$576,072

**Prior Year Audit Finding:** Yes, Finding 2022-059



## *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds.

The Department of Social and Health Services is responsible for ensuring Medicaid social service providers are eligible to render services to program recipients. Providers must remain in good standing with eligibility requirements in order to continue receiving payments under the program. The Department is responsible for performing measures appropriate for the provider type at application and initial enrollment. Federal regulations require state Medicaid agencies to revalidate the enrollment of all Medicaid providers at least every five years. Washington had more than 50,000 active providers during fiscal year 2023. During that time, the Department paid about \$3.4 billion to providers for direct client services.

Nursing facility contracts have no end date, because the Centers for Medicare and Medicaid Services expects these contracts to be open-ended. However, these facilities are revalidated every five years. At the time of revalidation, nursing facilities must submit a signed and dated Medicaid Provider Disclosure Statement (MPDS). Nursing facilities must have a valid MPDS form on file with the Department to be eligible to charge Medicaid for client services.

After enrollment, staff in the Department's Contract Unit create a file for each provider in the Agency Contracts Database. Once entered, the Automated Provider Screening (APS) system within ProviderOne automatically screens each provider monthly for exceptions from the following federal databases:

- List of Excluded Individuals/Entities (LEIE)
- Excluded Parties List System, now called the System for Award Management (SAM)
- SSA Limited Access Death Master File

Contract staff are notified by email if the screening resulted in a match, and staff then manually verify if it was legitimate. In between revalidation periods, federal law requires state Medicaid agencies to check LEIE and SAM at least monthly to determine the exclusion status of providers, including any person with ownership, controlling interest, or acting as an agent or managing employee of the provider.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Department did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program. The prior finding number was 2022-059.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program.

#### *Nursing Facility Revalidations*

The Department is required to revalidate nursing facilities on a five-year cycle. During state fiscal year 2023, 19 facilities required revalidation, which included providing an updated MPDS. We used a non-statistical sampling method to randomly select and examine seven out of a total population of 19 facilities. We found that out of the seven sampled facilities, six (86 percent) did not provide a signed and dated MPDS form during the revalidation period. These providers were therefore not eligible to provide services for part of the audit period, during which they were paid \$576,072 in federal Medicaid funds.

#### *Monthly APS Screenings*

Federal law requires the Department to check federal databases at least monthly to confirm the identity and exclusion status of providers. However, the automated system that performs these checks and notifies the Department of possible problems with providers was not operating correctly and frequently provided incorrect information. Department management decided to only screen all providers on an annual basis. In September 2022, the Department manually screened all providers against the federal databases. For all other months, only newly populated providers from the APS system received a screening for the month.

This policy was in place until March 2023, at which point the Department restarted the normal monthly screening of all providers. At that time, the APS system continued to frequently produce incorrect information.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

#### *Nursing Facility Revalidations*

Management did not have a procedure or internal control in place to ensure it terminated nursing facility providers that did not reenroll by the five-year mark.

### *Monthly APS Screenings*

Because of issues with the APS system, Department officials said they did not have the time or resources to manually perform database checks of all providers each month.

### ***Effect of Condition and Questioned Costs***

#### *Monthly APS Screenings*

By not reviewing the exclusion status of all providers in a timely and routine manner, the Department was noncompliant with federal requirements to check LEIE and SAM at least monthly. As a result, the Department is at risk of not properly identifying any newly excluded or sanctioned providers.

#### *Nursing Facility Revalidations*

By not updating the MPDS of nursing facilities during revalidation, the Department was noncompliant with federal regulations requiring Medicaid agencies to revalidate the enrollment of all Medicaid providers at least every five years. The Department is also at risk of disbursing Medicaid payments to nursing facilities that have not properly revalidated their enrollment and, therefore, not eligible to receive Medicaid payments.

The table below identifies the known and estimated likely questioned costs for the Department's federal and state Medicaid expenditures.

<b>Projection to population</b>	<b>Known Questioned Costs</b>	<b>Likely Questioned Costs [Estimate]</b>
Federal expenditures	\$576,072	\$1,563,625
State expenditures	\$471,332	\$1,279,329

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Department implement internal controls sufficient to ensure it:

- Complies with monthly provider screening requirements
- Revalidates nursing facilities timely
- Terminates nursing facilities that do not reenroll within five years
- Does not make payments to inactive nursing facilities

We also recommend the Department consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

## ***Department's Response***

*The Department partially agrees with the finding.*

*We agree that we did not obtain the Medicaid Provider Disclosure Statement (MPDS) forms for the identified exceptions within the five-year revalidation timeline due to residual effects of increased workload during the public health emergency, however we do not agree that all the exceptions should result in questioned costs. For Quality Health Care of Bothell LLC, the nursing home was still validated within the last five years because there were no changes to ownership or the managing employees since the previous MPDS form was received. We are disputing the questioned costs related to the Quality Health Care of Bothell LLC totaling \$231,809.60.*

*The existing nursing home revalidation process was modified March 2024 to include more detail about what to do when the nursing home is not providing the MPDS form by the 5-year deadline. The process includes the steps that must be taken prior to termination of the Medicaid contract to ensure resident safety and choice, as well as when to notify rates to stop payment to the nursing home.*

*Effective March 2023 Automated Provider Screening is being completed monthly for all providers as required.*

## ***Auditor's Remarks***

The MPDS for Quality Health Care of Bothell LLC expired in 2017, we therefore questioned the associated costs as specified above. We reaffirm the finding and questioned costs.

We will review the status of the Department's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75.2 establishes definitions for questioned costs.

Title 45 CFR Part 75, section 410 establishes requirements for the collection of unallowable costs.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR Part 433, *State Fiscal Administration, Subpart F – Refunding of Federal Share of Medicaid Overpayments to Providers*, describes the requirements for identifying, reporting, collecting, and remitting Medicaid overpayments.

Title 42 CFR section 455 Subpart E – Provider Screening and Enrollment, states in part:

### Section 455.410 Enrollment and screening of providers

- (a) The State Medicaid agency must require all enrolled providers to be screened under to this subpart.
- (b) The State Medicaid agency must require all ordering or referring physicians or other professionals providing services under the State plan or under a waiver of the plan to be enrolled as participating providers.
- (c) The State Medicaid agency may rely on the results of the provider screening performed by any of the following:
  - (1) Medicare contractors.
  - (2) Medicaid agencies or Children’s Health Insurance Programs of other States.

### Section 455.414 Revalidation of enrollment

The State Medicaid agency must revalidate the enrollment of all providers regardless of provider type at least every 5 years.

### Section 455.436 Federal database checks

The State Medicaid agency must do all of the following:

- (a) Confirm the identity and determine the exclusion status of providers and any person with an ownership or control interest or who is an agent or managing employee of the provider through routine checks of Federal databases.
- (b) Check the Social Security Administration's Death Master File, the National Plan and Provider Enumeration System (NPPES), the List of Excluded Individuals/Entities (LEIE), the Excluded Parties List System (EPLS), and any such other databases as the Secretary may prescribe.
- (c)
  - (1) Consult appropriate databases to confirm identity upon enrollment and reenrollment; and
  - (2) Check the LEIE and EPLS no less frequently than monthly.

#### Section 455.450 Screening levels for Medicaid providers.

A State Medicaid agency must screen all initial applications, including applications for a new practice location, and any applications received in response to a re-enrollment or revalidation of enrollment request based on a categorical risk level of "limited," "moderate," or "high." If a provider could fit within more than one risk level described in this section, the highest level of screening is applicable.

(a) Screening for providers designated as limited categorical risk. When the State Medicaid agency designates a provider as a limited categorical risk, the State Medicaid agency must do all of the following:

- (1) Verify that a provider meets any applicable Federal regulations, or State requirements for the provider type prior to making an enrollment determination.
- (2) Conduct license verifications, including State licensure verifications in States other than where the provider is enrolling, in accordance with § 455.412.
- (3) Conduct database checks on a pre- and post-enrollment basis to ensure that providers continue to meet the enrollment criteria for their provider type, in accordance with § 455.436.

(b) Screening for providers designated as moderate categorical risk. When the State Medicaid agency designates a provider as a "moderate" categorical risk, a State Medicaid agency must do both of the following:

(1) Perform the “limited” screening requirements described in paragraph (a) of this section.

(2) Conduct on-site visits in accordance with § 455.432.

(c) Screening for providers designated as high categorical risk. When the State Medicaid agency designates a provider as a “high” categorical risk, a State Medicaid agency must do both of the following:

(1) Perform the “limited” and “moderate” screening requirements described in paragraphs (a) and (b) of this section.

(2)

(i) Conduct a criminal background check; and

(ii) Require the submission of a set of fingerprints in accordance with § 455.434.

(d) Denial or termination of enrollment. A provider, or any person with 5 percent or greater direct or indirect ownership in the provider, who is required by the State Medicaid agency or CMS to submit a set of fingerprints and fails to do so may have its -

(1) Application denied under § 455.434; or

(2) Enrollment terminated under § 455.416.

(e) Adjustment of risk level. The State agency must adjust the categorical risk level from “limited” or “moderate” to “high” when any of the following occurs:

(1) The State Medicaid agency imposes a payment suspension on a provider based on credible allegation of fraud, waste or abuse, the provider has an existing Medicaid overpayment, or the provider has been excluded by the OIG or another State’s Medicaid program within the previous 10 years.

(2) The State Medicaid agency or CMS in the previous 6 months lifted a temporary moratorium for the particular provider type and a provider that was prevented from enrolling based on the moratorium applies for enrollment as a provider at any time within 6 months from the date the moratorium was lifted.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-078 The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid intermediate care facilities.**

<b>Assistance Listing Number and Title:</b>	93.775 State Medicaid Fraud Control Units 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare 93.777 COVID-19 – State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 COVID-19 – Medical Assistance Program
<b>Federal Grantor Name:</b>	U.S Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2205WA5MAP; 2205WA5ADM; 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Test and Provisions – Provider Health and Safety Standards
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2020-053



## *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds and had three ICF/IID facilities that were Medicaid certified.

Residential Care Services (RCS), under the Department of Social and Health Services, Aging and Long-Term Support Administration, is the State's Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) survey agency. An ICF/IID is an institution with the primary purpose of providing health or rehabilitation services to people with intellectual disabilities or related conditions who receive care and services under Medicaid.

The Department must perform a federal certification survey of each ICF/IID. The certification survey is a resident-centered inspection that gathers information about the quality of service provided in a facility to determine compliance with the participation requirements. The survey focuses on the facility's administration and patient services, as well as the outcome of the facility's implementation of ICF/IID active treatment services. The survey also assesses compliance with federal health, safety, and quality standards designed to ensure patients receive safe and quality care services.

The State must complete a standard survey for each ICF/IID facility within 15.9 months after the previous survey, and the statewide average for all ICF/IID facilities must not exceed 12.9 months for all ICF/IID facilities, as required by Centers for Medicare and Medicaid Services (CMS). All staff surveyors are required to receive specific RCS training in order to be qualified to conduct surveys. If a survey uncovers deficiencies, the Department must mail a Statement of Deficiency (SOD) to the facility within 10 working days of the survey date. The facility must submit a Plan of Correction (POC) that the Department determines is acceptable within 10 calendar days of receipt of the SOD. The facility has a total of 60 days to be back in compliance or risk forfeiting its Medicaid certification. In addition to federal requirements, the Department has established its own policies and procedures requiring that it review a submitted POC within five working days after receiving it.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits we reported the Department did not have adequate internal controls to ensure it conducted timely surveys and followed up on deficiencies. The prior finding numbers were 2020-053, 2019-061, 2018-052, 2017-042, 2016-037, 2015-045, and 2014-046.

## *Description of Condition*

The Department did not have adequate internal controls over and did not comply with survey requirements for Medicaid intermediate care facilities.

The Department uses a tracking spreadsheet as an internal control to monitor and track the survey frequencies as well as the statewide average frequency to ensure it meets the mandated 15.9 month survey frequency, and the statewide average of 12.9 months between surveys for each facility. The Department uses a separate tracking spreadsheet to track individual surveys for SOD and POC due dates and approaching deadlines.

We found the Department did not ensure that all recertification surveys were completed promptly. The Department did not adequately monitor the tracking sheet and complete surveys for all three of the ICF/IIDs within the required 15.9 months and 12.9 month statewide average. While assessing the Department's compliance with these requirements, we considered the time period where survey activities were suspended due to the Covid-19 pandemic and did not include that period of suspended activities in our calculation between survey dates. The statewide average is calculated on the federal fiscal year. For federal fiscal year 2023, the statewide average for the three surveys was 22.1 months.

Additionally, both POCs for the two surveys conducted during the fiscal year were reviewed after the five day period required by the Department.

We also reviewed staff training for the three new hires conducting surveys at ICF/IIDs during the fiscal year. We found that the Department did not have record of the required RCS training for one of the newly hired surveyors. The Department had records of other required trainings, however there was no record of the staff receiving the RCS surveyor training.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

## *Cause of Condition*

As a result of the public health emergency, the Department had an extensive backlog of complaints and recertification surveys. While trying to address the backlog there were new complaints that also had to be prioritized. Although there are only three facilities, there is only one team that handles the surveys, complaints, and revisits for this provider type across the entire state.

For the late reviews of the POCs, the Department needed to meet with one facility and explain why they were rejecting their POC, which did not occur within the 5-day period. In the other instance, the POC was sent to the team for review and there was a lack of response, which the Department believes is due to having three new team members still learning the survey process.

Management did not monitor its survey schedules adequately to ensure compliance in meeting the survey timeline.

### ***Effect of Condition***

Without conducting recertification surveys timely, the State is at risk of paying facilities for services provided to Medicaid clients without assurance the facilities are complying with federal and state health standards and regulations. Clients residing in facilities that do not meet federal health and safety requirements for participating in the Medicaid program could be at increased risk of abuse, mistreatment, neglect or substandard care.

By not meeting the statewide average requirement for recertification surveys, the Department has not met federal Medicaid requirements and could be subject to sanctions by the grantor.

### ***Recommendations***

We recommend the Department:

- Establish adequate internal controls to ensure compliance with facility survey timeliness requirements
- Ensure it completes recertification surveys within 15.9 months and within the 12.9 month state-wide average
- Ensure all staff receive required survey training
- Ensure all POCs are reviewed timely

### ***Department's Response***

*The Department partially agrees with the Finding.*

*While we do agree that we did not meet the Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID) Survey requirements, due to the backlog created by the public health emergency and a 20% staff vacancy rate, we do not agree that it was due to lack of internal controls. It was through applied internal controls that we identified concerns and allocated resources as we were able to meet the most serious concerns.*

*Based on the FY2022 and FY2023 State Performance Standards System review completed by Centers for Medicare and Medicaid Services, we met the recertification standard because the recertification backlog was accounted for in the standards and the expectation was for a reduction in the backlog, not a complete elimination of the backlog. For FY2023 the expectation was to decrease the recertification backlog by 50% from the previous year. We decreased the backlog by 100% and as of March 2024 we are meeting our ICF-IID recertification timelines.*

*Because the 12.9 month average is based on the overall average of the months for all ICF-IID surveys, and some of those surveys were in a significant backlog due to the pandemic, statistically it would be expected that even when the state is meeting the 15.9 month timeframe for each home and lowering the number of months between surveys for some homes to lower the average, it will take time for the bell curve average to shift toward 12.9 months.*

*We have now created a SOD/POC tracking tool in Smart Sheet that each team in RCS is using to track deadlines. This system sends email alerts to key staff when deadlines are approaching or have arrived.*

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR, Part 442, Standards for Payment to Nursing Facilities and Intermediate Care Facilities for Individuals with Intellectual Disabilities, states in part:

#### Section 442.109 – Certification period for ICF/IIDs: General Provisions

- (a) A survey agency may certify a facility that fully meets applicable requirements. The State Survey Agency must conduct a survey of each ICF/IID not later than 15 months after the last day of the previous survey.
- (b) The statewide average interval between surveys must be 12 months or less, computed in accordance with paragraph (c) of this section.

Title 42 U.S. Code of Federal Regulations, Part 488, Survey, Certification, and Enforcement Procedures, states in part:

Section 488.28 – Providers or suppliers, other than Skilled Nursing Facilities (SNFs), Nursing Facilities (NFs), and Home Health Agencies (HHAs) with deficiencies

- (a) If a provider or supplier is found to be deficient in one or more of the standards in the conditions of participation, conditions for coverage, or conditions for certification or requirements, it may participate in, or be covered under, the Medicare program only if the provider or supplier has submitted an acceptable plan of correction for achieving compliance within a reasonable period of time acceptable to CMS. In the case of an immediate jeopardy situation, CMS may require a shorter time period for achieving compliance.
- (b) The existing deficiencies noted either individually or in combination neither jeopardize the health and safety of patients or are of such character as to seriously limit the provider's capacity to render adequate care.
- (c)
  - (1) If it is determined during a survey that a provider or supplier is not in compliance with one or more of the standards, it is granted a reasonable time to achieve compliance.
  - (2) The amount of time depends upon the -
    - (i) Nature of the deficiency; and
    - (ii) State survey agency's judgment as to the capabilities of the facility to provide adequate and safe care.
- (d) Ordinarily a provider or supplier is expected to take the steps needed to achieve compliance within 60 days of being notified of the deficiencies but the State survey agency may recommend that additional time be granted by the Secretary in individual situations, if in its judgment, it is not reasonable to expect compliance within 60 days, for example, a facility must obtain the approval of its governing body, or engage in competitive bidding.

The Centers for Medicare and Medicaid Services, State Operations Manual, Chapter 2 – The Certification Process, states in part:

2138G – Schedule for Recertification

(Rev. 91, Issued: 09-27-13, Effective: 09-27-13, Implementation: 09-27-13)

The SA completes a recertification survey an average of every 12 months and at least once every 15 months (see §2141).

2141 – Recertification – ICFs/IID

(Rev. 91, Issued: 09-27-13, Effective: 09-27-13, Implementation: 09-27-13)

- The regulation at §442.15 provides that provider agreements for ICF/IID’s would remain in effect as long as the facility remains in compliance with the Conditions of Participation (COP’s). Regulations at §442.109 through §442.111.
- Beginning on May 16, 2012, ICF/IID’s are no longer subject to time-limited agreements. However, they are to be surveyed for re-certification an average of every 12 months and at least once every 15 months.
- If during a survey the survey agency finds a facility does not meet the standards for participation the facility may remain certified if the survey agency makes two determinations – The facility may maintain its certification if the survey agency finds Immediate Jeopardy doesn’t exist, and if the facility provides an acceptable plan of correction.
- An ICF/IID may be decertified under procedures outlined in Section 3012 of the State Operations Manual. More specifically, a facility may be decertified if an immediate jeopardy finding remains unabated after 23 days or if it fails to regain compliance with conditions of participation after 90 days.

ICF/IID’s will be subject to survey an average of every 12 months and at least every 15 months, the same period that is applied to Nursing Homes.

The Department of Social and Health Services, Residential Care Services *Standard Operating Procedure: Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)*, Chapter 16C2 – ICF/IID Plan of Correction (PoC) states in part:

**Overview**

Following the survey process and upon receipt of the SOD, the facility must develop a Plan of Correction (PoC) to address all stated deficiencies outlined in the SOD within 10 calendar days of receipt of the SOD. Regulations allow certification of ICF/IID facilities with deficiencies at the standard level “only if the facility has submitted an acceptable PoC

for achieving compliance within a reasonable period of time acceptable to the Secretary.” Failure to submit a PoC could result in termination of the facility agreement.

Decisions on acceptance of the PoC by the survey team must occur within 5 working days of receipt by RCS.

The facility has no longer, than 60 calendar days to implement the PoC and correct the deficiency. The correction date for a specific deficiency may be less depending on the circumstances of the deficiency.

### **Procedure**

#### **Surveyor/Complaint Investigator will:**

1. Review the PoC within 5 working days of receipt of the PoC.
2. An acceptable PoC must contain the following elements:
  - The plan for correcting the specific deficiency cited. The plan should address the internal facility processes that lead to the deficiency being cited;
  - The procedures for implementing the PoC for the specific deficiency cited;
  - The monitoring procedure to ensure that the PoC is effective and that specific deficiency cited remains corrected and in compliance with the regulatory requirements;
  - The title of the person responsible for implementing the PoC.
3. PoCs must be specific and realistic, stating exactly how the correction to the deficiency occurred. The administrator, or other authorized official, must sign and date the PoC. Additional documentation attached to CMS Form 2567 is acceptable. All deficiencies corrected since the survey, must have the corrected date on the form.
4. Do not routinely accept dates for correction at 60 calendar days. If a corrected deficiency is possible well before 60 calendar days, then the correction date should reflect that.
5. Discuss the decision with the Field Manager. Determine possible revisits as needed.
6. If the PoC is acceptable (depending on a paper review and/or onsite revisit if needed), complete the CMS Form 2567B in ASPEN.
7. If the PoC is not acceptable, see Chapter 16C3: Unacceptable PoC for procedures.
8. Report the decision to the Administrative Assistant 3 (AA3) for documentation.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-079 The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid nursing homes.**

**Assistance Listing Number and Title:** 93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 – State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 – Medical Assistance Program

**Federal Grantor Name:** U.S Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5MAP;2205WA5ADM;2205WAIMPL;  
2305WA5MAP;2305WA5ADM;2305WAIMPL

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Test and Provisions – Provider Health and Safety Standards

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2020-054

### *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington’s largest public assistance program and usually accounts for about one-third of the state’s federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds and had 207 Medicaid certified nursing homes.



Residential Care Services (RCS), under the Department of Social and Health Services, Aging and Long-Term Support Administration, is the State's nursing home survey agency. A nursing home facility is an institution with the primary purpose of providing 24-hour supervised nursing care, personal care, therapy, nutrition management, organized activities, social services, room, board and laundry to people who receive care and services under Medicaid.

The Department must perform a federal certification or recertification survey of each nursing home. The certification survey is a resident-centered inspection that gathers information about the quality of service provided in a facility to determine compliance with the participation requirements. The survey focuses on the facility's administration and patient services. The survey also assesses compliance with federal health, safety, and quality standards designed to ensure patients receive safe and quality care services.

The State must complete a standard survey for each nursing home facility within 15.9 months after the previous survey, and the statewide average for all nursing homes must not exceed 12.9 months for all nursing homes, as required by Centers for Medicare and Medicaid Services (CMS). All staff surveyors are required to receive specific RCS training in order to be qualified to conduct surveys. If a survey uncovers deficiencies, the Department must mail a Statement of Deficiency (SOD) to the facility within 10 working days of the survey date. The facility must submit a Plan of Correction (POC) that the Department determines is acceptable within 10 calendar days of receipt of the SOD. The facility has a total of 60 days to be back in compliance or risk forfeiting its Medicaid certification.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits we reported the Department did not have adequate internal controls to ensure it conducted timely surveys and followed up on deficiencies. The prior finding number was 2020-054.

### ***Description of Condition***

The Department did not have adequate internal controls over and did not comply with survey requirements for Medicaid nursing home facilities.

The Department uses a tracking spreadsheet as an internal control to monitor and track the survey frequencies as well as the statewide average frequency to ensure it meets the mandated 15.9 month survey frequency, and the statewide average of 12.9 months between surveys for each facility.

We found the Department did not ensure that all recertification surveys were completed promptly. The Department did not adequately monitor the tracking sheet and complete surveys for 141 nursing homes in fiscal year 2023 within the required 15.9 months and did not meet the 12.9 month

statewide average. While assessing the Department's compliance with these requirements, we considered the time period where survey activities were suspended due to the COVID-19 pandemic and did not include that period of suspended activities in our calculation between survey dates. The statewide average is calculated on the federal fiscal year. For federal fiscal year 2023, the statewide average for nursing home surveys was 19.8 months.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The public health emergency created a backlog of recertification surveys that needed to be completed and the Department had a shortage of trained employees able to perform surveys which extended the survey timelines.

In addition, management did not monitor its survey schedules adequately to ensure compliance in meeting the survey timeline.

### ***Effect of Condition***

Without conducting recertification surveys timely, the State is at risk of paying facilities for services provided to Medicaid clients without assurance the facilities are complying with federal and state health standards and regulations. Clients residing in facilities that do not meet federal health and safety requirements for participating in the Medicaid program could be at increased risk of abuse, mistreatment, neglect or substandard care.

By not meeting the statewide average requirement for recertification surveys, the Department has not met federal Medicaid requirements and could be subject to sanctions by the grantor.

### ***Recommendations***

We recommend the Department:

- Establish adequate internal controls to ensure compliance with facility survey timeliness requirements
- Ensure it completes recertification surveys within 15.9 months and meets the 12.9 month state-wide average

## ***Department's Response***

*The Department partially agrees with the finding.*

*While we agree that we did not meet the Nursing Home Recertification Survey requirements, due to the backlog created by the public health emergency and a 20% staff vacancy rate, we do not agree that it was due to lack of internal controls. It was through applied internal controls that we identified the need to hire a contractor to assist with the recertification backlog to meet compliance requirements. Based on the FFY2022 and FFY2023 State Performance Standards System review completed by Centers for Medicare and Medicaid Services, we met the standard because the recertification backlog was accounted for in the standards and the expectation was for a reduction in the backlog, not a complete elimination of the backlog. For FFY2023 the expectation was to decrease the recertification backlog by 50% from the previous year. We decreased the backlog by 98% and as of March 2024 we are meeting our nursing home recertification timelines.*

*Because the 12.9 month average is based on the overall average of the months for all nursing home surveys, and those surveys were in a significant backlog due to the pandemic, statistically it would be expected that even when the state is meeting the 15.9 month timeframe for each nursing home and working toward lowering the number of months between surveys for some nursing homes to lower the average, it will take time for the bell curve average to shift toward 12.9 months.*

## ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR, Part 488 Subpart E, Survey and Certification of Long-Term Care Facilities, states in part:

Section 488.308 Survey frequency.

(a) **Basic period.** The survey agency must conduct a standard survey of each SNF and NF not later than 15 months after the last day of the previous standard survey.

(b) **Statewide average interval.**

(1) The statewide average interval between standard surveys must be 12 months or less, computed in accordance with paragraph (d) of this section.

(2) CMS takes corrective action in accordance with the nature of the State survey agency's failure to ensure that the 12-month statewide average interval requirement is met. CMS's corrective action is in accordance with § 488.320.

(d) **Computation of statewide average interval.** The statewide average interval is computed at the end of each Federal fiscal year by comparing the last day of the most recent standard survey for each participating facility to the last day of each facility's previous standard survey.

The Centers for Medicare and Medicaid Services, State Operations Manual, Chapter 2 – The Certification Process, states in part:

2138G – Schedule for Recertification

The SA completes a recertification survey an average of every 12 months and at least once every 15 months (see Section 2141)

2728 – Statement of Deficiencies and Plan of Correction, Form-2567

The SA mails the provider/supplier a copy of form CMS-2567 within 10 working days after the survey. If there are deficiencies, the SA allows the provider/supplier 10 calendar days to complete and return the PoC. Requirements pertaining to submittal of the PoC can be found in subsection B.

The Department of Social and Health Services, Residential Care Services Division *Standard Operating Procedure: Enforcement Chapter 7B3*, states in part:

#### Background

The Department will review the ePOC within 5 working days of receipt and will verify that it is acceptable. The NH may specify in the ePOC that they are not in agreement with the findings within the SOD report but this does not alter the NH's responsibility to submit an acceptable ePOC.

Off-site POC Review

The Surveyor will:

1. Review the ePOC within five (5) working days of receipt and confirm that

the POC for each deficiency includes:

- a. How the NH will correct the deficiency for each numbered resident;
- b. How the NH will protect residents from similar situations;
- c. Measures the NH will take or the systems it will change to ensure that the problem does not recur;
- d. How the NH plans to monitor its ongoing performance to sustain compliance;
- e. Dates corrective action will be completed; and
- f. Title of person responsible for correction

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-080 The Department of Social and Health Services' Aging and Long-Term Support Administration did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.**

**Assistance Listing Number and Title:** 93.775 State Medicaid Fraud Control Units  
93.777 State Survey and Certification of Health Care Providers and Suppliers  
93.777 COVID-19 – State Survey and Certification of Health Care Providers and Suppliers  
93.778 Medical Assistance Program  
93.778 COVID-19 – Medical Assistance Program

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 2205WA5MAP;2205WA5ADM;2205WAIMPL;2305WA5MAP;2305WA5ADM;2305WAIMPL

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Special Test and Provisions – Provider Health and Safety Standards

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-057

## *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the State's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds.

The Centers for Medicare and Medicaid Services (CMS), which administers the program at the federal level, allows states to provide long-term care services to Medicaid clients that require daily nursing services. Medicaid coverage for nursing homes and intermediate care facilities for intellectually disabled clients is only authorized when services are provided in a residential facility licensed and certified by the state survey agency. The state survey agency is also responsible for investigating complaints and allegations of abuse, neglect, or misappropriation.

Residential Care Services, under the Department of Social and Health Services' Aging and Long-Term Support Administration, is the state's long-term care facility survey agency. Residential Care Services manages the Complaint Resolution Unit (Unit), which is the frontline response system for providing the intake and assignment functions for complaints from staff, residents, families, and the public.

The Unit receives two types of complaints, also known as reports: 1) complaints from Department staff, the public, government agencies, or law enforcement and 2) reports from facilities. People can submit complaints to the Unit by phone, mail, email, fax or online. The Unit responds to complaints received on holidays and after hours on the next business day. The Department uses the Secure Tracking and Reporting System (STARS) case management system to input, prioritize and track complaints.

Unit intake staff perform an initial review of complaints before entering them into STARS. Clinical triage nurses determine the final priority assignment of all nursing home and intermediate care facility complaints. According to state law (RCW 74.34.063), a complaint of suspected abandonment, abuse, financial exploitation, neglect, or self-neglect of a vulnerable adult must be responded to no later than 24 hours after knowledge of the report.

The following table lists the five different priority levels for new complaints and the respective response times. During the COVID-19 pandemic, CMS guidance allowed states to work only on complaints with Immediate Jeopardy and Nonimmediate Jeopardy-High Priority levels. This guidance ended on June 30, 2021, after which all complaints required investigation.

Priority Levels	Required response times
Immediate Jeopardy	Initiate investigation within 2 working days of receipt
Nonimmediate Jeopardy-High	Initiate investigation within 10 working days of prioritization
Nonimmediate Jeopardy-Medium	Initiate investigation within 20 working days of prioritization
Nonimmediate Jeopardy-Low	Initiate investigation within 45 working days of prioritization
Quality Review	Field Manager Review

The CMS *State Operations Manual* requires each complaint to be triaged by someone who is professionally qualified to evaluate the nature of the problem based on their experience and knowledge of current clinical standards of practice and federal requirements. Unit intake staff review, research, and prioritize complaints to ensure the level of response corresponds to the severity of the allegation. If necessary, the Unit assigns complaints to the Department’s field unit offices within two working days of knowledge of the complaint. Field staff investigate the complaints and follow up on them within the specified time frame as determined by the severity of the concerns noted.

In fiscal year 2023, the Department received 48,841 complaints. Of these, 15,599 were related to nursing homes and 713 were related to intermediate care facilities for intellectually disabled people. The following table shows the number of Immediate Jeopardy and Nonimmediate Jeopardy complaints for both provider types:

<b>Provider Type</b>	<b>Immediate Jeopardy Complaints Received</b>	<b>Nonimmediate Jeopardy Complaints Received</b>
Nursing Home	202	7,074
Intermediate Care Facility for the Intellectually Disabled	5	216
Combined Total	207	7,290



Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits we reported the Department did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities. The prior finding numbers were 2022-057 and 2021-054.

***Description of Condition***

The Department did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.

We evaluated all 48,841 complaints that occurred during fiscal year 2023 to ensure the Department performed an initial assessment and review of the complaints for imminent danger within the required timelines. We found the Department did not review three complaints within the required 24 hour time period, one of which involved an allegation of resident/patient/client abuse that was reviewed eight days late. The other two complaints were one day and 19 days late.

We also evaluated all Immediate Jeopardy and Nonimmediate Jeopardy complaints, included in the table above, that occurred during fiscal year 2023 to ensure they met the required timelines for initiating an investigation. We found the Department did not initiate investigations timely for two of the Immediate Jeopardy complaints (0.96 percent) and 793 of the Nonimmediate Jeopardy complaints (10.8 percent). The table below shows the results of the testing:

<b>Priority Levels</b>	<b>Total complaints</b>	<b>Investigation initiated late</b>
Immediate Jeopardy (2 days)	207	2
Nonimmediate Jeopardy-High (10 days)	2699	277
Nonimmediate Jeopardy-Medium (20 days)	4482	508
Nonimmediate Jeopardy-Low (45 days)	109	8
<b>Total</b>	<b>7497</b>	<b>795</b>

For the Immediate Jeopardy complaints, the Department initiated an investigation four days after receipt of one of the complaints and 15 days after receipt of the other. For the Nonimmediate Jeopardy complaints, the Department initiated investigations between 11 to 126 days after receipt.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Department had limited staffing resources and received a large increase of COVID-19 related complaints. As a result, staff were unable to follow up on all complaints by the required response times. In addition, management did not effectively allocate resources to ensure all complaints were followed up on timely.

### ***Effect of Condition***

When the Department does not prioritize and investigate complaints timely, vulnerable residents at nursing homes and intermediate care facilities are at a higher risk of abuse, neglect, and financial exploitation. In addition, when the Department does not promptly follow up on a complaint, the state also runs the risk of paying Medicaid funding to a noncompliant facility.

Because this finding reports non-compliance with state law, the Office of Financial Management is required by RCW 43.09.312 (1) to submit the agency's response and plan for remediation to the Governor, the Joint Legislative Audit and Review Committee, and the relevant fiscal and policy committees of the Senate and House of Representatives.

### ***Recommendation***

We recommend the Department strengthen its internal controls to ensure it responds to and investigates complaints timely, as federal and state regulations require.

### ***Department's Response***

*The Department partially agrees with the Finding.*

*While we agree that we did not meet the Immediate Jeopardy and Non-Immediate Jeopardy complaint timelines, due to the backlog created by the public health emergency and a 20% staff vacancy rate, we do not agree that it was due to lack of internal controls.*

*Due to the vacancy rate, we had 30 new staff who were not certified to complete investigations independently and only three available trainers that spent the majority of 2022 and early 2023 addressing training needs. Once staff completed the training and applied to get certified, testing sites were limited, resulting in our staff having difficulty finding available testing slots. In late*

2022, this process transitioned from in-person to virtual, which provided greater opportunity for timelier certification. Effective March 31, 2023, the training backlog was caught up and staff now have the required certification.

As of February 2024, there were no Immediate Jeopardy (2 days) complaints overdue and for Non-Immediate Jeopardy there were two high priority (10 day), five medium priority (20 day), and one low priority (45 day) complaint past due. The Department has implemented a practice of reviewing the status of intakes at the regional level monthly to ensure timelines continue to remain compliant for Immediate Jeopardy complaints and the expectation is to be in compliance with Non-Immediate Jeopardy complaints by June 2024.

### ***Auditor's Remarks***

We thank the Department for its cooperation and assistance throughout the audit. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR Part 488 Subpart E, *Survey and Certification of Long-Term Care Facilities*, section 335, Action on complaints of resident neglect and abuse, and misappropriation of resident property, states in part:

(a) ***Investigation.***

- (1) The State must review all allegations of resident neglect and abuse, and misappropriation of resident property and follow procedures specified in § 488.332.
- (2) If there is reason to believe, either through oral or written evidence that an individual used by a facility to provide services to residents could have abused or neglected a resident or misappropriated a resident's property, the State must investigate the allegation.

(3) The State must have written procedures for the timely review and investigation of allegations of resident abuse and neglect, and misappropriation of resident property.

(b) **Source of complaints.** The State must review all allegations regardless of the source.

The Centers for Medicare and Medicaid Services, *State Operations Manual* Chapter 5 – Complaint Procedures, states in part:

#### Section 5010 –General Intake Process

A complaint is an allegation of noncompliance with Federal and/or State requirements. If the SA determines that the allegation(s) falls within the authority of the SA, the SA determines the severity and urgency of the allegations, so that appropriate and timely action can be pursued. Each SA is expected to have written policies and procedures to ensure that the appropriate response is taken for all allegations and is consistent with Federal requirements as well as with procedures in the State Operations Manual. This structure needs to include response timelines and a process to document actions taken by the SA in response to allegations. If a State’s time frames for the investigation of a complaint/incident are more stringent than the Federal time frames, the intake is prioritized using the State’s timeframes. The SA is expected to be able to share the logic and rationale that was utilized in prioritizing the complaint/incident for investigation. The SA response must be designed to protect the health and safety of all residents, patients, and clients.

#### Section 5070 – Priority Assignment for Nursing Homes, Deemed and Non-Deemed Non-Long Term Care Providers/Suppliers, and EMTALA

An assessment of each complaint or incident intake must be made by an individual who is professionally qualified to evaluate the nature of the problem based upon his/her knowledge of Federal requirements and his/her knowledge of current clinical standards of practice.

For non-long term care providers/suppliers, in situations where a determination is made that immediate jeopardy may be present and ongoing, the SA is required to start the onsite investigation within two business days of receipt of the complaint or incident report, or, in the case of a deemed provider or supplier, within two business days of RO authorization for investigation.

#### Section 5075.2 – Non-Immediate Jeopardy - High Priority for Nursing Homes and Deemed and Non-Deemed Non-Long Term Care Providers/Suppliers, and EMTALA

Intakes are assigned a “high” priority if the alleged noncompliance with one or more requirements may have caused harm that negatively impacts the individual’s mental, physical and/or psychosocial status and are of such consequence to the person’s wellbeing that a rapid response by the SA is indicated. Usually, specific rather than general

information (such as: descriptive identifiers, individual names, date/time/location of occurrence, description of harm, etc.) factors into the assignment of this level of priority.

#### Section 5075.3 – Non-Immediate Jeopardy - Medium Priority for Nursing Homes and Deemed and Non-Deemed Non-Long Term Care Providers/Suppliers

Complaints are assigned a “medium” priority if the alleged noncompliance with one or more requirements caused no actual physical and/or psychosocial harm but there is the potential for more than minimal harm to the resident(s) (Severity Level 2). Facility reported incidents are assigned a “medium” priority if the alleged noncompliance with one or more requirements caused no actual physical and/or psychosocial harm but there is the potential for more than minimal harm to the resident(s) (Severity Level 2) and the facility has not provided an adequate response to the allegation or it is not known whether the facility provided an adequate response. For complaints and facility-reported incidents that are assigned a “medium” priority, the SA must initiate an onsite survey within 45 calendar days of receipt of the initial report.

#### Section 5075.4 – Non-Immediate Jeopardy – Low Priority for Nursing Homes and Deemed and Non-Deemed Non-Long Term Care Providers/Suppliers

Nursing Homes Intakes are assigned a “low” priority if the alleged noncompliance with one or more requirements may have caused no actual harm with a potential for minimal harm (Severity Level 1). The investigation is to be initiated in accordance with section 5075.9.

### **Revised Code of Washington (RCW) 74.34 Abuse of Vulnerable Adults states in part:**

#### **Section 063 Response to reports—Timing—Reports to law enforcement agencies—Notification to licensing authority**

(1) The department shall initiate a response to a report, no later than twenty-four hours after knowledge of the report, of suspected abandonment, abuse, financial exploitation, neglect, or self-neglect of a vulnerable adult.

(2) When the initial report or investigation by the department indicates that the alleged abandonment, abuse, financial exploitation, or neglect may be criminal, the department shall make an immediate report to the appropriate law enforcement agency. The department and law enforcement will coordinate in investigating reports made under this chapter. The department may provide protective services and other remedies as specified in this chapter.

(3) The law enforcement agency or the department shall report the incident in writing to the proper county prosecutor or city attorney for appropriate action whenever the investigation reveals that a crime may have been committed.

(4) The department and law enforcement may share information contained in reports and findings of abandonment, abuse, financial exploitation, and neglect of vulnerable adults, consistent with RCW 74.04.060, chapter 42.56 RCW, and other applicable confidentiality laws.

(5) Unless prohibited by federal law, the department of social and health services may share with the department of children, youth, and families information contained in reports and findings of abandonment, abuse, financial exploitation, and neglect of vulnerable adults.

(6) The department shall notify the proper licensing authority concerning any report received under this chapter that alleges that a person who is professionally licensed, certified, or registered under Title 18 RCW has abandoned, abused, financially exploited, or neglected a vulnerable adult.

The Department of Social and Health Services, Residential Care Services Division *Standard Operation Procedure: Complaint Resolution Unit* Chapter 4A20, states in part:

#### Procedure

A. CRU staff will prioritize complaint intakes using the following guidelines:

1. **2 working days (Immediate Jeopardy)** - A situation in which the provider's noncompliance with one or more requirements of participation has caused, or is likely to cause, serious injury, harm, impairment, or death to a resident. Immediate corrective action is necessary.
2. **10 working days (Non-Immediate Jeopardy-High)** - The alleged noncompliance may have caused harm that negatively impacts the individual's mental, physical and/or psychosocial status and are of such consequence to the person's well-being, the SA conducts a rapid response. Usually, specific rather than general information (such as, descriptive identifiers, individual names, date/time/location of occurrence, description of harm, etc.) factors into the assignment of this level of priority. Complaint and incident investigations must be initiated within 10 working days of linking the intake to the RCS Field Unit
3. **20 working days (Non-Immediate Jeopardy-Medium)** - The alleged noncompliance caused or may cause harm that is of limited consequence and does not significantly impair the individual's mental, physical and/or psychosocial

status or function. Complaint and incident investigations must be initiated within 20 working days of linking the intake to the RCS Field Unit.

4. **45 working days (Non-Immediate Jeopardy-Low)** - The alleged noncompliance may have caused physical, mental and/or psychosocial discomfort that does not constitute injury or damage. In most cases, an investigation of the allegation can wait until the next onsite survey. Complaint and incident investigations must be initiated within 45 working days of linking the intake to the RCS Field Unit.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-081 The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.**

<b>Assistance Listing Number and Title:</b>	93.775 State Medicaid Fraud Control Units 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program 93.778 COVID-19 Medical Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2205WA5MAP; 2205WA5ADM; 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions: Inpatient Hospital and Long-Term Care Facility Audits
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-060



## ***Background***

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about

one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds, including more than \$475 million to hospitals for inpatient services.

The Health Care Authority, the state Medicaid agency, pays for inpatient services to hospitals by using rates that are economic, efficient, and in accordance with the state plan. Federal law requires the Authority to periodically audit the financial and statistical records of participating providers, as established in the state plan.

The Medicaid State Plan, Attachment 4.19, lists the financial audit requirements for establishing payment rates for inpatient hospital services. Prior to October 1, 2021, the plan stated that cost report data used for rate setting, hospital billings, and other financial and statistical records will be periodically audited. Beginning October 1, 2021, the plan was amended and now states that cost report data used for rate setting may be periodically audited, and hospital billings and other financial and statistical records will be periodically audited. Washington Administrative Code also states that the agency will periodically audit cost report data used for rate setting, hospital billings, and other financial and statistical records.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services. The prior finding numbers were 2022-060, 2021-051 and 2020-049.

## ***Description of Condition***

The Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.

During the audit period, the Authority reconciled amounts paid to hospitals for inpatient services based on the amounts that facilities reported. However, it did not periodically audit cost report data used for rate setting, hospital billings, or other financial and statistical records, which federal law, state regulations and the state plan require.

Additionally, the Authority does not have documented methodology, policies or procedures that describe when and how the audits will be performed.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Authority did not establish policies and procedures to ensure it periodically audited cost report data, hospital billings, and other financial and statistical records for inpatient hospital services.

### ***Effect of Condition***

By not ensuring that it periodically audits cost report data, hospital billings, and other financial and statistical records, the Authority increases its risk of improperly paying for inpatient hospital services.

### ***Recommendation***

We recommend the Authority establish and implement adequate internal controls to ensure it meets federal inpatient hospital audit requirements.

### ***Authority's Response***

*The Authority does not concur with the finding.*

*CFR requires the Authority provide for the uniform filing of cost reports. The Authority meets this requirement and provided the auditor with its tracking report showing the cost reports were obtained by the Authority from all inpatient hospitals during the audit period.*

*Separately, CFR requires the Authority to periodically audit financial and statistical records. The Authority sought guidance from CMS regarding the definition of "other financial and statistical records" and CMS responded it "does not have any established guidance and would defer to the states on how they review." Yet the auditor takes exception to the federal agency's guidance by stating a review is not an audit. Additionally, the auditor discounts the Authority's engagement of an external public accounting firm to audit other financial and statistical records as required by 42 CFR Part 455 Subpart D, and its robust audit process that regularly audits hospital billings and statistical records through its program integrity function.*

*Documented methodology, policies, and procedures that describe when and how the Authority's program integrity audits will be performed already exist and have been previously provided to the auditor. These include clinical reviews to ensure the accuracy of hospital billings which directly affect a hospital's financial and statistical records related to the Medicaid program. A hospital's*

*submitted claim and MMIS data are records of financial transactions. Verifying the accuracy of the transaction is auditing but the auditor disregards this process, indicating it does not satisfy the requirements of an audit. The Authority asked the auditor for specific CFR or other references supporting what is acceptable or unacceptable for the audits, but it did not receive a response.*

*CFR also requires the Authority to pay for services using rates determined in accordance with methods and standards specified in its approved State plan. Washington's approved State plan outlines the Uniform Cost Reporting Requirements it uses to set rates.*

*For those programs that are paid cost-based rates and required to be reconciled to cost, the Authority performs detailed reconciliations under both an interim and final cost settlement process, as outlined in the State plan. The critical access hospital cost settlement process uses information from the CMS hospital cost reports which are subject to desk reviews and audits by CMS and their Medicare Administrative Contractors. The Certified Public Expenditure cost settlement process includes a review of Medicaid cost reports submitted by hospitals for accuracy and completeness. It also incorporates a clinical review process to ensure hospital billings were appropriate for the level of service provided.*

*The State plan also describes Washington's Financial Audit Requirements and states that cost report data used for rate setting may be periodically audited. The auditor was provided with the Authority's procedure that describes when it will audit cost report data. The State plan also states that hospital billings and other financial and statistical records will be periodically audited by the agency. As previously discussed, the Authority conducts these audits through its program integrity function as well as through its engagement of a public accounting firm.*

*Finally, Washington Administrative Code (WAC) states Medicaid cost report schedules and supporting documentation are subject to audit and that the agency will periodically audit cost report data, hospital billings and other financial and statistical records. As discussed previously, the Authority has audit processes, procedures, and policies in place to ensure the integrity of the data it uses to establish payment rates for inpatient hospital services.*

*HCA's scope of authority for hospital financial and statistical records does not extend beyond the Medicaid program and does not extend to other hospital financial and statistical records unrelated to the Apple Health program. Authority extending beyond the Apple Health program is in the purview of the State Auditor's Office for public hospital districts, the Washington State Department of Health for licensing purposes, the Office of the Inspector General, the Centers for Medicare and Medicaid Services, and Medicare Administrative Contractors.*

*This audit prompted the Authority to again review all regulations relating to the periodic audits of cost report data used for rate setting, hospital billings, and other financial and statistical records. In the Authority's review, it determined that not all rules and regulations align. The discrepancies must be rectified to prevent further misinterpretation. The Authority has initiated*

*the processes necessary to ensure the rules and regulations are parallel and comply with federal regulation.*

*The Authority does have adequate internal controls over and complies with requirements to ensure it meets federal inpatient hospital requirements. CMS has provided the Authority with broad leeway to define the audits of “hospital financial and statistical records” for the integrity of the Medicaid program. The Authority’s range of external audits and internal program integrity audits meet the requirements of CFR, the State plan, and WAC.*

### ***Auditor’s Remarks***

The Authority does track and obtain cost reports and we did not take exception to that. However, it does not audit the cost reports as required. The agency has not requested any source documentation from hospitals to use when reviewing the cost reports during at least the past three years.

We reviewed the Authority’s program integrity function and the separate engagement audit performed by the external public accounting firm. In our judgment, these processes do not meet the specified requirements. The Authority does not have policies or procedures outlining how or when periodic audits will be performed and these processes do not periodically audit cost report data, hospital billings or other financial and statistical records for inpatient hospital services to adequately meet these requirements.

The Authority refers to program integrity “audits”; however, these are queries of very specific transactions with narrow clinical focus, do not include all facilities, are not performed on any kind of schedule and are not associated with cost reports.

The engagement audit performed by the external public accounting firm is a separate audit required by CMS on the disproportionate share hospitals. This audit does not examine cost report data and does not include a majority of inpatient facilities that receive Medicaid funding.

The Authority states they perform detailed reconciliations for programs that are paid cost based rates. Effective reconciliations compare two sets of records to ensure accuracy by tracing totals back to source documents. Authority employees only compare amounts reported by hospitals to other amounts reported by hospitals. No source documents are requested or reviewed.

The Authority states, “*The Authority does have adequate internal controls over and complies with requirements to ensure it meets federal inpatient hospital requirements. ....*” *The Authority’s range of external audits and internal program integrity audits meet the requirements of CFR, the State plan, and WAC.*” This statement is inaccurate. Federal regulations require the Authority to have internal controls in place to meet Medicaid requirements and CMS provides states with flexibility to define how they meet this audit requirement. In the prior two audits, we have reported

a material weakness in internal controls over this requirement - both findings were affirmed by CMS. CMS has also specified that audits it conducts do not fulfill this state audit requirement.

When we requested the internal controls the Authority has implemented to meet this compliance requirement, we were provided with a brief summary of processes used by HCA staff, but not the internal controls. We met with Authority staff to review all of the processes they specified they had in place to meet this compliance requirement. In our judgment, the processes were inadequate to comply with this compliance requirement. The Authority confirmed that it had not implemented any new internal controls during this audit period to address the weaknesses identified in the prior two audits. The Authority has not outlined in the state plan or in policies and procedures or documented methodology, how it meets this specific audit requirement either.

We reaffirm our finding and will review the status of the Authority's corrective actions in the next audit.

### *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR Part 447, Payments for Services, section 447.253, Other requirements, states in part:

- (a) State assurances. In order to receive CMS approval of a State plan change in payment methods and standards, the Medicaid agency must make assurances satisfactory to CMS that the requirements set forth in paragraphs (b) through (i) of this section are being met, must submit the related information required by § 447.255 of this subpart, and must comply with all other requirements of this subpart.
- (f) Uniform cost reporting. The Medicaid agency must provide for the filling of uniform cost reports by each participating provider.
- (g) Audit requirements. The Medicaid agency must provide for periodic audits of the financial and statistical records of participating providers.

- (i) Rates paid. The Medicaid agency must pay for inpatient hospital and long-term care services using rates determined in accordance with methods and standards specified in an approved State plan.

Medicaid State Plan, Attachment 4.19-A Part I Methods and Standards for Establishing Payment Rates for Inpatient Hospital Services, page 60 states in part:

### 3. Financial Audit Requirements

Cost report data used for rate setting may be periodically audited.

Hospital billings and other financial and statistical records will be periodically audited by the agency.

Washington Administrative Code (WAC) 182-550 – Hospital services specifies requirements for the Authority regarding hospitals providing Medicaid services.

WAC 182-550-5410 – CPE Medicaid cost report and settlements, states in part:

- (4) The Medicaid cost report schedules and supporting documentation are subject to audit by the agency or its designee to verify that claimed costs qualify under federal and state rules governing the CPE payment program. The documentation required includes, but is not limited to:
  - (a) The revenue codes assigned to specific cost centers on the Medicaid cost report schedules.
  - (b) The inpatient charges by revenue codes for uninsured patients and Medicaid clients enrolled in an MCO plan.
  - (c) The outpatient charges by revenue codes for uninsured patients and Medicaid clients enrolled in an MCO plan.
  - (d) All payments received for the inpatient and outpatient charges in (b) and (c) of this subsection including, but not limited to, payments for third party liability, uninsured patients, and Medicaid clients enrolled in an MCO plan.

WAC 182-550-5700 Hospital reports and audits, states in part:

- (4) The agency will periodically audit:
  - (a) Cost report data used for rate setting;
  - (b) Hospital billings; and
  - (c) Other financial and statistical records.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-082 The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.**

<b>Assistance Listing Number and Title:</b>	93.775 State Medicaid Fraud Control Units 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.777 COVID-19 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program 93.778 COVID-19 Medical Assistance Program
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	2205WA5MAP; 2205WA5ADM; 2205WAIMPL; 2305WA5MAP; 2305WA5ADM; 2305WAIMPL
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Special Tests and Provisions: Utilization Control
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-061

## *Background*

Medicaid is a jointly funded state and federal partnership providing coverage for about 2.4 million eligible low-income Washington residents who otherwise might go without medical care. Medicaid is Washington's largest public assistance program and usually accounts for about one-third of the state's federal expenditures. During fiscal year 2023, the program spent about \$19.6 billion in federal and state funds.

Under federal regulations, Medicaid state plans must include methods and procedures to safeguard against unnecessary utilization of care and services. The regulations require states to implement a statewide surveillance and utilization control program that:

- Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments;
- Assesses the quality of those services;
- Provides for the control of the utilization of all services provided under the plan; and
- Provides for the control of the utilization of inpatient services.

Multiple state agencies in Washington manage aspects of the Medicaid program. The agencies include the Health Care Authority, Department of Social and Health Services, Department of Health, Office of the Attorney General, and Department of Children, Youth, and Families. The Centers for Medicare and Medicaid Services (CMS) considers the Authority to be Washington's official Medicaid agency. Federal regulations require the Medicaid agency to:

- (1) Monitor the statewide utilization control program;
- (2) Take all necessary corrective action to ensure the effectiveness of the program;
- (3) Establish methods and procedures to implement this section;
- (4) Keep copies of these methods and procedures on file; and
- (5) Give copies of these methods and procedures to all staff involved in carrying out the utilization control program.

Federal regulations also require the Medicaid agency to have procedures for the ongoing evaluation, on a sample basis, of the need for, quality and timeliness of Medicaid services. These reviews must occur on a post-payment basis so that the state can review beneficiary utilization and provider service profiles, as well as identify exceptions so that the Authority can correct misutilization practices of beneficiaries and providers.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.



In prior audits, we reported the Authority did not have adequate control over and did not comply with utilization requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program. The prior finding numbers were 2022-061, 2021-050, 2020-047, 2020-048, 2019-052, 2019-053, and 2018-047.

### ***Description of Condition***

The Authority did not have adequate internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.

Washington's Medicaid state plan does not include all methods and procedures to safeguard against unnecessary utilization of care and services. The Authority also did not implement and monitor a statewide surveillance and utilization control program.

We found that the Authority performs various types of program integrity and control utilization reviews, but in our judgment, these efforts did not meet requirements of evaluating the appropriateness and quality of Medicaid services on a post-payment basis.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Authority has a Program Integrity unit that is responsible for safeguarding against unnecessary utilization of care and services for the Medicaid program. However, the Program Integrity unit does not have policies and procedures to adequately ensure the Authority has met all the compliance requirements for which it is responsible. These requirements include implementing and monitoring the statewide utilization control program, which includes overseeing and monitoring the activities of other state agencies. Additionally, the Program Integrity unit's scope of reviews does not include post-payment review, on a sample basis, of the need for, quality and timeliness of Medicaid services.

### ***Effect of Condition***

By not establishing methods and procedures to safeguard against unnecessary utilization of care and services, there is an increased risk of unnecessary or inappropriate use of Medicaid services and payments.

Furthermore, the Authority did not meet federal program integrity requirements, and it could be subject to federal sanctions because it has not established a statewide surveillance and utilization program and does not describe its safeguarding methods and procedures in the Medicaid state plan.

## **Recommendations**

We recommend the Authority:

- Update the Medicaid state plan to include all the methods and procedures it uses to safeguard against unnecessary utilization of care and services
- Implement and monitor a statewide surveillance and utilization control program
- Implement adequate internal controls to ensure it complies with utilization control requirements

## **Authority's Response**

*The Authority partially concurs with the finding.*

***Update the Medicaid state plan to include all the methods and procedures it uses to safeguard against unnecessary utilization of care and services.***

*The Authority does not concur. The auditor believes the State Plan should specifically list each method and procedure it employs to safeguard against unnecessary utilization of care and services. 42 CFR 456.1(b) cross references 1902(a)(30) of the Social Security Act. Under the Act, the language indicates methods and procedures are needed “under” the State Plan, not “in” the plan. 42 CFR 456.2 states the required components in the State Plan. Washington’s approved State Plan includes these components.*

*Because the auditor does not believe Washington’s plan meets federal requirements, the Authority reached out to CMS regarding the auditor’s interpretation of 42 CFR 456.1(b)(1). CMS responded that the state did not need to list its individual methods but rather ensure the provided template was complete and accurate. The auditor disagreed with CMS and stated, “Although CMS guidance HCA received stated that this [specifying methods and procedures] was not required, the guidance contradicts federal regulation 42 CFR 456.1(b)(1), which requires these methods and procedures to be included in the State Plan.” The Authority disagrees with the auditor’s interpretation.*

*During CMS’ review of the Authority’s plan, it found the state had not completed the template in its entirety and the Authority submitted a state plan amendment in the spring of 2023, correcting the omissions. The amendment was approved by CMS and went into effect July 1, 2023. The approved plan was provided to the auditor at the beginning of the audit.*

***Implement and monitor a statewide surveillance and utilization control program***

*The Authority partially concurs. HCA has a statewide surveillance and utilization control program in place and policies and procedures are available. The Authority recently updated its Fraud and Detection system (FADS) and is in the process of updating its policies and procedures related to FADS operation and its statewide surveillance and utilization control program.*

***Implement adequate internal controls to ensure it complies with utilization control requirements***

*The Authority partially concurs. The authority complies with all requirements outlined in the regulation. The FADS system triggers alerts on all paid Medicaid claims and the system prioritizes the alerts. The Authority uses judgmental sampling on the population of alerts and reviews providers who have higher aberrancies in relation to their peers and overall services provided. Because the FADS system is in its early implementation phase, the Authority is still in the process of establishing its written criteria.*

***Auditor's Remarks***

*Update the Medicaid state plan to include all the methods and procedures it uses to safeguard against unnecessary utilization of care and services*

42 CFR 456.1(b)(1) states that "Section 1902(a)(30) requires that the State plan provide methods and procedures to safeguard against unnecessary utilization of care and services." While we recognize that 1902(a)(30) of the Social Security Act states that a State plan for medical assistance must "provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan", the direction of the federal regulation does not change that the State plan must provide these methods and procedures, which it did not provide during the audit period.

Since the primary user of the Single Audit report and resulting findings are the federal granting agencies, management decisions are a critical part of the audit resolution process. We have requested the CMS management decision for the prior three audit findings for this compliance requirement from the Authority and Office of Financial Management, but have not received copies. We are not aware if formal decisions have been issued. If decisions have not been received by the state, we encourage the Authority to contact CMS and request them. We will use these formal decisions in planning future audits. The Authority's updates to the State Plan that became effective July 1, 2023 do not apply to the period under audit.

***Implement and monitor a statewide surveillance and utilization control program***

While we acknowledge that the Authority does have some policies and procedures, but it did not meet all compliance requirements to ensure the agency properly safeguarded against unnecessary

utilization of care and services for the Medicaid program, including oversight and monitoring of other state agencies.

*Implement adequate internal controls to ensure it complies with utilization control requirements*

As stated in the finding, the Authority did not perform provider reviews on a sample basis, as required.

We reaffirm our finding and will review the status of the Authority's corrective actions in the next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 42 CFR Subchapter C *Medical Assistance Programs* Part 456, Utilization Control, Subpart A, General Provisions states in part:

Section 456.1 Basis and purpose of part.

- (a) This part prescribes requirements concerning control of the utilization of Medicaid services including –
  - (1) A statewide program of control of the utilization of all Medicaid services; ...
- (b) The requirements in this part are based on the following sections of the Act. Table 1 shows the relationship between these sections of the Act and the requirements in this part.
  - (1) Methods and procedures to safeguard against unnecessary utilization of care and services. Section 1902(a)(30) requires that the State plan provide methods and procedures to safeguard against unnecessary utilization of care and services. ...

Section 456.2 State plan requirements.

- (a) A State plan must provide that the requirements of this part are met.
- (b) These requirements may be met by the agency by:
  - (1) Assuming direct responsibility for assuring that the requirements of this part are met; or
  - (2) Deeming of medical and utilization review requirements if the agency contracts with a QIO to perform that review, which in the case of inpatient acute care review will also serve as the initial determination for QIO medical necessity and appropriateness review for patients who are dually entitled to benefits under Medicare and Medicaid. ...

Section 456.3 Statewide surveillance and utilization control program.

The Medicaid agency must implement a statewide surveillance and utilization control program that –

- (a) Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments;
- (b) Assesses the quality of those services;
- (c) Provides for the control of the utilization of all services provided under the plan in accordance with subpart B of this part; and
- (d) Provides for the control of the utilization of inpatient services in accordance with subparts C through I of this part.

Section 456.4 Responsibility for monitoring the utilization control program.

- (a) The agency must –
  - (1) Monitor the statewide utilization control program;
  - (2) Take all necessary corrective action to ensure the effectiveness of the program;
  - (3) Establish methods and procedures to implement this section;
  - (4) Keep copies of these methods and procedures on file; and
  - (5) Give copies of these methods and procedures to all staff involved in carrying out the utilization control program.

Section 456.5 Evaluation criteria.

The agency must establish and use written criteria for evaluating the appropriateness and quality of Medicaid services. This section does not apply to services in hospitals and mental hospitals. For these facilities, see the following sections: §§ 456.122 and 456.132 of subpart C; and § 456.232 of subpart D.

Title 42 CFR Subchapter C *Medical Assistance Programs* Part 456, Utilization Control, Subpart B, Utilization Control: All Medicaid Services states in part:

Section 456.21 Scope.

This subpart prescribes utilization control requirements applicable to all services provided under a State plan.

Section 456.22 Sample basis evaluation of services.

To promote the most effective and appropriate use of available services and facilities the Medicaid agency must have procedures for the on-going evaluation, on a sample basis, of the need for and the quality and timeliness of Medicaid services.

Section 456.23 Post-payment review process.

The agency must have a post-payment review process that –

(a) Allows State personnel to develop and review –

- (1) Beneficiary utilization profiles;
- (2) Provider service profiles; and
- (3) Exceptions criteria; and

(b) Identifies exceptions so that the agency can correct misutilization practices of beneficiaries and providers.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-083 The Department of Social and Health Services did not have adequate internal controls to ensure individuals are eligible to receive benefits for the Money Follows the Person program.**

<b>Assistance Listing Number and Title:</b>	93.791 Money Follows the Person Rebalancing Demonstration Program
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	1LICMS300141-01-23
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Eligibility
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	No

### ***Background***

The Money Follows the Person (MFP) Rebalancing Demonstration program supports state strategies to rebalance their long-term services and supports systems from institutional to community-based care. The Roads to Community Living demonstration project is Washington's application of MFP. Originally funded in 2007, the program is currently projected to continue through 2027. The program is jointly administered by the Department's Aging and Long-Term Support Administration (AL TSA) and Developmental Disabilities Administration (DDA) both serving MFP beneficiaries. Additionally, in 2013, Washington was one of five states awarded funding to participate in an MFP Tribal Initiative to work with qualified Tribes and/or Tribal Organizations to develop culturally responsive home and community-based services and to implement strategies to reduce the use of institutional care for Tribal members.

The Department must ensure that benefits are paid to, or on behalf of, individuals eligible for the program and ensure benefits are discontinued when the period of eligibility expires. Eligible individuals include those receiving Medicaid inpatient services who are interested in moving from a state institutional setting, such as a hospital, nursing home, or intermediate care facility to a

qualified community setting, including an adult family home, assisted living facility, or enhanced adult residential care facility. The Department uses a combination of monthly reports, annual assessments, and internal communication forms to ensure only eligible individuals receive paid benefits on the program. Specifically, the Department's *AL TSA Long-Term Care Manual*, Chapter 29; Roads to Community Living, specifies that Department staff are required to complete a Financial and Social Services Communication form 14-443, or form 15-345 if the individual is enrolled in a DDA program, to communicate the individual's eligibility status for various program services. The Department utilizes these forms to document the commencement and discontinuation of an individual's benefits.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

### ***Description of Condition***

The Department did not have adequate internal controls to ensure individuals are eligible to receive benefits for the MFP program.

We used a statistical sampling method to randomly select and review 58 out of 2,249 individuals determined eligible to receive program benefits during the audit period. We identified four instances (7 percent) where the Department did not complete a form 14-443 or 15-345 to inform appropriate personnel of the individual's eligibility status, and terminate the individual's enrollment, if required.

We consider this internal control deficiency to be a significant deficiency.

This issue was not reported as a finding in the prior audit.

### ***Cause of Condition***

Management did not effectively monitor case managers to ensure that Forms 14-443 and 15-345 were completed when clients were determined eligible, or ineligible to receive assistance under the program. Department staff responsible for submitting the forms did not follow the guidance in the *AL TSA Long-Term Care Manual*.

### ***Effect of Condition***

By not following prescribed internal controls, the Department is at a higher risk of authorizing benefits to individuals that do not meet all eligibility requirements.



## ***Recommendation***

We recommend that the Department improve its internal controls to ensure all eligibility determinations are documented using the Department's approved forms, in accordance with the Manual.

## ***Department's Response***

*The Department partially agrees with the finding.*

*We agree 14-443s were not provided to terminate the individuals' enrollment. However, in all exceptions identified, the 14-443 Communication was made in accordance with existing Nursing Facility Case Management policy as defined in Chapter 10 of the Long-Term Care manual. In addition, all clients met eligibility criteria for Roads to Community Living (RCL) services or converted to another Home and Community Based program within the 365-day RCL demonstration year limitation, despite the RCL disenrollment date's absence on the 14-443 communication.*

*In these cases, the client converted to a state plan or waiver and this new program's start date was provided on the 14-443. For Modified Adjusted Gross Income (MAGI) participants, 14-443 Communications are not required, as this form is a communication tool for Public Benefit Specialists. MAGI enrolled Medicaid participants' benefits are managed by the Health Care Authority, and therefore a 14-443 Communication detailing the RCL Demonstration start, and projected end date is not managed or worked by a Public Benefits Specialist. This MAGI beneficiary communication detail was not articulated in the Roads to Community Living chapter of the LTC Manual.*

*Effective April 30, 2024, Chapter 29 of the Long-Term Care Manual will be updated to clarify instructions related to when a 14-443 must be completed as it relates to MAGI participants and what needs to be included on the form when the 14-443 is required.*

## ***Auditor's Remarks***

Prior to performing our testing, we held meetings with the Department to gain an understanding of their internal controls regarding eligibility for the MFP program. The Department provided documentation of policies and procedures that they determined were applicable to eligibility for the program, but did not include Chapter 10 of the Long-Term Care manual. Based on the information and documentation that the Department provided, we identified their key internal controls related to program eligibility. The Department confirmed the controls we identified were correct, and they stated, in part, that form 14-443 must be completed at the time of transition to a community setting and disenrollment. The confirmed key controls did not include alternative methods for MAGI participants.

We reaffirm our finding and appreciate the Department's commitment to resolving this matter. We will review the status of the Department's corrective action during our next audit.

### ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

The Department of Social and Health Services, *Ageing and Long-Term Support Administration (AL TSA) Long-Term Care Manual*, Chapter 29 – Roads to Community Living, states in part:

#### Authorizing RCL Services for HCS clients

As soon as the participant transitions from the institution:

9. Using the 14-443, notify the Public Benefits Specialist of the discharge date from the nursing facility and complete the RCL portions of 14-443, including the RCL 365 day end date, which is located in the RCL Enroll/Disenroll screen. (Reminder: the RCL 365 day end date needs to match the RCL RAC end date)

At the conclusion of the participant's 365 day demonstration period, the Case Manager/Case Resource Manager:

5. Notify the PBS on a DSHS 14-443 (for HCS/AAA) or a DSHS 15-345 (for DDA) in Barcode and include:
  - a. The date of the disenrollment from RCL services.
  - b. The program the participant is functionally eligible for (state plan/Medicaid waiver).
  - c. The setting of the services (in-home, AFH, etc.)
  - d. Update the address, if necessary.

#### Authorizing RCL Services for Individuals Enrolled in DDA

When the participant is approaching discharge from the facility, the DDA Case Resource Manager (CRM) shall:

- Notify the financial worker that the individual is an RCL participant on the RCL version of the DSHS 15-345 in Barcode and include the following:
  - a. The date of discharge from the institutional setting onto RCL services
  - b. The setting that RCL services will take place (in-home, AFH, etc.)
  - c. The new address
  - d. A request to complete the Authorized Representative (AREP) screen in ACES per normal procedures so the CRM can receive the financial letters.
  - e. A request that the financial worker open a waiver program in ACES.

#### What Are the Case Worker's Responsibilities With the RCL Program?

RCL services for all participants must end by day 366 (on or before day 365). At that time, they must be transitioned to the waiver or state plan services available to them based on their financial and functional eligibility.

#### How Do I Disenroll an RCL Participant?

4. Notify the Public Benefits Specialist using Form 14-443 (HCS/AAA) or a DSHS 15-345 (DDA) in Barcode and include:
  - a. The date of the disenrollment from RCL services.
  - b. Which program the participant is functionally eligible for (state plan/waiver) and the start date for this new program (if applicable).

**SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**State of Washington  
July 1, 2022 through June 30, 2023**

**2023-084 The Health Care Authority did not have adequate internal controls to ensure payments to providers for the Block Grants for Prevention and Treatment of Substance Abuse program were allowable and met period of performance requirements.**

<b>Assistance Listing Number and Title:</b>	93.959 Block Grants for Prevention and Treatment of Substance Abuse 93.959 COVID-19 Block Grants for Prevention and Treatment of Substance Abuse
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	6B08TI083486-01M002, 6B08TI083486-01M003, 6B08TI083486-01M004, 1B08TI083977-01, 1B08TI083519-01, 6B08TI083519-01M001, 1B08TI084681-01, 6B08TI084681-01M001, 6B08TI084681-01M002, 1B08TI085843-01
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Component:</b>	Activities Allowed or Unallowed Allowable Costs/ Cost Principles Period of Performance
<b>Known Questioned Cost Amount:</b>	\$3,447,346
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-067

## *Background*

The Health Care Authority, Division of Behavioral Health and Recovery, administers the Block Grants for Prevention and Treatment of Substance Abuse (SABG). The Authority subawards federal funds to counties, tribes, and nonprofit organizations to develop substance abuse prevention programs and provide treatment and support services. In fiscal year 2023, the Authority spent about \$70.1 million in federal program funds, \$58 million of which it paid to subrecipients.

The Authority can use grant funds only for costs that are allowable and incurred during the period of performance, as specified in the grant's terms and conditions. At the beginning of each federal fiscal year, and whenever the Authority receives a new federal grant, it establishes new cost objectives and allocation codes to ensure expenditures are charged to the proper grants. When the Authority receives reimbursement requests, program managers are responsible for reviewing supporting documentation to determine if the services billed meet the period of performance requirements under the grant. Fiscal managers are also responsible for ensuring that payments are coded to the correct period.

The Authority follows the accrual basis of accounting and uses the Agency Financial Reporting System (AFRS), which is the state's central accounting system, to record federal expenditures. At the end of the fiscal year, the Authority's federal financial reporting (FFR) unit estimates the amount of outstanding obligations to providers. These amounts are recorded in AFRS as an accrued expenditure for SABG and subsequently reported to the Office of Financial Management for the compilation of the Schedule of Expenditures of Federal Awards.

The FFR unit has written procedures for calculating its estimated accruals. The calculation begins by using a spreadsheet that tracks all active contractual obligations to SABG subrecipients and vendors. These amounts are then prorated to include only obligations that are expected during the state fiscal year. Obligations for agency salaries and benefits, interagency agreements, direct purchases, state universities, and travel are removed from this total. The remaining total is then reduced by the amount of accruals already recorded and actual payments already made to the subrecipients and vendors. The remaining total is recorded as an estimated accrual for the fiscal year.

In the following fiscal year and up to two years after, the Authority liquidates program expenditures associated with the estimated accrual. The liquidations associated to a prior fiscal year estimated accrual do not tie directly to an estimated accrual, instead it is applied to the program as a whole for that period.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In fiscal year 2022, we reported the Authority did not have adequate internal controls over and did not comply with requirements to ensure payments to providers for the SABG program were allowable and met period of performance requirements. The prior finding number was 2022-067.

Additionally, in the fiscal year 2020 and 2021 audits, we reported the Authority did not have adequate internal controls to ensure payments made under the SABG program met the period of performance requirements. The prior finding numbers were 2020-059 and 2021-057.

### ***Description of Condition***

The Authority did not have adequate internal controls to ensure payments to providers for the SABG program were allowable and met period of performance requirements.

#### *Year-end Estimated Accruals*

During the audit period, the FFR unit recorded three state fiscal year-end estimated accruals totaling \$19,885,335. We determined the process to estimate the year-end accruals is reasonable and included only subrecipient obligations for the state fiscal year. To determine if actual expenditures associated with these accruals are for allowable activities and within the period of performance, we tested \$16,438,274 in liquidations processed after the state fiscal year close. We used a statistical sampling method and randomly selected and examined 54 out of a total population of 360 including three individually significant items. There were no issues identified. However, the remaining non-liquidated year-end estimated accruals could not be tested for compliance.

#### *Transaction Testing*

We judgmentally selected and examined three out of a total population of 16 expenditures made during the SABG federal fiscal year 2021 award liquidation period. We found one (33 percent) estimated accrual that was partially unsupported to ensure the award's period of performance requirements were met.

We consider these internal control deficiencies to be a material weakness.

### ***Cause of Condition***

While the Authority has a process to determine the year-end estimated accruals, management allows for the liquidation of these accruals to be processed over as many as three years after the end of the audit period. In addition, Authority officials said that the large amount of year-end estimated accruals is due to a significant lag between when services are provided and reimbursement requests are received.

Additionally, the Authority did not properly monitor to ensure accrual charges occurred within the award's period of performance.

### ***Effect of Condition and Questioned Costs***

Without having actual expenditures with supporting documentation to account for the amount in the year-end estimated accruals, the Authority cannot reasonably ensure that SABG expenditures reported on the Schedule of Expenditures of Federal Awards are for allowable activities and within the period of performance.

We identified \$3,447,061 in known questioned costs related to estimated year-end accruals.

For the federal fiscal year 2021 award that closed during the audit period, we identified questioned costs totaling \$285 for an accrued expenditure that did not have documented support showing they occurred within the award's period of performance.

In total, we identified \$3,447,346 in known federal questioned costs.

Without establishing adequate internal controls, the Authority cannot reasonably ensure it is using federal funds for allowable purposes and that spending occurs within the allowed period of performance.

We question costs when we find an agency has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

## ***Recommendations***

We recommend the Authority:

- Improve its internal controls to ensure estimated accruals are reasonable and supported
- Establish process to associate liquidated provider payments to specific year-end estimated accruals
- Improve its internal controls to ensure payments are within the award's period of performance
- Consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid

## ***Authority's Response***

*The Authority does not concur with the finding. The auditors are questioning \$3,447,061 of unliquidated accruals. This amount does not reflect funds that have been paid or drawn from the grantor, but rather the Authority's best estimate of FY 23 expenditures for which invoices have not been received. There are no funds associated with the \$3.4 million to return to the grantor. As the auditor notes in the finding above, "the process to estimate the year-end accruals is reasonable and included only subrecipient obligations for the state fiscal year." Further, the auditors tested a statistical sample of liquidations made against the accruals without error. All reviewed liquidations were for allowable program costs within the grant period of performance, and for activities occurring during the state fiscal year.*

*The Authority has additional controls to review expenditures at the end of each grant to ensure expenditures were within the allowed period of performance. Any liquidations made against the grant can be reviewed through the end of the grant period, and no payments would be liquidated against the accruals that were not for allowable services provided during FY 23.*

*The Authority partially concurs with the unsupported \$285 portion of an accrual. Due to human error when reversing an accrual, the full amount was not completely removed leaving a difference of \$285. However, this was limited to an accrual transaction, no funds would have been drawn and this remained an error in the accounting system. There are no funds to return to the grantor.*

*By questioning unliquidated expenditures based on a reasonable accrual methodology, the auditor is taking issue with the Authority's operations rather than identifying noncompliant grant practices. The implication from the auditor's recommendations and referenced laws and regulations is that the \$3.4 million should not have been reported on the Schedule of Expenditures of Federal Awards (SEFA). However, there is no evidence these expenditures were unallowable, drawn erroneously from the grantor, or outside the period of performance. Removing the \$3.4 million would result in a significant misstatement on the SEFA and provide inaccurate information to the grantor.*

*To provide assurance over activities allowed, cost principles, and period of performance the auditors tested three samples:*

- A sample of 58 transactions recording expenditures on the SEFA which had been paid during FY 23*
- A sample of 57 liquidation transactions made against the estimated FY 23 SEFA accruals*
- A judgmental sample of three transactions recorded against the 2021 SABG award*

*The first two samples consisted of 115 transactions and \$11,662,297 and all tested without error. The third sample contained three transactions totaling \$73,761 judgmentally selected from a population of 16 transactions and contained one error of \$285.*

*The Authority stands by its accrual methodology and its controls over activities allowed and period of performance requirements.*

### ***Auditor's Remarks***

The Authority reports cash and accrued expenditures on the Schedule of Expenditures of Federal Awards and, as such, the accruals are required to be audited. We therefore tested the liquidations associated with these accruals. While we did not find noncompliance with the samples selected and tested, we cannot determine if the remaining year end estimated accruals that have not been liquidated are for allowable activities and within their period of performance.

We reaffirm our finding and will follow up on the status of the Authority's corrective action during our next audit period.



## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 502, Basis for determining federal awards expended, states in part:

a. *Determining Federal awards expended.* The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions associated with awards including grants, cost-reimbursement contracts under the FAR, compacts with Indian Tribes, cooperative agreements, and direct appropriations; the disbursement of funds to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or use of food commodities; the disbursement of amounts entitling the non-Federal entity to an interest subsidy; and the period when insurance is in force.

Title 45 CFR Part 75, section 510, Financial statements, states in part:

b. *Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 75.502.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Behavioral Health Grant Unit Year-End Accrual Procedure, states in part:

**WHAT IS ACCRUAL:** Accruals are accounting entries done to record actual or estimated expenditures incurred but not paid.

**PURPOSE:** When done during year-end close, accruals record actual and/or estimated amounts incurred in the closing year that will not be paid until the subsequent year. Within the Federal Financial Reporting (FFR), Behavioral Health (BH) grants staff prepare year-end accruals of contract costs that the Accounting Section does not. The BH supervisor will notify unit staff of the timeline for this process as it may differ from year to year.

**BACKGROUND:** The Accounting Section reviews accruals and liquidations at a high-level (Program, Fund, and Fund Source) to ensure the agency has not exceeded its

authority. While some year-end accruals are based on actual billings/claims, many are based on estimates due to the lag time of billings. Estimates are also used due to the number of contracts per grants (typically the Block Grants and the State Opioid Response (SOR) grants).

### **BLOCK GRANT PROCESS:**

1. BH Grants staff creates a SFY Accrual workbook using the JV workbook template.
2. BH Grants staff saves a copy of the obligations from DBHR's tracking workbook and places it in the BH Accrual Folder for the SFY. Copy the relevant data from the DBHR workbook into the SFY workbook created for accrual development. Obligation amounts may differ as DBHR is not necessarily recording obligations for a single state fiscal year.
3. BH Grants staff, on the SFY Obligation tab, removes the following obligations from the accrual process:
  - a. Interagency agreements
  - b. State universities
  - c. Direct purchases
  - d. Agency salaries and benefits
  - e. Travel

Note:

- a. If a contract has not started and has no expenditures, verify if an accrual is needed or the obligation amount should be removed.
  - b. Pro-rate contracts that include month of service for the prior or next SFY year, so as to not over accrue.
  - c. If a project is listed, but no contract agreement number has been verified, double check with DBHR program and if not, remove amount from obligation. The workbook will include the revised obligations.
4. BH Grants staff pulls grant direct expenditure data from the beginning of the fiscal year to the end of the fiscal year to include (99 and 25) depending on which fiscal year it is in the biennium.
    - a. First SFY of the biennium include FM01 through FM99
    - b. Second SFY of the biennium include FM13 through FM25
    - c. Include GL Account: (6510) cash expenditures and (6505) accruals
    - d. Use grant specific Webi criteria

- e. Note – Accruals (GL 6505) are included to determine what has already been recorded by AP to ensure total accruals are not overstated.
  - f. Filter out interagency and state universities amounts as well as objects A (salaries), B (benefits), and G (travel) data from original data pull and save this data to another tab
  - g. Use the data, minus interagency and objects that were removed, to prepare pivot tables.
  - h. Input the obligation amount on the pivot tab from the SFY obligation tab.
  - i. Run each pivot table using the data minus interagency & object tab (see #6 – #10 below).
  - j. Reminder – DO NOT accrue salaries/benefits/travel/direct purchases.
5. Using the revised obligations tab – complete the below pivots.
- **NOTE:** See item #2 - For auditing purposes, place a copy of the original obligation spreadsheet in the accrual folder, date the spreadsheet, so you have backup data to the obligation total you are now using.
  - **Using the tab with our own tracking for the prior state fiscal year (SFYXX).** See item #3 - Review contracts to see if they were executed, if not an accrual is not needed. We are ONLY accruing for CONTRACTS. Accruals are booked against the award we are actively spending on. We are not accruing on the award that is spent out.
    - a. **First pivot** – identifies total expenditures and accruals for SFY being processed. Use the expenditure amount (GL 6510) for the second pivot table.
    - b. **Second pivot** – establish the most used subobject; allows for the distribution of expenditures between ER and NB as they are the most common.
    - c. **Third and Fourth pivots** – determines the most common PI each of the subobjects identified in Second pivot.
    - d. **Fifth pivot** – identifies most common org index.
    - e. **Sixth pivot** – (SABG only) identifies the ER and NB expenditures by allocation. This allows for the accrual to be prepared as a percentage to each allocation code based on the total expenditures. Not needed for MHBG.
6. BH Grants staff calculate percentages to spread the accrual across ER and/or NB in allocations, per grant (ex. 82\*\* for SABG, and 20\*\* for MHBG).

7. BH Grants staff complete the remainder of the workbook following the established JV process:
  - a. Obtain JV number from log
  - b. Add an explanation/purpose for the JV
  - c. Include backup data for the upload and release tab.
  - d. Use the correct transaction codes (TC) for accruals
    - i. TC 736 RCRD ACCT/VOU PAY-NO ENCUMBRANCE
      1. GL 6505 – Debit – Accrued Expenditures/Expenses
      2. GL 5111 – Credit – Short Term Payables
    - ii. TC 736R RCRD ACCT/VOU PAY-NO ENCUMBRANCE
      1. GL 5111 – Debit – Short Term Payables
      2. GL 6505 – Credit – Accrued Expenditures/Expenses
8. Upload the JV using the OFM Toolbox and email JV workbook to BH Grants Supervisor and Lead.
9. BH Grants Supervisor and/or Lead reviews, approves, and releases the JV.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

### **2023-085    The Health Care Authority did not have adequate internal controls over earmarking requirements for the Block Grants for Prevention and Treatment of Substance Abuse.**

**Assistance Listing Number and Title:** 93.959 Block Grants for Prevention and Treatment of Substance Abuse  
93.959 COVID-19 Block Grants for Prevention and Treatment of Substance Abuse

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 6B08TI083486-01M002, 6B08TI083486-01M003, 6B08TI083486-01M004, 1B08TI083977-01, 1B08TI083519-01, 6B08TI083519-01M001, 1B08TI084681-01, 6B08TI084681-01M001, 6B08TI084681-01M002, 1B08TI085843-01

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Earmarking

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-068

### ***Background***

The Health Care Authority, Division of Behavioral Health and Recovery, administers the Block Grants for Prevention and Treatment of Substance Abuse. The Authority subawards federal funds to counties, tribes, and nonprofit organizations to develop substance abuse prevention programs and provide treatment and support services. In fiscal year 2023, the Authority spent about \$70.1 million in federal program funds. Of this amount, the Authority passed about \$58 million to subrecipients.

Federal regulations require the Authority to spend no more than 5 percent of the federal program funds on administrative costs of the grant, as well as a minimum of 20 percent of total grant funds on primary prevention programs for people who do not require treatment.

The Authority has written procedures in place to ensure it meets earmarking requirements. Authority staff run monthly reports from the agency's accounting system to track expenditures for these requirements to ensure they are met at the time the grant closes. These reports, along with calculations to monitor these requirements, are maintained in a monthly tracking workbook. Management reviews these workbooks and sends an email to program staff to document the review.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Authority did not have adequate internal controls and did not comply with earmarking requirements for the program. The prior finding numbers were 2022-068 and 2021-056.

### *Description of Condition*

The Authority did not have adequate internal controls over earmarking requirements for the Block Grants for Prevention and Treatment of Substance Abuse.

We used a non-statistical sampling method to randomly select and examine 10 monthly tracking workbooks out of a total population of 45. We found that for six of the samples (60 percent), the workbooks were completed, but were missing the manager email confirming that they had been reviewed to ensure the tracking was being correctly calculated and monitored.

We consider this internal control deficiency to be a material weakness.

### *Cause of Condition*

The Authority implemented new procedures to ensure tracking workbooks were reviewed monthly by management. However, written documentation of this review was not maintained.

### *Effect of Condition*

By not establishing adequate internal controls, the Authority cannot ensure it meets earmarking requirements.

## ***Recommendation***

We recommend the Authority improve internal controls to ensure that management review is documented and retained.

## ***Authority's Response***

*The Authority concurs with the finding. However, the Authority does not concur that the condition identified by the auditor posed a material risk to the program. Tracking workbooks were completed and reviewed throughout the entire fiscal year, however documentation of review was not maintained until December. Beginning December 2022, documentation of review was available for the remainder of the fiscal year. Any potential material noncompliance should have been detected.*

## ***Auditor's Remarks***

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 45 CFR Part 75, section 516, Audit findings, establishes reporting requirements for audit findings.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-086**    **The Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Prevention and Treatment of Substance Abuse.**

<b>Assistance Listing Number and Title:</b>	93.959 Block Grants for Prevention and Treatment of Substance Abuse 93.959 COVID-19 Block Grants for Prevention and Treatment of Substance Abuse
<b>Federal Grantor Name:</b>	U.S. Department of Health and Human Services
<b>Federal Award/Contract Number:</b>	6B08TI083486-01M002,6B08TI083486-01M003, 6B08TI083486-01M004, 1B08TI083977-01, 1B08TI083519-01, 6B08TI083519-01M001, 1B08TI084681-01, 6B08TI084681-01M001, 6B08TI084681-01M002, 1B08TI085843-01
<b>Pass-through Entity Name:</b>	None
<b>Pass-through Award/Contract Number:</b>	None
<b>Applicable Compliance Components:</b>	Reporting
<b>Known Questioned Cost Amount:</b>	None
<b>Prior Year Audit Finding:</b>	Yes, Finding 2022-069

### ***Background***

The Health Care Authority, Division of Behavioral Health and Recovery, administers the Block Grants for Prevention and Treatment of Substance Abuse (SABG). The Authority subawards federal funds to counties, tribes, and nonprofit organizations to develop prevention programs and



provide treatment and support services. In fiscal year 2023, the Authority spent about \$70.1 million in federal program funds, including about \$58 million paid to subrecipients.

Under the Federal Funding Accountability and Transparency Act (Act), the Authority is required to collect and report information on each subaward of federal funds more than \$30,000 in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS). The Authority must report subawards by the end of the month following the month in which it made the subaward (or subaward amendment). The intent of the Act is to empower the public with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful government spending.

A subaward identification form, which contains all the required reporting information, is included when the Authority creates a new SABG subaward or amendment. After it is signed by all parties, contract unit staff sends the subaward identification form through email to the behavioral health unit. Behavioral health staff review these emails and complete the report as required. There were 85 SABG subawards and amendments that were required to be reported in fiscal year 2023, totaling \$45,362,623.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In prior audits, we reported the Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Act for the SABG program. The prior finding numbers were 2022-069 and 2021-058.

### *Description of Condition*

The Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Act.

During the audit period, the Authority was required to report about \$45.4 million of program funds that it awarded to subrecipients through 85 new and amended subawards for the primary SABG awards. We used a non-statistical sampling method to randomly select and examine 14 of the 85 subawards and amendments, and found that four (29 percent), totaling \$1.45 million, were not reported in FSRS.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### ***Cause of Condition***

The Authority is in the process of developing written procedures to ensure the reports are submitted as required, but they were not fully implemented during the audit period.

For the subawards not reported, the contract unit did not send the subaward identification form to the behavioral health staff, so the subawards were not reported in FSRS.

### ***Effect of Condition***

Failing to submit the required reports diminishes the federal government's ability to ensure accountability and transparency of federal spending.

### ***Recommendations***

We recommend the Authority:

- Establish effective internal controls to ensure it submits all required reports
- Establish policies and procedures for filing required reports
- Provide training for employees who oversee reporting and who verify the submission and accuracy of the reports
- Ensure management monitors reporting of this information so future reports are submitted completely and timely

### ***Authority's Response***

*HCA concurs with the findings. HCA did not have an established process to ensure that HCA's Federal Financial Reporting section received executed subawards for FFATA reporting from HCA's Office of Contracts and Procurement for the entirety of fiscal year 2023. The process was established in July 2022 and is currently operational. However, some subawards with a July 1 start date had been executed in the prior fiscal year before the process was established.*

### ***Auditor's Remarks***

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority's corrective action during our next audit.

## *Applicable Laws and Regulations*

Title 45 *U.S. Code of Federal Regulations* (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 2 CFR Part 170, *Reporting Subaward and Executive Compensation Information*, states in part:

### Appendix A to Part 170 – Award Term

#### I. Reporting Subawards and Executive Compensation

##### a. *Reporting of first-tier subawards.*

*Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

##### 2. *Where and when to report.*

- i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <https://www.fsrs.gov>.
- ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2020.
- iii. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

# SCHEDULE OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

## State of Washington July 1, 2022 through June 30, 2023

**2023-087** The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse program received required single audits, and that it appropriately followed up on findings and issued management decisions.

**Assistance Listing Number and Title:** 93.959 Block Grants for Prevention and Treatment of Substance Abuse  
93.959 COVID-19 Block Grants for Prevention and Treatment of Substance Abuse

**Federal Grantor Name:** U.S. Department of Health and Human Services

**Federal Award/Contract Number:** 6B08TI083486-01M002, 6B08TI083486-01M003, 6B08TI083486-01M004, 1B08TI083977-01, 1B08TI083519-01, 6B08TI083519-01M001, 1B08TI084681-01, 6B08TI084681-01M001, 6B08TI084681-01M002, 1B08TI085843-01

**Pass-through Entity Name:** None

**Pass-through Award/Contract Number:** None

**Applicable Compliance Component:** Subrecipient Monitoring

**Known Questioned Cost Amount:** None

**Prior Year Audit Finding:** Yes, Finding 2022-066

## ***Background***

The Health Care Authority, Division of Behavioral Health and Recovery, administers the Block Grants for Prevention and Treatment of Substance Abuse (SABG) program. The Authority subawards federal funds to counties, tribes, and nonprofit organizations to develop substance abuse prevention programs and provide treatment and support services. In fiscal year 2023, the Authority spent about \$70.1 million in federal SABG funds. Of this amount, the Authority passed about \$58 million to 126 SABG subrecipients.

Federal regulations require the Authority to monitor its subrecipients' activities. This includes verifying that its subrecipients that spend \$750,000 or more in federal awards during a fiscal year obtain a single audit. The audit must be completed and submitted to the Federal Audit Clearinghouse within 30 days after receiving the auditor's report or nine months after the end of the subrecipient's audit period, whichever is earlier.

Additionally, for the awards it passes to subrecipients, the Authority must follow up and ensure the subrecipients take timely and appropriate corrective action on all deficiencies identified through audits. When a subrecipient receives an audit finding for an Authority-funded program, federal law requires the Authority to issue a management decision to the subrecipient within six months of the audit report's acceptance by the Federal Audit Clearinghouse. The management decision must clearly state whether the audit finding is sustained, the reason for the decision, and the actions the subrecipient is expected to take, such as repaying unallowable costs or making financial adjustments. These requirements help ensure subrecipients use federal program funds for authorized purposes and within the provisions of contracts or grant agreements.

To monitor its compliance with these requirements, the Authority uses Excel workbooks to track subrecipients' single audits.

Federal regulations require recipients to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

In the prior audit, we reported the Authority did not have adequate controls over and did not comply with requirements to ensure subrecipients of the SABG program received required single audits, and that it appropriately followed up on findings and issued management decisions. The prior finding number was 2022-066.

## ***Description of Condition***

The Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the SABG program received required single audits, and that it appropriately followed up on findings and issued management decisions.

The Authority did not have written policies or procedures over its process for tracking subrecipients' single audits. Furthermore, the Authority chose not to provide the tracking workbooks that we requested so we could develop and complete our compliance tests with the federal requirements.

We consider these internal control deficiencies to be a material weakness, which led to material noncompliance.

### *Cause of Condition*

As stated above, Authority management chose not to provide documentation to demonstrate that the agency was compliant with federal requirements.

### *Effect of Condition*

Without establishing adequate internal controls, the Authority cannot ensure all subrecipients received single audits when they were required. Furthermore, the Authority cannot ensure it is following up on subrecipient single audit findings and communicating required management decisions to subrecipients. By failing to ensure subrecipients establish corrective actions and that management monitors them for effectiveness, the Authority cannot determine whether its subrecipients have sufficiently corrected issues identified in audit findings.

In addition, because the Authority chose to not provide documentation needed for testing, we were unable to determine if it was compliant with federal regulations.

### *Recommendations*

We recommend the Authority:

- Establish and follow policies and procedures to ensure subrecipients obtain required single audits
- Establish and follow effective internal controls to ensure it issues management decisions by the due date and follows up on all subrecipient audit findings related to the SABG program
- Ensure subrecipients develop and take acceptable corrective actions to adequately address all audit recommendations
- Provide requested documentation to auditors

## ***Authority's Response***

*Authority concurs that it needs to improve internal controls and did not fully comply federal requirements relating to single audit tracking. HCA does not concur with the other conditions noted.*

## ***Auditor's Remarks***

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority's corrective action during our next audit.

## ***Applicable Laws and Regulations***

Title 45 U.S. Code of Federal Regulations (CFR) Part 75, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 516, Audit findings, establishes reporting requirements for audit findings.

Title 45 CFR Part 75, section 303, Internal Controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 45 CFR Part 75, Section 352, Requirements for pass-through entities states in part:

All pass-through entities must:

- (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
  - (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
  - (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 75.521.
- (f) Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 75.501.
- (h) Consider taking enforcement action against noncompliant subrecipients as described in § 75.371 and in program regulations.

**State of Washington**  
**Single Audit Report**  
**For Fiscal Year Ended**  
**June 30, 2023**

**Auditee's Section**  
**Summary Schedule of Prior Audit Findings**



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STATE OF WASHINGTON  
**OFFICE OF FINANCIAL MANAGEMENT**

*Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555*

May 6, 2024

Washington State Auditor's Office  
ATTN: Cavan Busch, Audit Manager  
3200 Sunset Way S.E.  
Olympia, WA 98504-0031

To the Washington State Auditor's Office:

Enclosed with this letter is the state of Washington's Summary Schedule of Prior Audit Findings for the following audit findings in the fiscal year 2023 Single Audit report.

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2022-001	State of Washington	In progress	H - 16
2022-002	University of Washington	In progress	H - 18
2022-003	Office of Superintendent of Public Instruction	In progress	H - 19
2022-004	Department of Health	Corrective action not taken	H - 20
2022-005	Employment Security Department	In progress	H - 21
2022-006	Employment Security Department	In progress	H - 22
2022-007	Employment Security Department	In progress	H - 23
2022-008	Department of Transportation	Complete	H - 24
2022-009	Department of Transportation	Complete	H - 25
2022-010	Department of Transportation	Complete	H - 27
2022-011	Department of Transportation	In progress	H - 28
2022-012	Department of Transportation	Complete	H - 30

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<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2022-013	Department of Corrections	Complete	H - 31
2022-014	Department of Social and Health Services	Complete	H - 32
2022-015	Office of Financial Management	Complete	H - 33
2022-016	Department of Commerce	In progress	H - 34
2022-017	Department of Commerce	In progress	H - 35
2022-018	Office of Financial Management	Corrective action not taken	H - 36
2022-019	Department of Commerce	In progress	H - 37
2022-020	Office of Financial Management	In progress	H - 38
2022-021	Department of Commerce	In progress	H - 40
2022-022	Washington State University	Complete	H - 41
2022-023	Office of Superintendent of Public Instruction	Complete	H - 42
2022-024	Washington Charter School Commission	Complete	H - 43
2022-025	Office of Superintendent of Public Instruction	In progress	H - 44
2022-026	Office of Superintendent of Public Instruction	In progress	H - 45
2022-027	Office of Financial Management	Complete	H - 46
2022-028	University of Washington	Complete	H - 47
2022-029	University of Washington	In progress	H - 49
2022-030	University of Washington	In progress	H - 50
2022-031	Department of Health	In progress	H - 51
2022-032	Department of Health	In progress	H - 52
2022-033	Department of Health	In progress	H - 53
2022-034	Department of Health	In progress	H - 55
2022-035	Department of Children, Youth, and Families	In progress	H - 56
2022-036	Department of Children, Youth, and Families	In progress	H - 58

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2022-037	Department of Social and Health Services	Complete	H - 60
2022-038	Department of Commerce	Complete	H - 62
2022-039	Department of Commerce	In progress	H - 64
2022-040	Department of Commerce	Complete	H - 66
2022-041	Department of Children, Youth, and Families	In progress	H - 67
2022-042	Department of Children, Youth, and Families	In progress	H - 69
2022-043	Department of Children, Youth, and Families	In progress	H - 71
2022-044	Department of Children, Youth, and Families	In progress	H - 73
2022-045	Department of Children, Youth, and Families	In progress	H - 75
2022-046	Department of Social and Health Services	Complete	H - 77
2022-047	Department of Children, Youth, and Families	In progress	H - 78
2022-048	Department of Children, Youth, and Families	In progress	H - 79
2022-049	Department of Children, Youth, and Families	Complete	H - 80
2022-050	Department of Children, Youth, and Families	In progress	H - 82
2022-051	Department of Children, Youth, and Families	In progress	H - 84
2022-052	Department of Children, Youth, and Families	Complete	H - 85
2022-053	Health Care Authority	Complete	H - 86
2022-054	Health Care Authority	In progress	H - 87
2022-055	Health Care Authority	In progress	H - 88
2022-056	Department of Social and Health Services	Corrective action not taken	H - 89
2022-057	Department of Social and Health Services	In progress	H - 91
2022-058	Department of Social and Health Services	In progress	H - 93
2022-059	Department of Social and Health Services	In progress	H - 94

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2022-060	Health Care Authority	In progress	H - 95
2022-061	Health Care Authority	In progress	H - 96
2022-062	Health Care Authority	In progress	H - 97
2022-063	Health Care Authority	In progress	H - 98
2022-064	Health Care Authority	Complete	H - 99
2022-065	Health Care Authority	In progress	H - 100
2022-066	Health Care Authority	In progress	H - 101
2022-067	Health Care Authority	In progress	H - 102
2022-068	Health Care Authority	In progress	H - 104
2022-069	Health Care Authority	In progress	H - 105
2022-070	Health Care Authority	Complete	H - 106
2021-001	State of Washington	Repeat finding	Refer to finding 2022-001 at H - 16
2021-003	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-003 at H - 19
2021-004	Department of Health	Repeat finding	Refer to finding 2022-004 at H - 20
2021-005	Employment Security Department	Repeat finding	Refer to finding 2022-006 at H - 22
2021-007	Employment Security Department	Repeat finding	Refer to finding 2022-007 at H - 23
2021-008	Department of Transportation	Repeat finding	Refer to finding 2022-009 at H - 25
2021-010	Department of Transportation	Repeat finding	Refer to finding 2022-010 at H - 27
2021-011	Department of Transportation	Repeat finding	Refer to finding 2022-011 at H - 28
2021-012	Department of Social and Health Services	Complete	H - 107
2021-013	Department of Commerce	Complete	H - 109
2021-014	Office of Financial Management	Repeat finding	Refer to finding 2022-015 at H - 33

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2021-015	Department of Social and Health Services	Complete	H - 111
2021-016	Department of Commerce	Complete	H - 113
2021-017	Department of Corrections	Complete	H - 115
2021-018	Department of Agriculture	Complete	H - 117
2021-019	Department of Agriculture	Complete	H - 118
2021-021	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-023 at H - 42
2021-023	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-026 at H - 45
2021-028	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-035 at H - 56
2021-030	Department of Social and Health Services	Complete	H - 120
2021-031	Department of Commerce	Repeat finding	Refer to finding 2022-038 at H - 62
2021-032	Department of Commerce	Repeat finding	Refer to finding 2022-039 at H - 64
2021-033	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-041 at H - 67
2021-035	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-036 at H - 58
2021-036	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-042 at H - 69
2021-037	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-043 at H - 71
2021-038	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-044 at H - 73
2021-039	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-045 at H - 75
2021-040	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-048 at H - 79
2021-042	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-049 at H - 80
2021-045	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-052 at H - 85
2021-046	Health Care Authority	Repeat finding	Refer to finding 2022-053 at H - 86

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2021-047	Health Care Authority	Repeat finding	Refer to finding 2022-055 at H - 88
2021-048	Health Care Authority	Repeat finding	Refer to finding 2022-054 at H - 87
2021-049	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2021-050	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2021-051	Health Care Authority	Repeat finding	Refer to finding 2022-060 at H - 95
2021-052	Health Care Authority	Repeat finding	Refer to finding 2022-062 at H - 97
2021-053	Department of Social and Health Services	Complete	H - 121
2021-054	Department of Social and Health Services	Repeat finding	Refer to finding 2022-057 at H - 91
2021-056	Health Care Authority	Repeat finding	Refer to finding 2022-068 at H - 104
2021-057	Health Care Authority	Repeat finding	Refer to finding 2022-067 at H - 102
2021-058	Health Care Authority	Repeat finding	Refer to finding 2022-069 at H - 105
2021-060	Health Care Authority	Repeat finding	Refer to finding 2022-070 at H - 106
2020-002	State of Washington	Repeat finding	Refer to finding 2022-001 at H - 16
2020-004	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-003 at H - 19
2020-011	Employment Security Department	Repeat finding	Refer to finding 2022-006 at H - 22
2020-012	Employment Security Department	Repeat finding	Refer to finding 2022-007 at H - 23
2020-015	Department of Transportation	Repeat finding	Refer to finding 2022-010 at H - 27
2020-016	Department of Transportation	Repeat finding	Refer to finding 2022-009 at H - 25
2020-017	Department of Transportation	Repeat finding	Refer to finding 2022-011 at H - 28
2020-020	Department of Social and Health Services	Complete	H - 123
2020-026	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-023 at H - 42

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2020-032	Department of Social and Health Services	Complete	H - 125
2020-038	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-041 at H - 67
2020-039	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-036 at H - 58
2020-040	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-042 at H - 69
2020-041	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-043 at H - 71
2020-042	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-045 at H - 75
2020-044	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-049 at H - 80
2020-046	Health Care Authority	Repeat finding	Refer to finding 2022-055 at H - 88
2020-047	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2020-048	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2020-049	Health Care Authority	Repeat finding	Refer to finding 2022-060 at H - 95
2020-050	Health Care Authority	Repeat finding	Refer to finding 2022-062 at H - 97
2020-051	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2020-053	Department of Social and Health Services	In progress	H - 126
2020-054	Department of Social and Health Services	Repeat finding	Refer to finding 2021-053 at H - 121
2020-057	Health Care Authority	Complete	H - 127
2020-059	Health Care Authority	Repeat finding	Refer to finding 2022-067 at H - 102
2020-064	Health Care Authority	Repeat finding	Refer to finding 2022-070 at H - 106
2019-001	State of Washington	Repeat finding	Refer to finding 2022-001 at H - 16
2019-005	Office of Superintendent of Public Instruction	Repeat finding	Refer to finding 2022-003 at H - 19
2019-015	Department of Transportation	Repeat finding	Refer to finding 2022-009 at H - 25



<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2019-017	Department of Transportation	Repeat finding	Refer to finding 2022-010 at H - 27
2019-019	Department of Transportation	Repeat finding	Refer to finding 2022-011 at H - 28
2019-023	Department of Social and Health Services	Repeat finding	Refer to finding 2020-032 at H - 125
2019-032	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2019-035	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-041 at H - 67
2019-037	Department of Children, Youth, and Families	Corrective action not taken	H - 128
2019-038	Department of Children, Youth, and Families	Complete	H - 129
2019-039	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-045 at H - 75
2019-044	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-049 at H - 80
2019-047	Health Care Authority	In progress	H - 130
2019-048	Health Care Authority	Repeat finding	Refer to finding 2022-055 at H - 88
2019-049	Health Care Authority	Corrective action not taken	H - 131
2019-051	Health Care Authority	Complete	H - 132
2019-052	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2019-053	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2019-054	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2019-057	Department of Social and Health Services	In progress	H - 133
2019-058	Department of Social and Health Services	In progress	H - 136
2019-060	Department of Social and Health Services	Corrective action not taken	H - 138
2019-061	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2019-062	Department of Social and Health Services	In progress	H - 139

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2019-066	Health Care Authority	Repeat finding	Refer to finding 2020-057 at H - 127
2018-001	State of Washington	Repeat finding	Refer to finding 2022-001 at H - 16
2018-023	Department of Social and Health Services	Repeat finding	Refer to finding 2020-032 at H - 125
2018-030	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2018-034	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-041 at H - 67
2018-035	Department of Children, Youth, and Families	Repeat finding	Refer to finding 2022-045 at H - 75
2018-041	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2018-042	Health Care Authority	Repeat finding	Refer to finding 2022-055 at H - 88
2018-046	Health Care Authority	Repeat finding	Refer to finding 2019-051 at H - 132
2018-047	Health Care Authority	Repeat finding	Refer to finding 2022-061 at H - 96
2018-048	Health Care Authority	Repeat finding	Refer to finding 2019-049 at H - 131
2018-049	Health Care Authority	Complete	H - 141
2018-052	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2018-054	Department of Social and Health Services	Repeat finding	Refer to finding 2019-060 at H - 138
2018-057	Department of Social and Health Services	Repeat finding	Refer to finding 2019-062 at H - 139
2018-058	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2018-059	Department of Social and Health Services	Repeat finding	Refer to finding 2019-057 at H - 133
2018-060	Department of Social and Health Services	Repeat finding	Refer to finding 2019-058 at H - 136
2017-001	State of Washington	Repeat finding	Refer to finding 2022-001 at H - 16
2017-014	Department of Social and Health Services	Repeat finding	Refer to finding 2020-032 at H - 125
2017-024	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2017-025	Department of Early Learning	Repeat finding	Refer to finding 2022-045 at H - 75
2017-026	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2017-031	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2017-032	Health Care Authority	In progress	H - 142
2017-033	Health Care Authority	Repeat finding	Refer to finding 2022-055 at H - 88
2017-036	Health Care Authority	In progress	H - 144
2017-037	Health Care Authority	Repeat finding	Refer to finding 2019-051 at H - 132
2017-038	Health Care Authority	Repeat finding	Refer to finding 2019-049 at H - 131
2017-039	Health Care Authority	Repeat finding	Refer to finding 2018-049 at H - 141
2017-040	Health Care Authority	Corrective action not taken	H - 145
2017-042	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2017-044	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2017-045	Department of Social and Health Services	Repeat finding	Refer to finding 2019-057 at H - 133
2017-046	Department of Social and Health Services	Repeat finding	Refer to finding 2019-058 at H - 136
2017-048	Department of Social and Health Services	In progress	H - 146
2017-050	Department of Social and Health Services	In progress	H - 148
2016-013	Department of Social and Health Services	Repeat finding	Refer to finding 2020-032 at H - 125
2016-021	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67
2016-022	Department of Early Learning	Repeat finding	Refer to finding 2022-045 at H - 75
2016-023	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2016-028	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2016-032	Health Care Authority	In progress	H - 150

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2016-034	Health Care Authority	Repeat finding	Refer to finding 2019-049 at H - 131
2016-037	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2016-043	Department of Social and Health Services	Repeat finding	Refer to finding 2019-058 at H - 136
2016-044	Department of Social and Health Services	Repeat finding	Refer to finding 2017-048 at H - 146
2016-045	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2016-047	Department of Social and Health Services	In progress	H - 151
2015-023	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67
2015-024	Department of Early Learning	Repeat finding	Refer to finding 2022-045 at H - 75
2015-026	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2015-030	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2015-037	Health Care Authority	In progress	H - 152
2015-039	Health Care Authority	Repeat finding	Refer to finding 2019-049 at H - 131
2015-040	Department of Social and Health Services	In progress	H - 153
2015-045	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2015-049	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2015-051	Department of Social and Health Services	Repeat finding	Refer to finding 2017-048 at H - 146
2014-023	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67
2014-026	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2014-034	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2014-042	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
2014-046	Department of Social and Health Services	Repeat finding	Refer to finding 2020-053 at H - 126
2014-048	Department of Social and Health Services	Repeat finding	Refer to finding 2017-048 at H - 146

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Status</b>	<b>Page Number</b>
2013-016	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67
2013-017	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
2013-020	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
2013-036	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
12-28	Department of Early Learning	Repeat finding	Refer to finding 2022-041 at H - 67
12-30	Department of Social and Health Services	Repeat finding	Refer to finding 2022-036 at H - 58
12-39	Department of Social and Health Services	Repeat finding	Refer to finding 2022-056 at H - 89
12-49	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
11-23	Department of Early Learning / Department of Social and Health Services	Repeat finding	Refer to finding 2022-041 at H - 67
11-38	Health Care Authority	Repeat finding	Refer to finding 2019-047 at H - 130
10-31	Department of Early Learning / Department of Social and Health Services	Repeat finding	Refer to finding 2022-041 at H - 67
10-40	Department of Social and Health Services	Repeat finding	Refer to finding 2019-047 at H - 130
09-12	Department of Early Learning / Department of Social and Health Services	Repeat finding	Refer to finding 2022-041 at H - 67
09-19	Department of Social and Health Services	Repeat finding	Refer to finding 2019-047 at H - 130
08-13	Department of Early Learning / Department of Social and Health Services	Repeat finding	Refer to finding 2022-041 at H - 67
08-25	Department of Social and Health Services	Repeat finding	Refer to finding 2019-047 at H - 130

The state's Summary Schedule of Prior Audit Findings is a compilation of the corrective action information provided to us by the applicable state agencies. The Summary Schedule of Prior Audit Findings document is prepared in conjunction with the 2023 Single Audit.

We appreciate the efforts of the Washington State Auditor's Office in completing the Single Audit for the state for fiscal year 2023. If you have any questions regarding the Summary Schedule of Prior Audit Findings, please do not hesitate to contact our office.

Sincerely,

Brian Tinney  
 Statewide Accounting Director

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State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	001	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.</p> <table border="0" data-bbox="667 548 1096 611"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>N/A</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office of Financial Management, with the collaboration of state agencies, strives for the highest standards in the preparation of the state’s financial statements. Responses from each agency are listed below:</p> <p><b><i>State Board for Community and Technical Colleges (State Board)</i></b></p> <p>The State Board completed the conversion of all schools to the new ERP system in fiscal year 2022. The following actions were taken to improve the process of reconciling college financial data timely and accurately with amounts recorded in the state’s accounting system (AFRS):</p> <ul style="list-style-type: none"> <li>• Revamped and streamlined the program and process that is utilized to crosswalk data from the new ERP system to AFRS. Updates will continue to be done as needed.</li> <li>• Completed the reconciliation program that will compare AFRS reports to actual real-time data from the ERP system.</li> <li>• Performed monthly reconciliation of automated data uploads for the State Board and all 34 colleges from the ERP system to AFRS.</li> <li>• Created an “in process” report to identify errors during the ERP system uploads to AFRS.</li> <li>• Began creating and modifying rules in the ERP system that will help reduce data upload errors.</li> </ul> <p>The State Board will continue to build and enhance programming tools to help identify and reconcile variances between the two systems. While current monthly data is being reconciled in a timely manner from the ERP system to AFRS, the State Board continues to work on reconciling historical data from the beginning of system deployment and is currently working with the Office of Financial Management to make necessary adjusting entries.</p> <p>In addition, the State Board began the conversion and crosswalk of data from ctcLink to the new system that the One Washington project is undertaking to replace AFRS. While this is new and additional work that was not part of the scope of this corrective action plan, it is an integral part of the effort to ensure accurate financial reporting in the long run.</p> <p><i>Completion: Estimated March 2024</i></p>	<u>Assistance Listing #</u>	<u>Amount</u>	N/A	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
N/A	\$0						

State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	001 (cont'd)	<p data-bbox="673 422 1047 453"><i>Employment Security Department</i></p> <p data-bbox="673 485 1469 642">To ensure adequate monitoring and accurate reporting of financial activities for the financial statements, the Department is currently participating in programmatic discussions between the Unemployment Insurance (UI) Program and the Finance Division to gain an understanding of the activities that may require reporting on the financial statements.</p> <p data-bbox="673 684 1365 716">The Department will implement the following corrective actions:</p> <ul data-bbox="691 726 1469 1020" style="list-style-type: none"> <li>• By July 2023, the Finance Division will develop procedures to ensure that all programmatic processes that need to be reflected in the financial statements are included and based on appropriate accounting practices.</li> <li>• By August 2023, the Finance Division will ensure practices are in place to review all fiscal year entries for accuracy before and after posting.</li> <li>• Develop additional tools that will help with allowing more staff time to analyze financial data.</li> </ul> <p data-bbox="673 1062 1062 1094"><i>Completion: Estimated August 2023</i></p> <p data-bbox="487 1125 915 1188">Completion Date: Estimated March 2024</p> <p data-bbox="487 1220 1040 1409">Agency Contact: Brian Tinney                      Statewide Accounting Director PO                      Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:Brian.tinney@ofm.wa.gov">Brian.tinney@ofm.wa.gov</a></p>



University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	002	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The University of Washington did not have adequate internal controls to ensure key personnel commitments specified in grant proposals or awards were met.</p> <table border="0" data-bbox="667 548 1096 611"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>Various</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The University has established internal controls to ensure compliance with key personnel program requirement through time and effort certifications, project reporting processes, and budget reconciliation requirements. Additionally, the University offers multiple training courses to research administrators and principal investigators (PI) on management of sponsored awards.</p> <p>The University agrees there are areas for improvement over staff and PI training, and resources available to monitor contribution and documentation of committed levels of time and effort.</p> <p>The University will implement the following improvements:</p> <ul style="list-style-type: none"> <li>• Update training materials and provide additional training to PIs and key personnel on:                         <ul style="list-style-type: none"> <li>○ Documentation of time and effort.</li> <li>○ Prior approval requirements for reductions in time and effort.</li> </ul> </li> <li>• Update guidance and instructions for time and effort certifications to ensure all personnel involvement in various grant programs is properly accounted for during the certification process.</li> <li>• Develop exception reports to provide additional oversight to monitor deviations from committed time and effort for PIs and key personnel.</li> </ul> <p>Estimated February 2024</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	Various	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
Various	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Status															
2022	003	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over accountability for USDA-donated foods.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>10.553</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>10.555</td> <td></td> </tr> <tr> <td>10.555 COVID-19</td> <td></td> </tr> <tr> <td>10.556</td> <td></td> </tr> <tr> <td>10.559</td> <td></td> </tr> <tr> <td>10.582</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Office has taken the following corrective action to strengthen internal controls over accounting for USDA-donated foods:</p> <ul style="list-style-type: none"> <li>• Reviewed current process for monthly inventory.</li> <li>• Reviewed process for inventory discrepancies follow up.</li> <li>• Implemented a process for documenting follow-up efforts.</li> </ul> <p>The Office is following the USDA requirements for conducting annual inventory and reconciliation in June of each year.</p> <p>In addition, the Office has contracted with a vendor for a new and updated Food Distribution Management System. The current timeline for system launch is as follows:</p> <ul style="list-style-type: none"> <li>• November 2023 – Data migration and system set up</li> <li>• February 2024 – Survey period</li> <li>• August 2024 – Ordering of food, receiving, and inventory management</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-003, 2020-004 and 2019-005.</p> <p>Estimated July 2023</p> <p>Leanne Eko                      Chief Nutrition Officer                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-0410  <a href="mailto:leanne.eko@k12.wa.us">leanne.eko@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.553	\$0	10.555		10.555 COVID-19		10.556		10.559		10.582	
<u>Assistance Listing #</u>	<u>Amount</u>																
10.553	\$0																
10.555																	
10.555 COVID-19																	
10.556																	
10.559																	
10.582																	

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	004	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Special Supplemental Nutrition Program for Women, Infants, and Children.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>10.557</td> <td>\$0</td> </tr> <tr> <td colspan="2">10.557 COVID-19</td> </tr> </table> <p>Corrective action not taken</p> <p>The Department disagrees with the auditor’s assessment of a significant deficiency in internal controls over the consolidated contract provider payment process for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).</p> <p>The Department has established processes in place to ensure payments are allowable, meet cost principles, and comply with period of performance requirements for the WIC program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the WIC program has monitoring controls in place and evidence of review at the program level. The quality assurance program staff maintain a detailed payment log that documents review and approval and details any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>Similar conditions noted in this finding were previously reported in finding 2021-004.</p> <p>Not applicable</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.557	\$0	10.557 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
10.557	\$0								
10.557 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	005	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Employment Security Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the Unemployment Insurance program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">17.225</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">17.225 COVID-19</td> <td></td> </tr> </table> Corrective action in progress  The Department implemented a secondary review of the monthly ETA 9055 performance report to verify the data pulled from source documentation is accurately represented prior to submitting to the federal reporting system.  In progress  Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	006	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Historically, the Benefit Accuracy Measurement (BAM) unit has been challenged to maintain full levels of staffing. Staff turnover, long training requirements, and unique skill sets make these positions difficult to maintain.</p> <p>The BAM Unit currently has one vacancy and is expected to have more with upcoming retirements. The Department is currently in a hiring freeze for Unemployment Insurance administrative funding, furthering the challenge to fully staff the unit and meet program requirements. Once the hiring freeze is lifted, the unit will fill the vacant position. The Department anticipates the unit will meet federally mandated timelines for case reviews when the unit is fully staffed and trained.</p> <p>The Department continues to partner and frequently communicate with the U.S. Department of Labor (USDOL) Regional Offices to discuss staffing and training models. The Quality Assurance Manager and the Case Review Supervisor are committed to routinely monitor caseload, workload, and the overall assurance of meeting the BAM operations performance goals and measures as set forth by USDOL.</p> <p>The conditions noted in this finding were previously reported in findings 2021-005 and 2020-011.</p> <p>Estimated June 2024</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Status								
2022	007	<p>Finding: The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it submitted complete and accurate quarterly performance reports for the Workforce Innovation and Opportunity grant.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 583 1096 703"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>17.258</td> <td>\$0</td> </tr> <tr> <td>17.259</td> <td></td> </tr> <tr> <td>17.278</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: In response to the finding, the Department is in the process of developing a comprehensive system and set of protocols to strengthen internal controls over the completion and submission of quarterly performance reports for the Workforce Innovation and Opportunity Act (WIOA) grant.</p> <p>The Department:</p> <ul style="list-style-type: none"> <li>• Executed a Workforce Integrated Technology Replacement Project that focuses on improving case management and data management internal controls. The Department estimates the project will be completed by December 2024.</li> <li>• Initiated and is in the process of a statewide implementation of the U.S. Department of Labor (DOL) Quarterly Report Analysis data integrity and data quality internal controls system.</li> </ul> <p>The Department will:</p> <ul style="list-style-type: none"> <li>• Continue to execute the Data Element Validation policy update for the Participant Individual Record Layout (PIRL) report per DOL expectations.</li> <li>• Continue to provide technical assistance, training, and one-on-one coaching for the local areas, which cover WIOA Title I and WIOA Title III, PIRL reporting, data management, validation, quality, and integrity systems and processes.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-007 and 2020-012.</p> <p>Completion Date: Estimated December 2024</p> <p>Agency Contact: Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.258	\$0	17.259		17.278	
<u>Assistance Listing #</u>	<u>Amount</u>									
17.258	\$0									
17.259										
17.278										

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	008	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls to ensure supervisors reviewed and approved payroll journals for the Highway Planning and Construction Cluster.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>20.205</td> <td>\$0</td> </tr> <tr> <td>20.205 COVID-19</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>20.224</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Department is committed to ensuring adequate internal controls are established for processing payroll journals. Currently, the Department:</p> <ul style="list-style-type: none"> <li>• Sends payroll journals electronically via Adobe Acrobat Sign on day four of payroll processing.</li> <li>• Generates system automated emails, which are sent to the reviewer each day the journal is unsigned.</li> <li>• Reconciles unsigned payroll journals and will follow up with responsible staff.</li> </ul> <p>To further improve controls over timely approval and return of payroll journals, the Department will:</p> <ul style="list-style-type: none"> <li>• Continue to review existing internal controls to assess their effectiveness and make improvements as needed.</li> <li>• Review the Payroll Manual to ensure directions, guidelines, and expectations around the payroll journal approval are clearly defined.</li> <li>• Evaluate the appropriateness of establishing a timeline for returning signed payroll journals for incorporation into the Payroll Manual.</li> </ul> <p>June 2023</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	009	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to conduct program monitoring of subrecipients of the Highway Planning and Construction Cluster.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>20.205</td> <td>\$0</td> </tr> <tr> <td>20.205 COVID-19</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>20.224</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department is committed to ensuring that our grant programs comply with federal regulations related to subrecipient monitoring.</p> <p>In July 2022, the Department executed a memo agreement with the Federal Highway Administration (FHWA) to update the risk-based review process to a leading practice. This new process will improve the effectiveness of subrecipient monitoring efforts which will focus reviews and resources on the high-risk agencies or projects rather than a three-year review cycle.</p> <p>However, FHWA is reluctant to formally open the Stewardship and Oversight (S&amp;O) Agreement for revisions, as a new nationwide “template” is under development. Based on the existing language in the S&amp;O Agreement with FHWA, the finding was issued for fiscal year 2022.</p> <p>With FHWA’s approval to implement the risk-based approach, the Department will:</p> <ul style="list-style-type: none"> <li>• Conduct baseline Project Management Reviews (PMR) for each Certification Acceptance (CA) agency. This process began in September 2022, with 13 PMRs completed, 22 near completion, and 9 in process.</li> <li>• Analyze CA PMRs and assign a risk rating, which will be used in the PMR selection process.</li> <li>• Update risk-based approach policies to complete PMRs, as needed.</li> <li>• Update the Local Agency Guidelines Manual to reflect the risk-based approach to complete PMRs, as needed.</li> <li>• Communicate changes to policies and procedures to Local Program staff and stakeholders, as needed.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-008, 2020-016 and 2019-015.</p> <p>June 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													



Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status	
2022	009 (cont'd)	Agency Contact:	Jesse Daniels External Audit Liaison PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a>

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	010	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to issue management decisions for audit findings to subrecipients of the Highway Planning and Construction Cluster.</p> <table border="0"> <thead> <tr> <th data-bbox="672 583 971 611"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1094 611"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="672 615 971 642">20.205</td> <td data-bbox="1003 615 1094 642">\$0</td> </tr> <tr> <td data-bbox="672 646 971 674">20.205 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="672 678 971 705">20.219</td> <td></td> </tr> <tr> <td data-bbox="672 709 971 737">20.224</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Department is committed to ensuring our programs comply with federal regulations related to subrecipient monitoring.</p> <p>The Department’s Local Programs Division typically issues Management Decision Letters (Decision Letters) to all subrecipients that receive single audit findings related to WSDOT federal grant awards. For the subrecipient in question, the subrecipient had contacted the Division upon realizing a discrepancy in their advertisement practices, which was prior to the auditors issuing the single audit finding. The Division reviewed the subrecipient’s advertisement practices, evaluated and approved the corrective action plan, and implemented a training plan with the subrecipient. Since these activities preceded the issuance of the subrecipient’s single audit finding and resolved the deficiency, the Department elected to forgo a formal Decision Letter.</p> <p>Based on the audit recommendations, the Department will continue to review all single audit findings issued for subrecipients and send Decision Letters.</p> <p>The conditions noted in this finding were previously reported in findings 2021-010, 2020-015 and 2019-017.</p> <p>December 2022</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	011	<p>Finding: The Washington State Department of Transportation did not have adequate internal controls over and did not comply with quality assurance program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 615 1096 772"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>20.205</td> <td>\$0</td> </tr> <tr> <td>20.205 COVID-19</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>20.224</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department is committed to ensuring that our grant programs comply with federal regulations related to quality assurance (QA) requirements and safeguarding that materials and workmanship conform to approved plans and specifications through testing, inspections, or certifications.</p> <p>The Department continues to work closely with the Federal Highway Administration (FHWA) on the QA program and has received positive feedback on the strength of the program. In addition, the Department is currently investing in the Unifier software to replace separate QA legacy systems, which will allow shared data and provide built-in controls to help prevent the issues identified in the audit. Depending on funding and programming times, the Department estimates Unifier to be online for the QA program within five years.</p> <p>To address the audit recommendations, the Department’s Construction Division will examine current policies and procedures/practices related to the audit issues.</p> <p>The Department will:</p> <ul style="list-style-type: none"> <li>• Update policies and procedures, including the Department’s Construction Manual (M46-01), as needed to ensure staff practices meet federal regulations. Updates will also include other clarifications to address documentation and evidence of compliance, and a reasonable level of controls regarding materials testing, inspections, certification, acceptance, and tester certifications.</li> <li>• Obtain approval of updates to the Construction Manual from the FHWA.</li> <li>• Communicate changes in policies and procedures to division staff and stakeholders.</li> <li>• Provide training to Project Engineering Office staff to emphasize QA program requirements.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-011, 2020-017 and 2019-019.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>											
20.205	\$0											
20.205 COVID-19												
20.219												
20.224												

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	011 (cont'd)	Completion Date: Estimated June 2024  Agency Contact: Jesse Daniels External Audit Liaison PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 danielje@wsdot.wa.gov

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	012	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate controls over and did not comply with requirements to perform risk assessments for subrecipients of the Formula Grants for Rural Areas program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">20.509</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">20.509 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Washington State Department of Transportation (WSDOT) concurs with the finding and is in the process of implementing the audit recommendations. Specifically, the Department’s Public Transportation Division will ensure it performs risk assessments for all subrecipients receiving federal subawards regardless of when WSDOT executes the related contract.</p> <p>As of February 2023, the Public Transportation Division updated its risk assessment process and plans to complete all risk assessments by July 1, 2023.</p> <p>June 2023</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.509	\$0	20.509 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
20.509	\$0								
20.509 COVID-19									

Department of Corrections

Agency 310

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	013	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Corrections improperly charged \$37,392 to the Coronavirus Relief Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$37,392</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs that the questioned costs identified by the auditors resulted from an employee’s overpayment inappropriately charged to the Coronavirus Relief Fund (CRF).</p> <p>The Department is committed to ensuring compliance with federal grant requirements. In response to this audit finding, the Department:</p> <ul style="list-style-type: none"> <li>• Reviewed controls around payroll overpayments and developed a process to ensure they are not included in any future federal funding transfers.</li> <li>• Reviewed and identified allowable costs that were not initially charged to the grant which would compensate for the questioned costs identified. The identified costs have been filed with the original transfer journal voucher and will be provided to the Office of Financial Management (OFM).</li> </ul> <p>Since the Department received CRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the OFM.</p> <p>June 2023</p> <p>Anita Kendall                      Senior Director, Business Services                      PO Box 41106                      Olympia, WA 98504-1106                      (360) 480-7915  <a href="mailto:Anita.kendall@doc1.wa.gov">Anita.kendall@doc1.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$37,392
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$37,392						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	014	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Department of Social and Health Services improperly charged \$390 to the Coronavirus Relief Fund.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$390</td> </tr> </table> Corrective action complete  The Department concurs with the finding.  Since the Department received CRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.  June 2023  Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$390
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$390						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	015	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus Relief Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office had controls in place for the Coronavirus Relief Fund (CRF) reporting requirements to ensure reported amounts, including corrections or adjustments made during the reporting period, were properly tracked and documented for subsequent reporting cycles. The Office performed continual monitoring of CRF expenditures to ensure the total grant expenditures reported were complete and accurate.</p> <p>The Office’s Statewide Accounting staff took over the responsibility for reviewing and certifying cycle 8 to 10 reports. Each report was reviewed prior to submission and documentation of the review was adequately maintained. The review ensured amounts submitted on the reports reconciled to supporting documentation provided by agencies at the time the reports were prepared. However, system issues in the federal reporting system created challenges in documenting changes to the templates as errors appeared and were subsequently corrected for the reporting cycle.</p> <p>For the final cycle 10 report, the Office ensured the cumulative amounts on the CRF report were supported by the underlying accounting records and performed a complete reconciliation of expenditures to the totals reported for each expenditure category. All revisions and resubmissions of the final report were completed in cycle 10. No additional revisions are required at this time.</p> <p>The final report was submitted in January 2023 and the grant is in its closeout phase. The Office considers this issued resolved.</p> <p>The conditions noted in this finding were previously reported in finding 2021-014.</p> <p>January 2023</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$0						



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	016	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients of the Emergency Rental Assistance program were allowable and properly supported.</p> <table border="0" data-bbox="667 577 1482 640"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.023 COVID-19</td> <td style="text-align: right;">\$255,642,551</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure Emergency Rental Assistance program expenditures are allowable, properly supported, and in compliance with the subrecipient fiscal monitoring requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions in September 2022:</p> <ul style="list-style-type: none"> <li>• Updated unit reimbursement procedures to include a requirement for specific supporting documentation to accompany payment requests from all subrecipients.</li> <li>• Provided training to staff on reviewing supporting documentation to ensure expenditures reconcile with reimbursement requests and to verify expenditures are within the period of performance.</li> <li>• Reviewed 2 CFR 200.332 and updated procedures to include additional requirements for pass-through entities.</li> <li>• Worked with the Department’s internal control officer for review and feedback of the updated procedures.</li> </ul> <p>The managing director will perform a review of the reimbursement process during the next fiscal year, which begins July 1, 2023, to ensure procedures are followed.</p> <p>The Department will consult with the federal grantor to discuss the audit results.</p> <p>Estimated September 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$255,642,551
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$255,642,551						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	017	<p>Finding: The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Emergency Rental Assistance program.</p> <p>Questioned Costs: <u>Assistance Listing #</u> 21.023 COVID-19      <u>Amount</u> \$0</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department implemented procedures to strengthen internal controls to ensure compliance with reporting and special test compliance requirements.</p> <p>In December 2021, the Department contracted with a vendor skilled in performing data analytics. The vendor:</p> <ul style="list-style-type: none"> <li>• Helped aggregate the data required in the monthly and quarterly reports submitted to Treasury.</li> <li>• Worked with the Department to create a report form, with embedded data validation checks, to ensure data quality and accuracy.</li> </ul> <p>The Department updated its process to document review of the aggregated report form data prior to submission to Treasury. Additionally, bi-monthly meetings are held with the vendor staff to ensure understanding of any updated Emergency Rental Assistance reporting requirements and discuss potential impact to the data aggregation process.</p> <p>Funding for this program ends June 30, 2023. The Department will follow these updated procedures until final reporting is completed.</p> <p>Completion Date: Estimated July 2023</p> <p>Agency Contact: Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	018	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used only for allowable activities.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$300,000,000</td> </tr> </table> <p>Corrective action not taken</p> <p>The Office does not concur with the audit finding.</p> <p>The state of Washington created a separate fund to track the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) expenditures. The state, through legislation, approved the transfer from the CSLFRF account to various state transportation accounts. The Office reaffirms that all expenditures from the transportation accounts that received the CSLFRF funds were used to maintain government services.</p> <p>The <i>State Administrative and Accounting Manual</i> requires all state agencies to establish internal controls over payments for goods and services, including ensuring payments are lawful and for proper purposes, reviewing payments to ensure they are supported, as well as documenting the review of all payments. State agencies continued to follow their established internal controls to ensure expenditures from the transportation accounts were proper and allowable for both non-CSLFRF and CSLFRF funds.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Work with the U.S. Treasury through upcoming desk audits to ensure no questioned costs are required to be repaid.</li> <li>• Document all correspondence with the grantor during the audit resolution process.</li> </ul> <p>Not applicable</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$300,000,000
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$300,000,000						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status				
2022	019	<p>Finding: The Department of Commerce did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <p>Questioned Costs: <table border="0" style="display: inline-table; vertical-align: top;"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.027 COVID-19</td> <td style="text-align: right;">\$28,886,606</td> </tr> </table></p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department implemented procedures to strengthen internal controls to ensure program expenditures are allowable, properly supported, and in compliance with the subrecipient fiscal monitoring requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions in July 2022:</p> <ul style="list-style-type: none"> <li>• Updated unit reimbursement procedures to include a requirement for specific supporting documentation to accompany payment requests from all subrecipients.</li> <li>• Provided training to staff on reviewing supporting documentation to ensure expenditures reconcile with reimbursement requests and to verify expenditures are within the period of performance.</li> <li>• Reviewed 2 CFR 200.332 and updated procedures to include additional requirements for pass-through entities.</li> <li>• Worked with the Department’s internal control officer for review and feedback of the updated procedures.</li> </ul> <p>The managing director will perform a review of the reimbursement process during the next fiscal year which begins July 1, 2023, to ensure procedures are followed.</p> <p>The Department increased the number of client files reviewed during program monitoring. The client file review included verifying household assistance expenses were allowable and incurred within the period of performance.</p> <p>Since the Department received Coronavirus State and Local Fiscal Recovery Funds through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>Completion Date: Estimated September 2023</p> <p>Agency Contact: Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$28,886,606
<u>Assistance Listing #</u>	<u>Amount</u>					
21.027 COVID-19	\$28,886,606					

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	020	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office has continued to strengthen internal controls for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) reporting to ensure compliance with the federal requirements.</p> <p>As of May 2022, the Office:</p> <ul style="list-style-type: none"> <li>• Transitioned the primary responsibility for centralized CSLFRF reporting to the Statewide Accounting Division.</li> <li>• Hired a Budget and Grants Coordinator with experience in federal reporting to oversee the reporting process.</li> </ul> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Monitor updates to the U.S Treasury’s Project and Expenditure Report User Guide.</li> <li>• Improve the quarterly reporting template and assist state agencies during the reporting process.</li> <li>• Ensure reported amounts, including corrections or adjustments made during the reporting period, are properly tracked and documented for the subsequent reporting cycles.</li> <li>• Perform reconciliations of reported expenditures to ensure agency expenditures are accurately reported, allowing for adjustments/corrections required due to issues with the reporting system.</li> <li>• Ensure reported expenditures are accurate and adequately supported by accounting records before the information is uploaded to the federal reporting system.</li> <li>• Document correspondences with the U.S. Treasury when system errors are identified and resolutions recommended by the grantor, if received.</li> </ul> <p>Internal procedures have been developed to formally document the reporting process.</p> <p>In progress</p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	020 (cont'd)	Agency Contact: Brian Tinney Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (564) 999-1781 <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	021	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure the program complies with the subrecipient monitoring risk assessment requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions:</p> <ul style="list-style-type: none"> <li>• Updated the unit risk assessment procedures to require risk assessment forms to be completed prior to contract execution for all subawards.</li> <li>• Reviewed 2 CFR 200.332 to ensure procedures are updated to comply with all requirements for pass-through entities.</li> <li>• Reviewed the updated procedures and risk assessment form with the Department's central contract office.</li> </ul> <p>The federal team managers provided training to current staff and new hires on the updated procedures and are responsible for reviewing completed risk assessments.</p> <p>The Homelessness Assistance Unit managing director will perform a review of the process at the end of the current fiscal year to ensure procedures have been followed and the form is adequate to capture all required elements.</p> <p>Estimated September 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Washington State University

Agency 365

Fiscal Year	Finding Number	Finding and Corrective Action Status															
2022	022	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>Washington State University did not ensure that returns of Title IV funds were accurate for the Student Financial Assistance programs.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>84.007</td> <td>\$2,582</td> </tr> <tr> <td>84.033</td> <td></td> </tr> <tr> <td>84.038</td> <td></td> </tr> <tr> <td>84.063</td> <td></td> </tr> <tr> <td>84.268</td> <td></td> </tr> <tr> <td>84.379</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The University has improved processes for the return of Title IV funds. The University:</p> <ul style="list-style-type: none"> <li>• Included a standard calculation in workbooks to quickly identify whether amounts to be returned for withdrawn students will exceed the amounts disbursed.</li> <li>• Implemented a quality check to review these exceptions, and to investigate and correct as necessary.</li> </ul> <p>The University has returned all questioned costs to the sponsors.</p> <p>May 2023</p> <p>Heather Lopez                      Chief Audit Executive                      PO Box 641221                      Pullman, WA 99164-1221                      (509) 335-2001  <a href="mailto:hlopez@wsu.edu">hlopez@wsu.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.007	\$2,582	84.033		84.038		84.063		84.268		84.379	
<u>Assistance Listing #</u>	<u>Amount</u>																
84.007	\$2,582																
84.033																	
84.038																	
84.063																	
84.268																	
84.379																	



Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2022	023	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal requirements to ensure Local Education Agencies implemented testing security measures.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.010</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office monitors and ensures all Local Education Agencies (LEA) implement school testing security measures. All LEAs are required to submit a District Administration and Security Report (DASR) at the conclusion of the testing cycle to document the security training and that protocols have been followed.</p> <p>The Office will continue to communicate with LEAs to ensure they provide the DASR for all tests administered in the spring, as follows:</p> <ul style="list-style-type: none"> <li>• Once per week for four weeks leading up to the end of the test administration window.</li> <li>• Once per week for three weeks after the end of the test administration window.</li> </ul> <p>In August, the Office will receive the annual final list of all tests administered by each LEA and will be able to narrow its focus for sending out weekly reminders. If the Office has not received completed DASRs by mid-September, a management decision letter will be sent to the LEA's Superintendent to inform them of the non-compliance and potential consequences as outlined in federal regulations.</p> <p>The conditions noted in this finding were previously reported in findings 2021-021 and 2020-026.</p> <p>June 2023</p> <p>Christopher Hanczrik                      Director, Assessment Operations and Select Assessments                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 485-3580  <a href="mailto:Christopher.Hanczrik@k12.wa.us">Christopher.Hanczrik@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.010	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
84.010	\$0						

Washington Charter School Commission

Agency 359

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	024	<p>Finding: The Charter School Commission did not have adequate internal controls over and did not comply with requirements to ensure charter schools with relationships to charter management organizations were monitored for conflicts of interest.</p> <p>Questioned Costs: <u>Assistance Listing #</u> 84.010      <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: Although the Commission believes that a finding was not warranted, the Commission has begun implementing additional oversight requirements identified in the audit.</p> <p>As of May 2023, the Commission:</p> <ul style="list-style-type: none"> <li>• Implemented a process to review all charter public school board members’ F-1 Personal Financial Affairs Disclosure forms for potential conflict of interest using the Public Disclosure Commission (PDC) website.</li> <li>• Required all charter public schools to submit each board member’s F-1 form to the Commission directly via the compliance software, Epicenter, as follows:                         <ul style="list-style-type: none"> <li>○ By April 15 of each year for current board members in alignment with the PDC’s annual submission deadline.</li> <li>○ Within two weeks of appointment for new board members in alignment with PDC submission guidelines.</li> </ul> </li> </ul> <p>The Commission created and will maintain a conflict-of-interest tracker, including dates forms are received, to ensure each board member’s potential conflict of interest is actively reviewed.</p> <p>The Commission will continue to work with the Office of Superintendent of Public Instruction (OSPI) on federal funding administered by OSPI and be informed of matters that may require additional actions by the Commission.</p> <p>Completion Date: May 2023</p> <p>Agency Contact: Jessica de Barros                      Executive Director                      PO Box 40996                      Olympia, WA 98501-0996                      360-725-5511  <a href="mailto:charterschoolinfo@k12.wa.us">charterschoolinfo@k12.wa.us</a></p>

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	025	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate controls over and did not comply with requirements to ensure it met the earmarking requirements for the Special Education program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.027</td> <td>\$188,873</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>When the Special Education program underwent a fiscal leadership transition in 2021, the incoming director identified necessary changes in agency procedures for closing out the fiscal year for the program. Since that time, the Office has fully implemented internal controls to ensure spending plans do not exceed the maximum allowable amounts earmarked for administration and other state-level activities.</p> <p>The updated procedures require the director of Operations and the budget analyst to perform the following:</p> <ul style="list-style-type: none"> <li>• Review criteria for spending plans at the beginning of the fiscal year.</li> <li>• Review the Grant Award Notice and Grants to States Summary Table and Preschool Grants to States Summary Table.</li> <li>• Review spending plans and update the maximum allowable amounts earmarked for administration and other state-level activities in the spending plan throughout the fiscal year.</li> <li>• Meet weekly to review spending plans and update plans as requests are received.</li> <li>• Review monthly expenditure reports during weekly meetings.</li> </ul> <p>These updated procedures have contributed to increased communication and partnership between the director of Operations and the budget analyst. These internal controls provide assurance that maximum allowable amounts earmarked for administration and other state-level activities will be in compliance with federal rules.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>In progress</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:tania.may@k12.wa.us">tania.may@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$188,873	84.027 COVID-19		84.173	
<u>Assistance Listing #</u>	<u>Amount</u>										
84.027	\$188,873										
84.027 COVID-19											
84.173											

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	026	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program.</p> <table border="0"> <thead> <tr> <th data-bbox="673 548 971 575"><u>Assistance Listing #</u></th> <th data-bbox="1003 548 1094 575"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="673 579 971 606">84.027</td> <td data-bbox="1003 579 1094 606">\$0</td> </tr> <tr> <td data-bbox="673 611 971 638">84.027 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="673 642 971 669">84.173</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>In April 2022, the Office’s Special Education division revised and expanded the form package that Educational Service Districts (ESDs) need to submit as part of year-end reporting. Additionally, ESDs are required to respond to a series of questions and provide applicable documentation for contracts and procurement, time and effort process and reports, documentation for professional development expenditures, and year-end expenditure reports.</p> <p>Based on the results from monitoring activities over year-end reporting, ESDs will be selected for additional monitoring and may be subject to an onsite visit if deemed necessary.</p> <p>In March 2023, the Office finalized the Fiscal Monitoring Procedures Handbook for ESDs. The following timeline has been developed for full implementation of the corrective actions:</p> <ul style="list-style-type: none"> <li>• ESDs are required to upload documentation by February 1, 2024.</li> <li>• The Office will complete review of submitted documents and issue reports to ESDs by February 29, 2024. Reports will identify any required or recommended corrective actions.</li> <li>• The Office will issue final reports to ESDs within 60 calendar days after documentation review, by March 29, 2024.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2021-023.</p> <p>Estimated March 2024</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:tania.may@k12.wa.us">tania.may@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$0	84.027 COVID-19		84.173	
<u>Assistance Listing #</u>	<u>Amount</u>										
84.027	\$0										
84.027 COVID-19											
84.173											

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	027	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.425D COVID-19</td> <td>\$0</td> </tr> <tr> <td>84.425R COVID-19</td> <td></td> </tr> <tr> <td>94.425U COVID-19</td> <td></td> </tr> <tr> <td>84.425V COVID-19</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Office does not concur with the finding.</p> <p>The Office performed the maintenance of effort (MOE) calculations in accordance with the guidance provided by the U.S. Department of Education (ED). Based on appropriations and past funding, it was determined that the fiscal year 2022 expenditure level did not meet the MOE requirement. The Office followed the federal guidance and directions from a legislative proviso in the enacted state budget (Chapter 334, Laws of 2021, Sec. 954) and submitted a waiver request for fiscal years 2022 and 2023. The waiver was submitted before ED’s stipulated deadline of December 31, 2021. ED’s website confirmed an MOE waiver request was received from Washington state and the status of the request is currently listed as “under review.”</p> <p>The Office maintains adequate internal controls and has followed all federal and state requirements with due diligence in requesting the MOE waiver. The approval process rests with the federal grantor, and the waiver has not been disapproved.</p> <p>In addition, the Office has been meeting with ED on a monthly basis and is already consulting with the grantor regarding the pending waiver request. The Office will also continue to work with the Legislature, which is the state-level authority for state appropriations, to monitor any updates to federal requirements.</p> <p>The auditors determined this finding was resolved in the fiscal year 2023 audit.</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.425D COVID-19	\$0	84.425R COVID-19		94.425U COVID-19		84.425V COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
84.425D COVID-19	\$0												
84.425R COVID-19													
94.425U COVID-19													
84.425V COVID-19													

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	028	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The University of Washington did not establish adequate internal controls to ensure payments to contractors and subrecipients for the Global AIDS program were allowable, properly supported and within the period of performance.</p> <table border="0" data-bbox="667 577 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.067</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.067 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The University partially concurs with the finding.</p> <p>The University disagrees with the auditors' assertion that internal controls were inadequate to ensure payments to contractors and subrecipients of the Global AIDS program were allowable, properly supported, and within the period of performance.</p> <p><b>Payments to country offices</b></p> <p>The University administers the program through its International Training and Education Center for Health (I-TECH), a center in the University's Department of Global Health, with staff in various locations worldwide. I-TECH country offices are not contractors but are an extension of the University. The audit identified one of 58 payments in the test sample (1.7 percent) that did not meet the approval requirements set forth in I-TECH's standard operating procedures. Based on the error percentage, the University disagrees with this part of the finding.</p> <p><b>Payments to contractors</b></p> <p>The University's current payment process to contractors has multiple approval requirements. Upon receipt, program/budget manager reviews and approves individual invoices prior to input into the University's procurement system by the I-TECH accounts payable administrator. The system requires compliance approval from the account payable supervisor or other manager, as well as funding approval from the budget manager prior to payment. Approvals of Budget Activity Reports (BARS) are not part of the approval process for contractor payments, but are post-payment reviews by budget managers of monthly expenses posted to the budget to ensure they are within expectations.</p> <p>The University disagrees with the exceptions identified in the finding related to payments to contractors. The exceptions noted were payments made to country offices instead of contractors, the supporting approvals of which were provided to the auditors on April 26, 2023, prior to the completion of fieldwork.</p> <p><b>Subrecipient reimbursements</b></p> <p>Contract managers review each subrecipient invoice for reasonableness,</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.067		\$0	93.067 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.067		\$0										
93.067 COVID-19												

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	028 (cont'd)	<p>allowability and allocability, and require approval by both budget managers and principal investigators (PI) prior to payment in the University's procurement system. The auditors reviewed and verified PI approvals for each selected subrecipient with no exception identified. It should be noted that approvals of BARS are also not part of the approval process for payments to subrecipients.</p> <p>The University acknowledges that documentation related to BARS reviews by budget managers was not available for 52 of the transactions tested and agrees that improvement is needed for retaining documentation of monthly reviews. In response to the finding, the University has started saving BARS review documentation on the server to ensure the documents are readily available.</p> <p>Completion Date: April 2023</p> <p>Agency Contact: Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	029	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The University of Washington did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.067</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.067 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The University acknowledges that one report related to the Global AIDS program subaward modification was not submitted during the audit period in accordance with Federal Funding Accountability and Transparency Act (FFATA) requirements.</p> <p>The University:</p> <ul style="list-style-type: none"> <li>• Submitted the required report as of May 2023.</li> <li>• Reviewed all subaward actions (new subawards and modifications) for the program active during fiscal year 2022 and verified that no additional reports were missed.</li> </ul> <p>The University maintains that solid and effective controls are already in place related to FFATA reporting, but acknowledges that the current process can be enhanced through better use of the data in the Sponsored Projects Administration and Electronic Research Compliance (SPAERC) system. The University will:</p> <ul style="list-style-type: none"> <li>• Strengthen management monitoring process to ensure compliance with FFATA reporting requirements.</li> <li>• Design a report to assist in the identification and review of FFATA-reportable actions. Implementation of this process is expected to occur in fiscal year 2024.</li> </ul> <p>Estimated December 2023</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.067	\$0	93.067 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.067	\$0								
93.067 COVID-19									



University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	030	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The University of Washington did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.067</td> <td>\$0</td> </tr> <tr> <td colspan="2">93.067 COVID-19</td> </tr> </table> <p>Corrective action in progress</p> <p>The University maintains that there are adequate internal controls to ensure the Global AIDS program complies with the requirements for pass-through entities as outlined in Uniform Guidance 2 CFR § 200.332 and the university policy incorporated in Grants Information Memorandum 8.</p> <p>As noted in the finding, the University uses a certification process to obtain information and documentation needed, such as audited financial statements, from each subrecipient and perform a risk assessment using standard risk criteria. For the one exception identified by the auditors, the University misinterpreted the response provided by the subrecipient regarding whether it expended \$750,000 or more in federal awards during the fiscal year. Although the single or program specific audit report was not obtained and reviewed, a risk assessment was performed on the subrecipient. With a medium risk rating, the subrecipient was subject to monitoring at the program level throughout the project during the period in question, in accordance with University policy.</p> <p>The University will:</p> <ul style="list-style-type: none"> <li>• Update the certification process with all subrecipients to confirm if federal expenditures during a fiscal year exceed the \$750,000 threshold to require a single or program-specific audit.</li> <li>• Issue written management decisions for all applicable audit findings.</li> <li>• Ensure subrecipients develop and perform acceptable corrective actions to address all audit recommendations, if applicable.</li> </ul> <p>Estimated September 2023</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.067	\$0	93.067 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.067	\$0								
93.067 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	031	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.268</td> <td style="text-align: right;">\$4,287,159</td> </tr> <tr> <td style="text-align: right;">93.268 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that internal controls can be strengthened over provider payments to ensure funds are allowable and spent within the period of performance. The following actions were taken:</p> <ul style="list-style-type: none"> <li>• Required payments to providers contain adequate support in line with the A19 matrix and subrecipients' risk assessments.</li> <li>• Provided additional training to staff in the immunization unit responsible for reviewing invoices.</li> <li>• Developed tracking sheets which enable staff to record details from backup documentation reviews and payment approvals.</li> </ul> <p>The Department will review the control weaknesses identified in the audit related to the consolidated contract payment process and will determine if changes need to be made.</p> <p>The Department disagrees with the audit exceptions and questioned costs identified in the finding. The Department will work with the federal grantor to resolve any questioned costs.</p> <p>Estimated December 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.268	\$4,287,159	93.268 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.268	\$4,287,159								
93.268 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	032	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.268</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.268 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department agrees with the finding.</p> <p>The Department will review internal processes and determine when a review is most effective to ensure accuracy and completeness of the Federal Funding Accountability and Transparency Act reporting submissions. Management has already addressed the obligation dates to ensure the execution date of the award or amendment is reported.</p> <p>Estimated July 2024</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.268	\$0	93.268 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.268	\$0								
93.268 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	033	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with fiscal monitoring requirements to ensure subrecipients of the Epidemiology and Laboratory Capacity for Infectious Diseases program only used funds for allowable activities and met cost principles.</p> <table border="0" data-bbox="673 577 1128 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.323</td> <td></td> <td style="text-align: right;">\$1,644,873</td> </tr> <tr> <td>93.323 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with the finding.</p> <p>The Department agrees with the auditors' recommendation over subrecipient monitoring to require transactions that were previously coded as "COVID" to be recorded with the specific revenue source and will do so in future monitoring visits. The Department does not agree with the auditors' assessment of a material weakness in internal controls over subrecipient monitoring. When staff conduct fiscal monitoring site visits, key control systems including payroll and disbursements are reviewed and documented. These monitoring activities ensure internal controls are operating effectively and providing assurance that reimbursements are allowable and accurate.</p> <p>The Department acknowledges that internal controls can be strengthened over provider payments and will take the following actions:</p> <ul style="list-style-type: none"> <li>• Require payments to providers be adequately supported by the appropriate backup documentation and subrecipient risk assessments.</li> <li>• Update the documentation requirements to align with the identified risk levels and federal guidance.</li> <li>• Develop tracking sheets, which enable staff to record details from backup documentation reviews and payment approvals.</li> <li>• Provide additional training to staff in the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program responsible for reviewing invoices.</li> </ul> <p>The Department disagrees with the SAO's assessment of a material weakness in internal controls over the consolidated contract provider payment process for the ELC program. The Department has established processes in place to ensure payments are allowable and meet cost principles for the program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>	93.323		\$1,644,873	93.323 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.323		\$1,644,873										
93.323 COVID-19												

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	033 (cont'd)	<ul style="list-style-type: none"> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the ELC program has monitoring controls in place and evidence of review at the program level. Program staff maintain a detailed spreadsheet that documents review and approval and includes any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>The Department is planning on meeting with federal grantors to work through the exceptions and questioned costs identified in the finding.</p> <p>Completion Date: Estimated March 2024</p> <p>Agency Contact: Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	034	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.323</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.323 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>For the two reports on which the auditors took exceptions, the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program did discover the errors after the original reports were submitted. The Department notified the Centers for Disease Control and Prevention (CDC) about the reporting errors in February 2022, which was within the reporting period. However, due to a technical issue, the federal reporting system would not allow ELC program staff to input edits to the reports for the months of July through October 2021. After a discussion with CDC, program staff were advised to submit the corrected data of the previous reports via email, which was subsequently accepted by the grantor and the issue was resolved.</p> <p>The Department agrees there needs to be evidence of documented reviews of reports and is implementing steps to ensure review and approval of reports are well documented and retained before final submission to the federal grantor.</p> <p>Estimated December 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.323	\$0	93.323 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.323	\$0								
93.323 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	035	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with Temporary Assistance for Needy Families funds were allowable and properly supported.</p> <table border="0" data-bbox="667 577 1477 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.558</td> <td style="text-align: center;">\$67,699,429</td> </tr> </table> <p>Corrective action in progress</p> <p>The Working Connections Child Care (WCCC) program was previously managed by the Department of Social and Health Services (DSHS) and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the Temporary Assistance for Needy Families (TANF) grant. The Department allocated the TANF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility for the CCDF or TANF grants. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between TANF and CCDF source of funds with the same eligibility criteria, the Department is assured that TANF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.558	\$67,699,429
	<u>Assistance Listing #</u>	<u>Amount</u>							
	93.558	\$67,699,429							

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	035 (cont'd)	The conditions noted in this finding were previously reported in finding 2021-028.  Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with client eligibility requirements for child care services paid with the Child Care and Development Fund and Temporary Assistance for Needy Families funds.</p> <table border="0"> <thead> <tr> <th data-bbox="673 583 812 611"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1094 611"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="673 615 748 642">93.558</td> <td data-bbox="1003 615 1078 642">\$5,689</td> </tr> <tr> <td data-bbox="673 646 748 674">93.575</td> <td data-bbox="1003 646 1078 674">\$5,078</td> </tr> <tr> <td data-bbox="673 678 873 705">93.575 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="673 709 748 737">93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>In response to the finding, the Department established overpayments and referred them to the Office of Financial Recovery for collection.</p> <p>As part of process and internal control improvements, the Department implemented the Fair Start for Kids Act (FSKA) on October 1, 2021, to simplify rules and expand eligibility. The FSKA:</p> <ul style="list-style-type: none"> <li>• Raises the State Median Income threshold, increasing the number of eligible two-parent households.</li> <li>• Caps copayments at \$115 for applicants and \$215 for reapplicants, reducing the copay amounts for two-parent households.</li> <li>• Acts as disincentives for fraud as families are less likely to report the non-custodial parent who is not a household member.</li> </ul> <p>The Department continues to review cases for accuracy following these new rules and policies.</p> <p>In September 2022, the Office of Child Care (OCC) released a document to help CCDF lead agencies simplify the format and content of child care assistance applications, which includes guidance on defining, collecting, and verifying eligibility information. The Department continues to follow guidance from OCC to update policies and procedures within the authority under the Revised Code of Washington and Washington Administrative Code. This includes:</p> <ul style="list-style-type: none"> <li>• Updating policies and procedures for cases with simplified eligibility such as families experiencing homelessness or families with children receiving protective services. Public Benefit Specialist (PBS) staff received training in the winter of 2022, which included the use of systems data to establish household composition.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	93.558	\$5,689	93.575	\$5,078	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.558	\$5,689												
93.575	\$5,078												
93.575 COVID-19													
93.596													

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	036 (cont'd)	<ul style="list-style-type: none"> <li>• Developing a guide for staff to more effectively use the Employment Security Department (ESD) quarterly reported data for eligibility determinations. The ESD data is directly reported by the employer, secured, and reduces delays in benefits by eliminating the wait for employment verification. It is also simple to use for the PBS staff and the auditors, thereby reducing income calculation errors and removing the need for consumers to provide documentation to support the eligibility determination. This procedural change and training are expected to be completed by the summer of 2023.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-035, 2020-039, 2019-032, 2018-030, 2017-026, 2016-023, 2015-026, 2014-026, 2013-017 and 2012-30.</p> <p>Completion Date: Estimated October 2023</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	037	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure staff properly considered the income information obtained from data matching when determining client eligibility and benefits for the Temporary Assistance for Needy Families program.</p> <table border="0" data-bbox="667 611 1096 674"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.558</td> <td></td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The Department has established processes in place to ensure income information is properly considered during client eligibility and benefits determination for the Temporary Assistance for Needy Families (TANF) Program. During eligibility determination at application intake, the eligibility worker:</p> <ul style="list-style-type: none"> <li>• Interviews the client to determine income.</li> <li>• Compares client reported information and cross matches against the Income Eligibility and Verification System (IEVS) per the Code of Federal Regulations (CFR).</li> <li>• Resolves discrepancies for all new or previously unverified information received.</li> <li>• Uses the information to determine if the client income is below the maximum earned income limits for TANF per WAC 388-478-0035.</li> <li>• Verifies all circumstances as required in WAC 388-490-0005 and follows requirements when discrepancies exist, which include taking appropriate actions if the information is questionable, confusing, or outdated.</li> </ul> <p>The Department utilizes Spider, which is a tool that combines several different data matches including IEVS. In addition, the Department uses templates to appropriately and comprehensively document the eligibility determination to ensure consistency, accuracy, and that lean processes are followed.</p> <ul style="list-style-type: none"> <li>• The <i>Earned Income Template</i> <ul style="list-style-type: none"> <li>○ Addresses income received within 30 days of the application date and any discrepancies found between the case record, online verification systems, previously projected income, and income type.</li> <li>○ Does not require documentation if there is no income reported and when no discrepancy is found in cross matches.</li> </ul> </li> <li>• The <i>Final Narrative Template</i> <ul style="list-style-type: none"> <li>○ Includes completing check boxes to document types of cross matches reviewed during application intake and a summary of the transactions that occurred.</li> </ul> </li> </ul> <p style="text-align: right;">Page 583</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.558		\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
93.558		\$0							

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	037 (cont'd)	<p>In all seven exceptions identified by the auditors, the client’s situation did not require the eligibility workers to use the <i>Earned Income Templates</i> due to:</p> <ul style="list-style-type: none"> <li>• No income reported.</li> <li>• No income found in IEVS and other cross matches.</li> <li>• No discrepancies.</li> <li>• No changes within 30 days.</li> </ul> <p>The eligibility workers did create documentation using the <i>Final Narrative Template</i> for all seven cases with notation stating: “Reviewed the following system(s): Spider.” All these actions were consistent and aligned with the Department’s "Standard Remarks and Narrative Documentation" procedures.</p> <p>Alerts are not generated for all income fluctuations but as appropriate when a review and potential action is required. This is to minimize creating unnecessary alerts which would take staff time away from other required and mission-critical actions. The Department asserts that the system is working as designed, which is evidenced by the fact that the Department accurately determined eligibility in all seven cases identified as exceptions by the auditors.</p> <p>The Department will continue to:</p> <ul style="list-style-type: none"> <li>• Review IEVS information at application intake and verify and document any discrepancies between what is reported by the household and what is shown in the cross matches.</li> <li>• Use templates to ensure documentation supports the eligibility decisions.</li> <li>• Generate alerts when an applicant is budgeted with zero income, but the IEVS data match shows income.</li> <li>• Use the final narrative documentation template, that includes check boxes, to notate cross matches reviewed during application intake.</li> </ul> <p>Completion Date: The auditors determined this finding was resolved in the fiscal year 2023 audit.</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	038	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.568</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.568 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has two programs that administer the two different program funding activities. Corrective actions are listed separately for each program to reflect slightly different implementation timelines.</p> <p><b>Low-Income Home Energy Assistance Program (LIHEAP)</b></p> <p>The program added all current awards to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System and data entry for the sub-awardees was completed as of April 15, 2022.</p> <p>In April 2022, the program implemented the following procedures to strengthen internal controls and to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Designated the LIHEAP program manager to be responsible for performing the FFATA reporting duties.</li> <li>• Established a procedure to monitor subawards upon receiving an award letter from the federal grantor, including reviewing incoming amendments and determining if the threshold for FFATA reporting has been reached.</li> <li>• Stipulated the due date of report submission to be 30 days after the assistant director signs the obligation memo to ensure that the program meets FFATA reporting deadlines.</li> <li>• Required each award and amendment to be entered separately into the FFATA Subaward Reporting System.</li> </ul> <p>The program provided and will continue to provide training to program staff before the annual technical assistance and training conference for sub-grantees. The training consists of the FFATA requirement overview and walkthrough of the Department’s internal FFATA reporting procedures.</p> <p>The program will continue to review the FFATA procedures on an annual basis to ensure compliance with current federal requirements.</p> <p>Corrective action was completed for the Low-Income Home Energy Assistance Program in April 2022.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.568		\$0	93.568 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.568		\$0										
93.568 COVID-19												

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	038 (cont'd)	<p><b>Low-Income Weatherization Program</b></p> <p>The Low-Income Weatherization Program added all current awards to the FFATA Subaward Reporting System and data entry of the awards was completed as of January 15, 2023.</p> <p>In response to the finding, the program implemented the following procedures to strengthen internal controls and to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Award letters and funding allocations will be reviewed by the budget team and assistant director before issuing subawards to the weatherization network.</li> <li>• Added FFATA reporting requirements to the obligation process for contracting funds, which includes an obligation memo that outlines the amounts the program intends to pass through to subrecipients and contractors.</li> <li>• Designated the Weatherization Program coordinator to be responsible for performing the FFATA reporting duties.</li> <li>• Established a procedure to monitor subawards upon receiving an award letter from the federal grantor, including reviewing incoming amendments and determining if the threshold for FFATA reporting has been reached.</li> <li>• Stipulated the due date of report submission to be 30 days after the assistant director signs the obligation memo to ensure that the program meets FFATA reporting deadlines.</li> </ul> <p>The program will provide training to all relevant current staff and future staff at the time of onboarding, including supervisors, program managers, and program coordinators. The training will consist of a FFATA requirement overview and walkthrough of the Department’s internal FFATA reporting procedures.</p> <p>The Department will review the FFATA procedures on an annual basis to ensure compliance with current federal requirements.</p> <p>Corrective action was completed for the Low-Income Weatherization Program in January 2023.</p> <p>The conditions noted in this finding were previously reported in finding 2021-031.</p> <p>Completion Date: January 2023</p> <p>Agency Contact: Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status						
2022	039	<p>Finding: The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Low-Income Home Energy Assistance Program.</p> <p>Questioned Costs: <table border="0" style="display: inline-table; vertical-align: top;"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.568</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.568 COVID-19</td> <td></td> </tr> </table></p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Low-Income Home Energy Assistance Program (LIHEAP) receives awards from one funding source in a typical program year. During fiscal year 2022, the Department received additional COVID Pandemic funds from additional sources. The Department was instructed to keep and track all funds separately.</p> <p>The U.S. Department of Health and Human Services (HHS) issued the Action Transmittal LIHEAP-AT-2022-02 Performance Data Form for Fiscal Year 2021 on March 14, 2022. The Action Transmittal states that the first page of the federal report was to include all Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act funds as combined and separated out in subsequent pages of the report.</p> <p>To meet reporting requirements, the Department tracked and reported all funds separately for regular LIHEAP funding and additional LIHEAP funding. The reports were reviewed and accepted by HHS and APPRISE, a contractor of HHS.</p> <p>The Department follows the reporting process outlined below:</p> <ul style="list-style-type: none"> <li>• Program manager pulls the necessary reports.</li> <li>• Managing director (MD) reviews reports before submittal.</li> <li>• Program manager submits reports once MD approval is received.</li> <li>• Program manager receives notice that the report has been accepted by the funder.</li> <li>• Program manager saves a copy of the report, documentation, and acceptance.</li> </ul> <p>The program manager is working with the HHS contractor, APPRISE, to revise the reporting submission.</p> <p>The conditions noted in this finding were previously reported in finding 2021-032.</p> <p>Completion Date: In progress</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>							
93.568	\$0							
93.568 COVID-19								

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	039 (cont'd)	Agency Contact: Gena Allen Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	040	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to issue management decisions for audit findings to subrecipients of the Low-Income Home Energy Assistance Program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.568</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.568 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department’s internal control officer is responsible for completing the monitoring of federal reporting and issuing management decisions for subrecipients who receive federal audit findings for programs funded with the Department’s federal pass-through funding.</p> <p>Beginning in December 2021, the internal control officer documented all findings, corrective action plans, and communication with subrecipients in a monitoring spreadsheet. This enabled the Department to ensure all efforts in monitoring subrecipients were taken. In May 2022, all management decisions were added to the monitoring spreadsheet which documented the Department’s management decisions.</p> <p>To ensure compliance with federal requirements for subrecipient monitoring, the Department has implemented the following process:</p> <ul style="list-style-type: none"> <li>• Review all audit findings issued to Department subrecipients.</li> <li>• Review each subrecipient’s corrective action plan.</li> <li>• Review and discuss all findings and corrective action plans with subrecipients to identify and understand the basis for the deficiency and planned corrections.</li> <li>• Create a management decision for each subrecipient finding, receive leadership approval, and formally communicate the decision to our subrecipient.</li> <li>• All management decisions will be formally communicated to our pass-through subrecipients within the six-month federal deadline.</li> </ul> <p>September 2022</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.568	\$0								
93.568 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	041	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the Child Care and Development Fund Cluster programs were allowable and properly supported.</p> <table border="0" data-bbox="673 583 1153 709"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td style="text-align: right;">\$260,552,979</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$260,552,979	93.575 COVID-19		93.596	
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93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	041 (cont'd)	<p>The conditions noted in this finding were previously reported in findings 2021-033, 2020-038, 2019-035, 2018-034, 2017-024, 2016-021, 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31, 9-12 and 8-13.</p> <p>Completion Date: Estimated December 2024</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	042	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="667 577 1096 703"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in findings 2021-036 and 2020-040.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
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93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	042 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	043	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with period of performance requirements for the Child Care and Development Fund.</p> <table border="0" data-bbox="667 548 1096 674"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-037 and 2020-041.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
93.575 COVID-19											
93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	043 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	044	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with financial reporting requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="665 546 1096 672"> <thead> <tr> <th data-bbox="665 546 662 577"></th> <th data-bbox="665 546 966 577"><u>Assistance Listing #</u></th> <th data-bbox="665 546 1096 577"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="665 577 662 609">93.575</td> <td data-bbox="665 577 966 609">93.575 COVID-19</td> <td data-bbox="665 577 1096 609">\$0</td> </tr> <tr> <td data-bbox="665 609 662 640">93.596</td> <td data-bbox="665 609 966 640"></td> <td data-bbox="665 609 1096 640"></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-038.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575	93.575 COVID-19	\$0	93.596		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	93.575 COVID-19	\$0										
93.596												



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	044 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2022	045	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with health and safety requirements for the Child Care and Development Fund program.</p> <table border="0" data-bbox="673 546 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td></td> <td style="text-align: center;">\$412</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> <td></td> </tr> <tr> <td>93.596</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is strongly committed to ensuring the health, safety, and well-being of all children in care.</p> <p>The Department concurs with the finding and has taken the following actions:</p> <ul style="list-style-type: none"> <li>• In September 2020, in response to the COVID-19 pandemic, the Department obtained grantor’s approval to revise the Child Care and Development Fund (CCDF) State Plan to waive the annual unannounced monitoring requirement and allowing for virtual monitoring, through September 30, 2021, but some providers were unable to participate in the virtual process resulting in monitoring visits not being conducted during state fiscal year 2022.</li> <li>• In the fall of 2022, to address staff turnover issues, the Department began recruiting new staff and providing training on child care licensing rules and regulations. This included adding a new position in November 2022 to assist supervisors with onboarding and training new staff hired during the audit period.</li> <li>• The Department implemented a data driven, phased in approach, to return staff to in-person field work after the COVID-19 pandemic:                         <ul style="list-style-type: none"> <li>○ In July 2022, began authorizing staff, subject to pandemic related restrictions, to visit providers on-site to provide assistance with meeting health and safety requirements.</li> <li>○ In the spring of 2023, prioritized monitoring visits to return to compliance with CCDF health and safety requirements.</li> </ul> </li> <li>• Established an overpayment for the questioned costs and referred to the Office of Financial Recovery for collection.</li> <li>• For license-exempt family, friend, and neighbor (FFN) providers, the Department:                         <ul style="list-style-type: none"> <li>○ Requested approval from the Office of Child Care for a hybrid monitoring approach (in-person and virtual visits).</li> <li>○ Dedicated staff resources to update WA Compass to include all health and safety requirements for FFNs and address data format issues.</li> </ul> </li> </ul> <p>The Department will continue to strengthen internal controls as follows:</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575		\$412	93.575 COVID-19			93.596		
	<u>Assistance Listing #</u>	<u>Amount</u>													
93.575		\$412													
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Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	045 (cont'd)	<p>For licensed providers:</p> <ul style="list-style-type: none"> <li>• Continue to implement return to in-person field work by reducing pandemic level requirements.</li> <li>• Prioritize new staff training to first focus on monitoring visits and health and safety requirements.</li> <li>• Continue to track and monitor health and safety requirements with available tools until all WA Compass system development is completed.</li> <li>• Create an in-training licensing position to assist staff recruitment efforts and add additional lead worker positions to assist supervisors with training and caseload management.</li> <li>• Conduct a root cause analysis to determine other underlying causes for missed monitoring visits and untimely follow-ups, and how to address them.</li> <li>• Examine ways to secure resources to add additional full-time staff to support caseload needs.</li> </ul> <p>For FFN providers:</p> <ul style="list-style-type: none"> <li>• Continue to track and monitor FFN health and safety requirements with available tools until all WA Compass system development is completed.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-039, 2020-042, 2019-039, 2018-035, 2017-025, 2016-022 and 2015-024.</p> <p>Completion Date: Estimated July 2024</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2022	046	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure potential child care fraud was correctly identified and reported for the Child Care and Development Fund Cluster.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding.</p> <p>As of January 2023:</p> <ul style="list-style-type: none"> <li>The Department updated the Barcode system algorithm to fix the improper scoring of the Fraud Early Detection (FRED) referrals. Referrals are now being scored, per the details of the algorithm, to include the additional four points for FRED referrals received from hotline calls.</li> <li>The Office of Fraud and Accountability sent a request to store the information for the prioritization tool to the Economic Services Administration, who maintains the Barcode system and server space.</li> </ul> <p>The Department anticipates the Barcode system will be updated and service space will be created by December 2023.</p> <p>June 2023</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
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Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	047	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate controls over and did not comply with certain requirements of its Public Assistance Cost Allocation Plan.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding and is committed to improving internal controls.</p> <p>During July through September 2021, the first three months of the audit period, the Department did not have adequate staffing levels to maintain the business processes for the Public Assistance Cost Allocation Plan (PACAP) cost base for administrative charges. Available staff focused on grant reconciliations and close-out of the prior fiscal year financial transactions. In October 2021, the Department began updating the monthly workbooks in accordance with the approved PACAP.</p> <p>To address the finding and audit recommendations, the Department:</p> <ul style="list-style-type: none"> <li>• Reviewed the written base edit form procedures with staff.</li> <li>• Added reminders for base edit entries to the Cost Allocation and Grants Management Unit calendar.</li> </ul> <p>In progress</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	048	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure payments to providers for travel and family visits were allowable and adequately supported for the Foster Care program.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is committed to strengthening internal controls and complying with grant requirements.</p> <p>In response to the auditor’s recommendations, the Department will work with the Financial and Business Services Division and Foster Care Program to review the fiscal monitoring procedures to ensure payments to providers for travel and family visits are allowable and adequately supported.</p> <p>The conditions noted in this finding were previously reported in finding 2021-040.</p> <p>Estimated December 2023</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with some Public Assistance Cost Allocation Plan requirements.</p> <table border="0" data-bbox="673 546 1096 703"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.658</td> <td>\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> <tr> <td>93.659</td> <td></td> </tr> <tr> <td>93.659 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Random Moment Time Study (RMTS) is a federally approved cost allocation methodology to claim allowable federal funds. The Department’s use of the RMTS is included in its Public Assistance Cost Allocation Plan (PACAP) with the federal grantor. The Department maintains that the sampling universe is accurate and complete and complies with federal requirements. There is no known deficiency with the integrity of the RMTS, nor are unallowable costs allocated to federal programs.</p> <p>Effective October 2022, the Department contracted with the University of Massachusetts (UMass) for the design and implementation of the RMTS mechanism. UMass has updated the RMTS instructions for the new quarterly process, which remains in compliance with federal law while alleviating the department-imposed restrictions. It also addresses the auditor’s concerns regarding the internal controls applicable to the RMTS worker types included in the sampling universe.</p> <p>The Department has also taken additional actions to address system limitations caused by high staff turnover rates within the cost pools. These include:</p> <ul style="list-style-type: none"> <li>• The Headquarters (HQ) RMTS Coordinator pulls an InfoFamLink worker list report that shows all workers with access to the FamLink system. The list is then reviewed by job class to verify the accuracy of RMTS group assignment and to identify the workers that are eligible to be included in the sample.</li> <li>• The Cost Allocation and Grants Management Unit pulls a job classification report from the Human Resource Management System (HRMS) at the end of every pay cycle. The HQ RMTS Coordinator compares the HRMS report to the InfoFamLink worker list report to verify if they are eligible to be sampled and properly allocated in HRMS. The HRMS has additional information related to job class to assist in sample eligibility determination and strengthen the internal controls around RMTS samples pulled.</li> <li>• The HQ RMTS Coordinator pulls a workload report from InfoFamLink to view worker caseloads and primary assignments. This is an additional tool to determine if a worker is eligible and assigned to the correct RMTS sample pool.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19		93.659		93.659 COVID-19	
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Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	049 (cont'd)	<p>The Department will continue to maintain internal controls over the monthly update process to ensure the RMTS sampling populations are complete. The Department will also work with the federal partners to ensure continued compliance with the PACAP.</p> <p>The conditions noted in this finding were previously reported in finding 2021-042, 2020-044 and 2019-044.</p> <p>Completion Date: October 2022</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	050	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure group care facility employees had cleared background checks before having unsupervised access to children.</p> <table border="0" data-bbox="667 546 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with the finding.</p> <p>The Department is committed to ensuring the health, safety, and well-being of all children in our care. As stated in the <i>Effect of Condition</i> on the audit finding, the auditors found all group care facility staff sampled during the audit had a cleared background check prior to working in the facility. While the Department agrees the use of definitions such as “effective date” and “start date” in FamLink could be misleading, the Department does not concur internal controls were not adequate to ensure group care facility employees had cleared background checks before having unsupervised access to children. The Department is confident that all staff who work with children and youth have cleared background checks.</p> <p>Effective April 1, 2023, the Department implemented a new process for processing background checks for group care facilities to strengthen internal controls, documentation, and clarification on the “effective date.” The updated process is outlined below:</p> <ul style="list-style-type: none"> <li>• A new form was created with clear instructions for the group care facilities to provide the applicant/employee information, including the background check confirmation code, directly to the Department’s Background Check Unit (BCU).</li> <li>• The BCU works with the applicant/employee through the fingerprint background check process.</li> <li>• The results are sent directly to the BCU at which time they complete a child abuse/neglect history check and, if needed, a suitability assessment. The BCU documents the results in FamLink with the date the background check is completed.</li> <li>• The BCU emails the results to the group care facility and the Department’s Licensing Division (LD) group. If the applicant/employee is cleared and is not a renewal, LD staff adds the applicant/employee to the group care facility in FamLink with the clearance information attached.</li> </ul> <p>In progress</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.658		\$0	93.658 COVID-19		
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Department of Children, Youth, and Families

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Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	051	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with reporting requirements for the Foster Care program.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td>\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department acknowledges that errors were made in the quarterly reports submitted during the audit period. The errors were identified by the Department and corrected in October 2022.</p> <p>The Department understands accuracy in reporting is vital. To address the audit finding and recommendations, the Department took the following corrective actions:</p> <ul style="list-style-type: none"> <li>• The lead worker established three meetings each quarter with the Cost Allocation and Grants Director for processing the quarterly reports:                         <ul style="list-style-type: none"> <li>○ A pre-meeting to discuss the reporting requirements,</li> <li>○ A meeting during the reporting process to review the final report prior to submission, and</li> <li>○ A post reporting meeting to discuss any concerns encountered during the reporting process.</li> </ul> </li> <li>• Implemented a data verification process by management prior to submission of the quarterly reports.</li> </ul> <p>The Department is committed to improving internal controls over grant management activities and will continue to properly follow the grantor's published instructions when completing the quarterly reports.</p> <p>In progress</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	052	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over level of effort requirements for the Adoption Assistance program.</p> <table border="0" data-bbox="673 546 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.659</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.659 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>When the auditors issued the prior year finding, the Department had taken the following actions:</p> <ul style="list-style-type: none"> <li>• In February 2022, hired a new position to manage the adoption savings program.</li> <li>• In May 2022:                         <ul style="list-style-type: none"> <li>○ Reviewed federal grantor’s reporting instructions and guidance with staff involved in the preparation and submission of the financial report.</li> <li>○ Reviewed written procedures for tracking and monitoring adoption savings expenditures to ensure compliance with level of effort requirements.</li> <li>○ Established monthly meetings between the Child Welfare Program and Cost Allocation and Grant Management Unit staff to review expenditures and level of effort requirements prior to report submission. These meetings help to improve processes for monitoring and verifying adoption savings expenditures.</li> </ul> </li> </ul> <p>The auditors issued the fiscal year 2021 finding in May 2022, which was 11 months after fiscal year 2022 began. The delay did not allow corrective actions to be developed and implemented timely for fiscal year 2022 and resulted in a repeat finding.</p> <p>The conditions noted in this finding were previously reported in finding 2021-045.</p> <p>May 2022</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.659		\$0	93.659 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.659		\$0										
93.659 COVID-19												

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	053	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure clients were eligible for the Children’s Health Insurance Program.</p> <table border="0"> <tr> <td data-bbox="672 548 971 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 548 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="672 579 971 611">93.767</td> <td data-bbox="1003 579 1122 611">\$3,036,657</td> </tr> <tr> <td data-bbox="672 611 971 642">93.767 COVID-19</td> <td></td> </tr> </table> <p>Corrective action not required</p> <p>The Authority does not concur with the finding.</p> <p>The Authority pursued and was notified of approval for the 1115 disaster waiver from the Centers for Medicare &amp; Medicaid Services (CMS). The waiver will approve Children’s Health Insurance Program (CHIP) funding for clients aged 19 and over during the public health emergency, retroactive to March 18, 2020. Once the official approval letter is received from CMS, the issue will be resolved, and the approval letter will be provided to CMS Audit Resolution.</p> <p>The Children’s Health Insurance Program Reauthorization Act (CHIPRA) postpartum period is state-funded and the Authority processes manual journal vouchers to move federal funding to state funding each quarter. For this audit, the auditors did not allow sufficient time for accounting staff to provide the journal vouchers for inclusion in the audit results. The Authority will work with CMS during the audit resolution process and provide the journal vouchers as needed to demonstrate that state funds were used for the postpartum expenditures.</p> <p>Effective July 1, 2022, the Authority added coding to ProviderOne which automates the accounting process for CHIPRA postpartum client funding.</p> <p>The conditions noted in this finding were previously reported in finding 2021-046.</p> <p>The auditors determined both findings were resolved in the fiscal year 2023 audit.</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$3,036,657	93.767 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.767	\$3,036,657								
93.767 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status																	
2022	054	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$0</td> </tr> <tr> <td>93.767 COVID-19</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority implemented policies and procedures and established a process to:</p> <ul style="list-style-type: none"> <li>• Collect audited financial reports annually from managed care organizations.</li> <li>• Conduct audits of encounter and financial data no less than once every three years.</li> </ul> <p>Additionally, the Authority amended managed care contract language to include the following:</p> <ul style="list-style-type: none"> <li>• Required managed care organizations to submit audited financial reports annually beginning in fiscal year 2023.</li> <li>• Directed managed care organizations to follow the required timing and procedures for submitting audited financial reports.</li> <li>• Clarified that failure to submit reports is sanctionable.</li> </ul> <p>The Authority also conducted an encounter validation audit and is conducting a financial report validation audit. These audits are completed in a frequency outlined in federal regulations.</p> <p>The conditions noted in this finding were previously reported in finding 2021-048.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$0	93.767 COVID-19		93.775		93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>																		
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status																	
2022	055	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and Children’s Health Insurance Program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$612,277</td> </tr> <tr> <td>93.767 COVID-19</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority agrees that ProviderOne sends revalidation notifications one day after the due date rather than before the due date. A system revision to correct this issue is expected to be in place by the beginning of 2024.</p> <p>The Authority does not concur with the remainder of the audit finding as stated in the description of condition. The auditor did not provide sufficient information for the Authority to review the identified exceptions and associated questioned costs. Due to the lack of information provided, the Authority is unable to agree or disagree with the results of the audit.</p> <p>The Authority will work with the auditor to obtain sufficient supporting information to review the exceptions and questioned costs. Once this process is completed, the Authority will work with the Centers for Medicare &amp; Medicaid Services on finding resolution.</p> <p>The conditions noted in this finding were previously reported in findings 2021-047, 2020-046, 2019-048, 2018-042, 2017-033, and 2016-035. The auditors determined 2016-035 as resolved.</p> <p>Estimated March 2024</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5337  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$612,277	93.767 COVID-19		93.775		93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status																		
2022	056	<p data-bbox="483 422 1466 548">Finding: The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate internal controls over and did not comply with requirements to ensure Medicaid payments to supported living providers were allowable and adequately supported.</p> <table border="0" data-bbox="483 579 1149 764"> <tr> <td data-bbox="483 579 610 611">Questioned</td> <td data-bbox="672 579 889 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 579 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="483 611 553 642">Costs:</td> <td data-bbox="672 611 748 642">93.775</td> <td data-bbox="1003 611 1149 642">\$237,404,150</td> </tr> <tr> <td></td> <td data-bbox="672 642 748 674">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="672 674 873 705">93.777 COVID-19</td> <td></td> </tr> <tr> <td></td> <td data-bbox="672 705 748 737">93.778</td> <td></td> </tr> <tr> <td></td> <td data-bbox="672 737 873 768">93.778 COVID-19</td> <td></td> </tr> </table> <p data-bbox="483 800 963 831">Status: Corrective action not taken</p> <p data-bbox="483 863 1203 894">Corrective Action: The Department does not concur with the finding.</p> <p data-bbox="672 926 1466 1192">The Department performed payment reconciliations, cost report reviews, and settlement assessments for all 140 cost reports received during the first half of fiscal year 2022 (July 1, 2021, through December 31, 2021). Of the cost reports received, 66 providers (47 percent) were subject to the Developmental Disabilities Administration (DDA) payroll verification review. The State Auditor's Office (SAO) did not question any of the costs that were associated with the 66 providers. However, SAO is questioning all payments made to the 74 providers who did not receive a payroll verification review in the first half of the fiscal year.</p> <p data-bbox="672 1224 1466 1377">For the second half of the fiscal year (January 1, 2022, through June 30, 2022), even though the Department had the same internal controls in place, SAO asserted that every payment during this time frame was a questioned cost because the cost reports for calendar year 2022 had not yet been submitted for department review.</p> <p data-bbox="672 1409 1466 1528">The Department strongly disagrees that all these costs should be questioned. The Department reconciles payments on a calendar year basis, while SAO audits on a fiscal year basis and does not consider activities that fall outside of the audit period.</p> <p data-bbox="672 1560 1466 1654">The Developmental Disabilities Administration has numerous internal controls in place which provide sufficient assurance that the services paid for were provided. These include:</p> <ul data-bbox="691 1665 1450 1980" style="list-style-type: none"> <li>• Medicaid service verifications,</li> <li>• Allowable costs payment reconciliations,</li> <li>• Payroll verification processes,</li> <li>• Review of rate payments and increases,</li> <li>• Quality assurance reviews,</li> <li>• Duplicate payment reports,</li> <li>• Residential Care Services certification processes,</li> <li>• Contract monitoring,</li> <li>• Reconciliation processes for rates, cost reports, and settlements,</li> <li>• Segregation of duties and other verification and approval processes.</li> </ul>	Questioned	<u>Assistance Listing #</u>	<u>Amount</u>	Costs:	93.775	\$237,404,150		93.777			93.777 COVID-19			93.778			93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	056 (cont'd)	<p>The Department strongly believes that its current oversight and monitoring procedures adequately confirm that services received by clients meet the certification standards for supported living providers. The Department continues its efforts to bring quality services to clients who receive habilitative residential support while following all program requirements, including reconciling the settlement amounts that were issued to providers in the cost report settlement process.</p> <p>Based on the information provided above, the Department maintains that the questioned costs for this audit finding are not substantiated. Unfortunately, SAO did not choose a more collaborative approach aimed at supporting the Department in its continuing quality improvement efforts. The Department continues to adjust its processes openly and appropriately as needed and remains open to partnering with SAO to resolve disagreements in this audit area and find common ground.</p> <p>The Department intends to send a request to the Centers for Medicare &amp; Medicaid Services, through the audit resolution process, requesting the questioned costs reported by the SAO be rescinded.</p> <p>The conditions noted in this finding were previously reported in findings 2021-049, 2020-051, 2019-054, 2018-058, 2017-044, 2016-041, 2016-045, 2015-049, 2015-052, 2014-041, 2014-042, 2013-036, 2013-038 and 2012-039. The auditors determined findings 2016-041, 2015-052, 2014-041 and 2013-038 were resolved in fiscal year 2018.</p> <p>Completion Date: Not applicable</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2022	057	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services' Aging and Long-Term Support Administration did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that not all complaint investigations were initiated within the required timeframes. However, the Department does not agree that noncompliance was due to inadequate internal controls. Residential Care Services (RCS) has effectively used current internal controls since fiscal year 2017 when we received the State Auditor's Office Stewardship Award related to this audit area.</p> <p>Compliance with required complaint investigation timeframes decreased due to an increase in complaints from the previous fiscal year that were assigned for investigation. In addition, the effects of the COVID-19 pandemic increased staff vacancy rates to 24% due to exposure, illness, and staff resignation caused by vaccination mandates.</p> <p>By December 2023, the Department will:</p> <ul style="list-style-type: none"> <li>• Extend the contract with Health Care Management Solutions to assist with surveys. This will allow RCS staff to return the focus to complaint investigations, complaint backlog, and compliance with required investigation timeframes.</li> <li>• Condense and streamline Nursing Home Surveyor Training to enable staff to complete survey training faster than previous timeframes.</li> <li>• Provide training to staff that were recently hired to fill the vacant positions to ensure compliance with investigation timeframes.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2021-054.</p> <p>Estimated December 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2022	057 (cont'd)	Agency Contact: Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2022	058	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over False Claims Act requirements.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of April 2023, the Department:</p> <ul style="list-style-type: none"> <li>Generated and tested a new internal report that will include all Aging and Long-Term Support Administration and Developmental Disabilities Administration Medicaid providers.</li> <li>Mailed correspondence to the one provider who was missing documentation to request the False Claims Act (FCA) attestation, policy, and procedures.</li> <li>Updated process to include follow up with providers monthly until the FCA attestations and other documents are received.</li> </ul> <p>By October 2023, the Department will ensure all outstanding FCA attestations and documents are returned to ensure compliance with the FCA requirement.</p> <p>Estimated October 2023</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

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2022	059	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of June 2022, individual providers are no longer contracted through the Department and now contract with Consumer Direct of Washington. As a result of this change, this type of error will not occur for individual providers moving forward.</p> <p>As of March 2023, the Department reviewed all providers in the monthly exclusion report.</p> <p>The Department verified that the provider identified in the finding for missing enrollment documentation was never employed and did not receive any payments.</p> <p>In progress</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status												
2022	060	<p>Finding: The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.</p> <p>Questioned Costs:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Authority partially concurs with the finding.</p> <p>The Authority does not agree it did not comply with federal requirements related to audits of inpatient hospitals. The Authority performs the following procedures:</p> <p>Cost report data for rate setting:</p> <ul style="list-style-type: none"> <li>• Audits Medicaid cost report schedules and supporting documentation used for the Certified Public Expenditure Program.</li> <li>• Audits critical access hospital data and uses final audited Medicare cost reports for settlement.</li> <li>• Reviews and audits hospital cost reports using the ratio of costs-to-charges payment method.</li> </ul> <p>Hospital billings:</p> <ul style="list-style-type: none"> <li>• Annual audits of hospital billings.</li> </ul> <p>Other financial and statistical records:</p> <ul style="list-style-type: none"> <li>• Audits disproportionate share hospital reimbursements.</li> </ul> <p>The Authority concurs that documentation of the different hospital audits performed could be more clearly defined and will formalize procedures related to the conduct of the required audits.</p> <p>The conditions noted in this finding were previously reported in findings 2021-051 and 2020-049.</p> <p>Completion Date: Estimated December 2023</p> <p>Agency Contact: Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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93.778														
93.778 COVID-19														

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2022	061	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority has received guidance from the Centers for Medicare &amp; Medicaid Services (CMS) and will adjust the state plan based on CMS requirements. Per CMS guidance, this adjustment will not include separately listing the methods and procedures it uses to safeguard against unnecessary utilization of care and services.</p> <p>The Authority does not concur with the auditor’s conclusion regarding its statewide surveillance and utilization control program not meeting federal program integrity requirements. The Authority’s program meets CMS standards and requirements and provides reasonable oversight. The Authority will update its policies and procedures related to the program.</p> <p>The Authority concurs that the two providers of the Program of All-inclusive Care for the Elderly (PACE) were not monitored for their compliance with the False Claims Act (FCA) during the fiscal year. The Department of Social and Health Services (DSHS) manages the contracts for the PACE program, but payments to these providers are routed through the Authority’s ProviderOne system. The process for PACE provider monitoring has been clarified with DSHS who is responsible for providing FCA oversight for these contracts.</p> <p>The conditions noted in this finding were previously reported in findings 2021-050, 2020-047, 2020-048, 2019-052, 2019-053 and 2018-047.</p> <p>Estimated December 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2022	062	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to report recoveries of fraudulent overpayments on the CMS-64 report.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$977,612</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority has established a process to ensure information concerning the status of Medicaid Fraud Control Unit (MFCU) cases is communicated timely to the Authority from the Attorney General’s Office. The Authority has documented the process to ensure recoveries of fraudulent overpayments are reported on the CMS-64 report appropriately and any federal share is returned timely to the Centers for Medicaid &amp; Medicare Services (CMS).</p> <p>The Authority agrees that \$1,032 needs to be repaid to CMS and will initiate return of those funds.</p> <p>The Authority does not concur that the remaining \$976,580 needs to be returned to CMS. The state pursued assets through its available means and the court. The provider in question has been out of business since 2017 and a final court ruling was made in June 2022. In April 2023, the Attorney General’s Office certified the defaulted corporation had no identifiable assets. In accordance with 42 CFR 433.318(d), the provider is out of business and the Authority is not required to return the overpayment to CMS. The Authority will provide the court documentation and Attorney General’s certification to CMS Audit Resolution.</p> <p>The conditions noted in this finding were previously reported in findings 2021-052 and 2020-050. The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$977,612	93.777		93.777 COVID-19		93.778		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$977,612														
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	063	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate controls over and did not comply with requirements to ensure payments to providers for the Block Grants for Community Mental Health Services were allowable and met period of performance requirements.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.958</td> <td style="text-align: right;">\$8,668,982</td> </tr> <tr> <td style="text-align: right;">93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the audit recommendations.</p> <p>The Authority will:</p> <ul style="list-style-type: none"> <li>• Maintain all supporting documentation used to calculate the year-end accrual transactions.</li> <li>• Maintain a workbook to calculate estimated expenditures to be accrued for the fiscal year.</li> </ul> <p>The Authority will continue to review payments for allowability and ensure they occur within the grant period. The period of performance of the grant extends beyond the end of the state’s fiscal year. Invoices for the program continue to be received after fiscal year end and the cut-off date for reporting on the Schedule of Expenditures of Federal Awards.</p> <p>The Authority does not concur with the questioned costs and will verify with the grantor that questioned costs do not need to be repaid.</p> <p>Estimated September 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$8,668,982	93.958 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.958	\$8,668,982								
93.958 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	064	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over level of effort requirements for the Block Grants for Community Mental Health Services program.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.958</td> <td>\$0</td> </tr> <tr> <td>93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Federal Financial Reporting unit updated procedures for preparing the quarterly level of effort tracking workbooks. The procedures were updated to include:</p> <ul style="list-style-type: none"> <li>• Accurate and complete expenditure criteria for generating the reports used to prepare the workbooks.</li> <li>• Required documented review and approval of the quarterly level of effort tracking workbooks.</li> </ul> <p>February 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.958	\$0								
93.958 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	065	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Community Mental Health Services.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.958</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority finalized procedures across divisions to ensure there are established internal controls over the Federal Funding Accountability and Transparency Act (FFATA) reporting.</p> <p>A workgroup was established and finalized the criteria for when FFATA reports are required. The Authority initiated this process for all subawards beginning July 1, 2022.</p> <p>The Authority implemented the following procedures to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Office of Contracts and Procurement includes a FFATA form as the last attachment in all subawards and ensures it is complete prior to forwarding it to Grants Accounting.</li> <li>• Grants Accounting staff have been assigned and received training to routinely monitor FFATA contracts forwarded by the Office of Contracts and Procurement and enter agency information into the FFATA Subaward Reporting System.</li> </ul> <p>The implemented procedures were designed to ensure compliance with FFATA reporting requirements. The Authority will continue to provide training to staff involved in the process.</p> <p>In progress</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19	
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93.958	\$0								
93.958 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status											
2022	066	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Community Mental Health Services program and the Block Grants for Prevention and Treatment of Substance Abuse program received required single audits, and that it appropriately followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.958</td> <td>\$0</td> </tr> <tr> <td>93.958 COVID-19</td> <td></td> </tr> <tr> <td>93.959</td> <td></td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority concurs with the finding. The Authority will:</p> <ul style="list-style-type: none"> <li>• Follow established procedures related to the agency-wide monitoring of subrecipients' single audits.</li> <li>• Issue management decision letters for findings subrecipients received related to programs that are funded by the Authority's pass-through federal funding.</li> <li>• Evaluate corrective actions to ensure subrecipients adequately address audit recommendations.</li> </ul> <p>Estimated July 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19		93.959		93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.958	\$0												
93.958 COVID-19													
93.959													
93.959 COVID-19													

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	067	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure payments to providers for the Block Grants for Prevention and Treatment of Substance Abuse program were allowable and met period of performance requirements.</p> <table border="0" data-bbox="667 577 1477 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td></td> <td style="text-align: right;">\$19,959,714</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the audit recommendations.</p> <p>The Authority concurs that expenditures for indirect charges were applied to the award, through the Authority’s cost allocation system, for activities that occurred after the period of performance. The Authority will develop written procedures to review allocation bases at the end of a grant period.</p> <p>The Authority does not concur with the audit exceptions related to two accruals recorded in the accounting system before the period of performance. As noted by the auditors, no payments were made on these accruals. The period of performance of the grant extends beyond the end of the state’s fiscal year. Invoices for the program continue to be received after fiscal year end and the cut-off date for reporting on the Schedule of Expenditures of Federal Awards. Staff review payments for grant allowability based on service month when invoices are received.</p> <p>The Authority does not concur with the questioned costs related to the year-end accruals and will verify with the grantor that questioned costs do not need to be repaid. The year-end accruals were solely recorded as estimates and were not used to make any program payments or draw funds from the grantor. While the year-end accruals may include some amounts beyond the state fiscal year, questioning the year-end accruals in their entirety is an overstatement of any potential error that was made.</p> <p>The Authority will update procedures for calculating year-end accruals to:</p> <ul style="list-style-type: none"> <li>• Maintain all supporting documentation used to calculate the year-end accrual transactions.</li> <li>• Maintain a workbook to calculate estimated expenditures to be accrued for the fiscal year.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-057 and 2020-059.</p> <p>Estimated September 2023</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.959		\$19,959,714	93.959 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.959		\$19,959,714										
93.959 COVID-19												

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status	
2022	067 (cont'd)	Agency Contact:	William Sogge, CPA External Audit Liaison PO Box 45502 Olympia, WA 98504-5502 (360) 725-5110 <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	068	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirement for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0" data-bbox="667 577 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.959</td> <td style="text-align: center;">\$661</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">93.959 COVID-19</td> </tr> </table> <p>Corrective action in progress</p> <p>The Federal Financial Reporting unit will update procedures for preparing monthly earmarking tracking workbooks to ensure the Authority does not exceed the maximum allowable amount for administrative costs. The procedures will also include management review and approval of the earmarking tracking workbooks.</p> <p>The Authority processed subsequent adjustments reducing the administrative costs charged to the grant, which the auditors did not take into consideration. The Authority does not concur with the questioned costs identified in the audit and will confirm with the federal grantor that the questioned costs do not need to be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2021-056.</p> <p>Estimated September 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.959	\$661		93.959 COVID-19	
	<u>Assistance Listing #</u>	<u>Amount</u>										
	93.959	\$661										
	93.959 COVID-19											

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2022	069	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td colspan="2">93.959 COVID-19</td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority finalized procedures across divisions to ensure there are established internal controls over the Federal Funding Accountability and Transparency Act (FFATA) reporting.</p> <p>A workgroup was established and finalized the criteria for when FFATA reports are required. The Authority initiated this process for all subawards beginning July 1, 2022.</p> <p>The Authority implemented the following procedures to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Office of Contracts and Procurement includes a FFATA form as the last attachment in all subawards and ensures it is complete prior to forwarding it to Grants Accounting.</li> <li>• Grants Accounting staff have been assigned and received training to routinely monitor FFATA contracts forwarded by the Office of Contracts and Procurement and enter agency information into the FFATA Subaward Reporting System.</li> </ul> <p>The implemented procedures were designed to ensure compliance with FFATA reporting requirements. The Authority will continue to provide training to staff involved in the process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-058.</p> <p>In progress</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$0	93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.959	\$0								
93.959 COVID-19									



Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2022	070	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse program received required risk assessments.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Authority concurs with the audit recommendations and is in the process of centralizing procedures related to subrecipient monitoring.</p> <p>The Authority will develop procedures related to the agency-wide risk assessment process and ensure the assessment results are used to determine the subrecipient monitoring work that will be performed.</p> <p>The conditions noted in this finding were previously reported in findings 2021-060 and 2020-064.</p> <p>June 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.959		\$0	93.959 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.959		\$0										
93.959 COVID-19												

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status				
2021	012	<p>Finding: The Department of Social and Health Services did not have adequate internal controls to ensure payments were allowable and properly supported, and did not comply with federal requirements to conduct fiscal monitoring of subrecipients for the Coronavirus Relief Fund.</p> <p>Questioned Costs: <table border="0" style="display: inline-table; vertical-align: top;"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.019 COVID-19</td> <td style="text-align: right;">\$0</td> </tr> </table></p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department partially concurs with the finding.</p> <p>The Department does not concur with the auditor’s assertion that only “high-level” supporting documentation was required for subrecipient payments to ensure the expenditures met the Coronavirus Relief Funds (CRF) allowability requirements. The subrecipient performed eligibility determination which included verification of immigration status and self-attestations that the client had not received a federal stimulus payment or unemployment benefits. The subrecipient then provided the Department with a list of eligible clients and supporting documentation. To protect client confidentiality, the subrecipient assigned each client a unique client identifier with personal identifying information redacted.</p> <p>When the Department approved subrecipient payments, required supporting documentation were reviewed which included the unique client identifier, some demographic information, and the check number. To ensure the expenditures met CRF’s allowability requirements, the unique client identifier was cross-matched to the list of eligible clients.</p> <p>The Department concurs that there was no documentation to support that fiscal monitoring for one of the subrecipients had occurred. The Department did request the required information from the subrecipient to review its eligibility determinations but found the subrecipient to be noncompliant with the request.</p> <p>As of May 2023, the Department updated subrecipient monitoring procedures to:</p> <ul style="list-style-type: none"> <li>• Ensure contracts and monitoring plans clearly identify the required supporting documentation to be provided to the Department.</li> <li>• Establish procedures for corrective action in situations of noncompliance with contract requirements and monitoring plans.</li> <li>• Include language in the contract covering expectations for the subrecipient to provide adequate information prior to reimbursement.</li> </ul> <p>Completion Date: May 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>					
21.019 COVID-19	\$0					

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	012 (cont'd)	Agency Contact: Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status				
2021	013	<p>Finding: The Department of Commerce did not have adequate internal controls over and did not comply with federal requirements to conduct fiscal monitoring of subrecipients and ensure payments were allowable and properly supported for the Coronavirus Relief Fund.</p> <p>Questioned Costs: <table border="0" style="display: inline-table; vertical-align: top;"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.019 COVID-19</td> <td style="text-align: right;">\$4,124,518</td> </tr> </table></p> <p>Status: Corrective action complete</p> <p>Corrective Action: <b>Rental Assistance Program</b>                      In response to the finding, the Department is implementing procedures to strengthen internal controls to ensure compliance with the subrecipient fiscal monitoring requirements and that payments are allowable and properly supported. This includes:</p> <p>The Homelessness Assistance Unit managing director will:</p> <ul style="list-style-type: none"> <li>• Update the unit reimbursement procedures to include a requirement for specific back-up documentation to accompany payment requests.</li> <li>• Cross walk updated procedures with 2 CFR 200.332 to identify any additional requirements for pass-through entities.</li> <li>• Review the updated procedures with the Department’s internal control officer for review and feedback.</li> <li>• Audit the process during the next contracting cycle to ensure the procedure was followed.</li> </ul> <p>The Federal Team manager will train current staff on the updated procedures and include the training when onboarding new staff.</p> <p>Corrective action for the Rental Assistance Program was implemented in July 2023. Funding for this program ended in December 2021.</p> <p><b>Local Government Assistance Program</b></p> <p>The Local Government Assistance Program maintains that strong internal controls are in place. With the exception of the error identified during the audit, the program monitored and approved thousands of expenditures for approximately \$406 million worth of services provided to Washington state citizens. The Program will continue to ensure current processes have adequate controls in place to verify expenditures reimbursed are eligible, allowable, and within the period of performance.</p> <p>For both programs, the Department is committed to complying with grant requirements. Since the Department received Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>Corrective action for the Local Government Assistance Program was implemented in April 2022. Funding for the program ended in December 2021.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$4,124,518
<u>Assistance Listing #</u>	<u>Amount</u>					
21.019 COVID-19	\$4,124,518					

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	013 (cont'd)	Completion Date: July 2023  Agency Contact: Gena Allen Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2021	015	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure subawards contained all required information and subrecipients received risk assessments for the Coronavirus Relief Fund.</p> <table border="0" data-bbox="667 577 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td></td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding.</p> <p>The Washington COVID-19 Immigrant Relief Fund was a new program administered at the request of the Governor’s Office with a budget of \$40 million and an expedited timeline for implementation due to the pandemic. In response to the Governor’s request, the Department’s Office of Refugee and Immigrant Assistance (ORIA), under the Community Services Division (CSD), partnered directly with the Department’s Central Contracts and Legal Services (CCLS) to ensure the contract was legally and technically appropriate.</p> <p>ORIA did not utilize CSD’s internal contracts unit for contract monitoring and as a result, the program did not clearly identify the Washington COVID-19 Immigrant Relief Fund subawards as subrecipients, did not include all the required subrecipient special terms and conditions in the subawards, and did not complete risk assessments on the subrecipients.</p> <p>As of May 2023, the ORIA program:</p> <ul style="list-style-type: none"> <li>• Worked with the CSD Contracts Unit, as outlined in the CSD Procedures Handbook, to ensure the appropriate contract template is used and includes all the appropriate subrecipient information.</li> <li>• Established a checklist for new program staff to follow that aligns with the CSD Procedures Handbook and includes identifying subawards as subrecipients, requiring subrecipient information in the subaward, and creating risk assessments in order to develop monitoring plans.</li> <li>• Worked with the CSD Contracts Unit, which has written procedures and processes in place, to ensure the program completes a risk assessment and obtains a copy for retention.</li> </ul> <p>As of May 2023, the CSD Contracts Unit added a new field in their Contract Action Request Ticket System (CARTS) for the program manager to indicate if the contract requires an indication of subrecipient status. This will assist the CSD Contracts Unit to identify upfront the subrecipient requirements and ensure subrecipient language is included in the contract.</p> <p>As of May 2023, ORIA’s Office Chief ensured all ORIA staff completed the subrecipient monitoring training recommended by the CSD Contracts Unit related to:</p>		<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19		\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
21.019 COVID-19		\$0							

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	015 (cont'd)	<ul style="list-style-type: none"> <li>• Subrecipient and contractor determinations (2 CFR 200.331)</li> <li>• Subrecipient information required to be included in the contract (2 CFR 200.332(a))</li> <li>• Conducting a risk assessment for each subrecipient for the purpose of determining the appropriate level of subrecipient monitoring (2 CFR 200.332(b))</li> </ul> <p>Completion Date: May 2023</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	016	<p>Finding: The Department of Commerce did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Coronavirus Relief Fund received risk assessments.</p> <p>Questioned Costs: <u>Assistance Listing #</u> 21.019 COVID-19      <u>Amount</u> \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: <b>Small Business Assistance Program</b>                      The Office of Economic Development and Competitiveness (OEDC), Small Business Assistance Program has developed strict procedures moving forward to assess risk and monitor subrecipients to ensure compliance with risk assessments and subrecipient monitoring.</p> <p>In response to the finding, the OEDC:</p> <ul style="list-style-type: none"> <li>• Completed new risk assessments for the 37 Associated Development Organizations that had an assessment originally completed in 2017.</li> <li>• Received a risk assessment from a new recipient that was contracted to provide the services to obtain documentation and disburse funding.</li> <li>• Evaluated current subrecipient monitoring procedures and implemented the following:                             <ul style="list-style-type: none"> <li>○ Perform desk monitoring on a monthly/quarterly basis based on the length of the contract and level of risk assessed.</li> <li>○ Perform onsite monitoring prior to final payment and closeout of all federally funded contracts to ensure subrecipients meet all federal compliance requirements.</li> </ul> </li> <li>• Established a process to review all federal award documents and subrecipient procedures based on the funding received to ensure compliance with applicable federal requirements.</li> </ul> <p>The OEDC also established new procedures for the OEDC contracting team to require a new risk assessment be completed prior to execution of new federally awarded contracts or initiating any reimbursement of funding. The contracting team:</p> <ul style="list-style-type: none"> <li>• Developed a contract checklist to ensure leadership has reviewed the risk assessment prior to contract execution. This review includes level of risk assessed, mitigation requirements, frequency of desk auditing, and the date onsite monitoring will occur.</li> <li>• Participated in five hours of training on desk monitoring and onsite monitoring.</li> <li>• Developed new onsite and desk monitoring forms based on federal requirements, which will be used for all subrecipient monitoring.</li> </ul> <p>The OEDC has registered two staff who primarily work on federally funded contracts to attend the upcoming Federal Acquisition Regulations System</p>



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	016 (cont'd)	<p>training. Upon completion of the training, the two staff will serve as OEDC contract team leads to provide internal training, as well as assisting with updating current procedures as needed.</p> <p>Corrective action was completed for the Small Business Assistance Program in April 2022. Funding for this program ended December 2021.</p> <p><b>Rental Assistance Program</b></p> <p>In response to the reported deficiencies, the Department is implementing procedures to strengthen internal controls to ensure the program complies with the subrecipient risk assessment requirements.</p> <p>The Federal Team Manager will:</p> <ul style="list-style-type: none"> <li>• Update the unit risk assessment procedures to include a requirement that the risk assessment form must be completed prior to contract execution.</li> <li>• Crosswalk the new procedures and the updated risk assessment form with CFR 200.332 to identify requirements for pass-through entities.</li> <li>• Review the procedure and form with the Department’s central contract office.</li> <li>• Provide training to current staff and new hires on the new procedures and form.</li> </ul> <p>The Homelessness Assistance Unit Managing Director will audit the process during the next contracting cycle to ensure the procedures are followed and the form contains the required elements.</p> <p>Corrective action for the Rental Assistance Program, including a detailed review of expenditures, was completed in July 2023. Funding for this program ended December 2021.</p> <p>Completion Date: July 2023</p> <p>Agency Contact: Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>

Department of Corrections

Agency 310

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2021	017	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Corrections did not have adequate internal controls over and did not comply with requirements to ensure it used State and Local Fiscal Recovery Funds for allowable purposes and for costs incurred within the period of performance.</p> <table border="0" data-bbox="667 577 1477 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td></td> <td style="text-align: right;">\$17,380,061</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs that the questioned costs identified by the auditors occurred prior to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) start date of March 3, 2021.</p> <p>The Department has processes in place to ensure there is accurate documentation to support costs charged to federal grants. However, the Department was not aware that the period of performance of the grant was specified in the US Treasury Interim Final Rule which was issued on May 17, 2021.</p> <p>In May 2022, when the State Auditor’s Office shared the period of performance exceptions for the audit, the Department realized costs incurred from July 1, 2020, through March 2, 2021, were outside the grant’s period of performance. The Department immediately reviewed active grants to ensure costs charged to the grant were incurred within the grant period.</p> <p>The Department is committed to ensuring compliance with federal grant requirements. In response to this audit finding, the Department will:</p> <ul style="list-style-type: none"> <li>• Review internal processes that identify eligible costs and ensure all applicable federal guidance is reviewed and documented in the grant files.</li> <li>• Review documentation requirements for each grant and ensure only eligible costs that occur within the period of performance are transferred.</li> <li>• Review record retention practices to improve organization of grant documentation for more effective responses to audit requests.</li> </ul> <p>The review will result in a more robust planning and documentation process for federal grants. Since the Department has had insignificant federal grant funding prior to the Coronavirus Relief Funds and the CSLFRF, this work will strengthen our systems of internal control and compliance with federal regulations.</p> <p>In July 2023, the issue was resolved with a legislative proviso in the Department’s supplemental fiscal year 2023 funding. The questioned costs identified in the audit were transferred back to Fund 706.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19		\$17,380,061
	<u>Assistance Listing #</u>	<u>Amount</u>							
21.027 COVID-19		\$17,380,061							

Department of Corrections

Agency 310

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	017 (cont'd)	Completion Date: July 2023  Agency Contact: Anita Kendall Senior Director, Business Services PO Box 41106 Olympia, WA 98504-1106 (360) 480-7915 <a href="mailto:Anita.kendall@doc.wa.gov">Anita.kendall@doc.wa.gov</a>

Department of Agriculture

Agency 495

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	018	<p>Finding: The Department of Agriculture did not have adequate internal controls over and did not comply with federal requirements for procurement or suspension and debarment.</p> <p>Questioned Costs: <u>Assistance Listing #</u> 21.027 COVID-19      <u>Amount</u> \$10,528,205</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department is committed to ensuring grant programs comply with federal regulations regarding procurement and suspension and debarment.</p> <p>In response to the audit finding, the Department has taken the following corrective actions to address the audit recommendations:</p> <ul style="list-style-type: none"> <li>• Effective with the fiscal year 2023 contract period, the federal suspension and debarment language was added to each contract and referenced in each amendment.</li> <li>• Contractors are required to include suspension and debarment language in all lower tier agreements.</li> <li>• Program staff check the federal System for Award Management (SAM.gov) prior to the contract execution date. The contractor verification documentation is maintained in each contract file.</li> <li>• Reviewed and updated policies to ensure procurement of goods and services comply with state and federal policies and procedures.</li> <li>• Developed agency policies and procedures for procurement and suspension and debarment, and provided training to staff on the federal requirements.</li> </ul> <p>Due to the audit finding being issued late in the fiscal year 2022 audit cycle, the Department was not able to fully implement corrective actions during the 2022 audit period. The Department is fully compliant with the procurement and suspension and debarment requirements for fiscal year 2023.</p> <p>Since the Department received Coronavirus State and Local Fiscal Recovery Fund funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>Completion Date: June 2023</p> <p>Agency Contact: Natasha Roberts                      Chief Financial Officer                      PO Box 42560                      Olympia, WA 98504-2560                      360-870-6217  <a href="mailto:nroberts@agr.wa.gov">nroberts@agr.wa.gov</a></p>

Department of Agriculture

Agency 495

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2021	019	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Agriculture did not have adequate internal controls over and did not comply with federal requirements to ensure it issued all required subawards, included all required information in the subawards issued, and performed risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0" data-bbox="667 604 1122 667"> <tr> <td data-bbox="667 604 797 636"><u>Assistance Listing #</u></td> <td data-bbox="1003 604 1094 636"><u>Amount</u></td> </tr> <tr> <td data-bbox="667 636 797 667">21.027 COVID-19</td> <td data-bbox="1003 636 1122 667">\$3,371,121</td> </tr> </table> <p>Corrective action complete</p> <p>The Department is committed to ensuring grant programs comply with federal regulations regarding issuing subawards and performing risk assessments.</p> <p>In response to the audit finding, the Department has taken the following corrective actions to address the audit recommendations:</p> <ul style="list-style-type: none"> <li>• As of December 2022, updated current federal contracts via an amendment and all new contracts to include:                         <ul style="list-style-type: none"> <li>○ The 14 federal subaward elements as referenced in 2 CFR 200.332.</li> <li>○ Subrecipient or contractor designation.</li> <li>○ A link to the 2022 Compliance Supplement for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF).</li> </ul> </li> <li>• As of December 2022, performed risk assessments for each contractor of all fiscal year 2023 contracts. For all new awards, a Program Accounting System &amp; Financial Capability Questionnaire is completed at the time of application.</li> <li>• As of June 2023:                         <ul style="list-style-type: none"> <li>○ Developed agency policies and procedures for subawards and risk assessments and provided training to staff on the requirements.</li> <li>○ Implemented a process to perform risk assessments of subrecipients to determine the required level of monitoring for each subrecipient in accordance with federal requirements, policies, and processes.</li> </ul> </li> </ul> <p>Due to the audit finding being issued late in the fiscal year 2022 audit cycle, the Department was not able to fully implement corrective action during the 2022 audit period. As of June 30, 2023, the Department is fully compliant with all required internal controls on subawards, including risk assessments.</p> <p>Since the Department received CSLFRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>June 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$3,371,121
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$3,371,121						

Department of Agriculture

Agency 495

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	019 (cont'd)	Agency Contact: Natasha Roberts Chief Financial Officer PO Box 42560 Olympia, WA 98504-2560 360-870-6217 <a href="mailto:nroberts@agr.wa.gov">nroberts@agr.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2021	030	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services improperly charged \$224,752 for the Child Support Enforcement and Child Support Enforcement Research programs.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.563</td> <td style="text-align: right;">\$224,752</td> </tr> <tr> <td style="text-align: right;">93.564</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department partially concurs with the audit finding.</p> <p>The Department concurs two bases originally intended to be used for administrative costs were inadvertently omitted from the Public Assistance Cost Allocation Plan (PACAP). Upon discovery of this error, the Department updated the PACAPs for state fiscal years 2021 and 2022 to include those bases for the Child Support Enforcement and the Child Support Enforcement Research Programs and resubmitted to the federal grantor.</p> <p>To strengthen internal controls, the Department implemented a quarterly review of all administrative expenditures, effective October 10, 2021, to confirm all bases are included in the PACAP.</p> <p>The Department does not concur that funds were improperly charged to the Child Support Enforcement and Child Support Enforcement Research Programs. This was strictly a technical error in the PACAP and the funds were used for their authorized purpose.</p> <p>If the grantor contacts the Department regarding the questioned costs, the Department will discuss the manner in which funds were used and will take additional action if appropriate. The auditors considered this finding unresolved due to outstanding questioned costs.</p> <p>June 2023</p> <p>Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.563	\$224,752	93.564	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.563	\$224,752								
93.564									

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status										
2021	053	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls to ensure it complied with nursing home survey statement of deficiencies and plan of corrections timelines.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 583 1096 735"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department partially agrees with the finding.</p> <p>The Department agrees that it was not in compliance with the procedures outlined in Management Bulletin 15-081, which stated staff will provide the Statement of Deficiency (SOD) report to the field manager and the field manager will review for any SODs that are not sent out within ten working days. However, since the implementation of the Electronic Plan of Correction (ePOC) system in April 2017, Management Bulletin 15-081 is no longer applicable.</p> <p>The implementation of the ePOC application for nursing homes at the Residential Care Services has strengthened internal controls and increased efficiency. The ePOC application:</p> <ul style="list-style-type: none"> <li>• Automated the distribution of the federal SOD via a secure website created by the Centers for Medicare and Medicaid Services.</li> <li>• Eliminated the need for staff to provide the SOD report to the field manager.</li> <li>• Automatically sends e-mail notifications daily to the regional administrator, field manager, and support staff when nine days past the exit date in the Automated Survey Processing Environment (ASPEN) and a SOD has not been sent to the nursing facility.</li> </ul> <p>The federal application thus made it unnecessary for a staff member to distribute the SODs. Even though the procedures outlined in the management bulletin were outdated during the fiscal year under audit, two of the three regions were still following the bulletin as a “double-check.”</p> <p>The Department does not agree with the auditors’ conclusion that internal controls were inadequate for compliance with home survey SOD and POC timelines. No exceptions were identified during the audit compliance testing.</p> <p>As of June 30, 2022, Management Bulletin 15-081 was rescinded. Field Managers will continue to follow up on all ePOC e-mail notifications to ensure compliance with deadlines.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>											
93.775	\$0											
93.777												
93.778												
93.778 COVID-19												



Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2021	053 (cont'd)	<p>The conditions noted in this finding were previously reported in finding 2020-054. The auditors considered finding 2020-054 unresolved in fiscal year 2023.</p> <p>Completion Date: June 2022</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status						
2020	020	<p data-bbox="483 422 1471 516">Finding: The Department of Social and Health Services did not have adequate internal controls to ensure payments from the Coronavirus Relief Fund occurred during the allowable period of performance.</p> <table border="0" data-bbox="483 552 1471 615"> <tr> <td data-bbox="483 552 613 579">Questioned Costs:</td> <td data-bbox="672 552 889 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 552 1094 579"><u>Amount</u></td> </tr> <tr> <td></td> <td data-bbox="672 579 889 606">21.019 COVID-19</td> <td data-bbox="1003 579 1122 606">\$8,681,008</td> </tr> </table> <p data-bbox="483 646 956 674">Status: No corrective action taken</p> <p data-bbox="483 709 1203 737">Corrective Action: The Department does not concur with the finding.</p> <p data-bbox="672 772 1471 867">During the pandemic, limited guidance was provided by the federal government regarding the CARES Act stimulus funding, which was also changing as new information became available.</p> <p data-bbox="672 898 1471 1024">On April 22, 2020, the US Department of Treasury (Treasury) issued the Coronavirus Relief Fund (CRF) program guidance for state, territorial, local and tribal governments. The overarching guidance on the CRF stated that expenditures may only be used to cover costs that were:</p> <ul data-bbox="691 1035 1471 1203" style="list-style-type: none"> <li>• Necessary expenditures incurred due to COVID-19;</li> <li>• Not accounted for in the budget most recently approved as of March 27, 2020; and</li> <li>• Incurred during the period between March 1, 2020, and December 30, 2020.</li> </ul> <p data-bbox="672 1241 1471 1493">The Treasury defined a cost to be incurred “when the responsible unit of government had expended the funds to cover the cost.” Further, it was assumed that similar to other areas of the CARES Act, the term “incurred” is measuring costs that were reasonably obligated and satisfied during the covered period to avoid instances where an entity is pre-paying expenses in an effort to maximize the use of the funding, but for which the entity does not have a legal obligation to pay such costs (e.g., pre-paying rent, utility or other contractual obligations).</p> <p data-bbox="672 1528 1471 1717">The CRF was allocated to the Department after the end of fiscal year 2020. The Department used journal vouchers to transfer expenditures that occurred during fiscal year 2020 to the CRF. All costs that were moved were for expenditures made on or after March 1, 2020. Based on the April 2020 guidance provided by Treasury, the Department does not believe it was out of compliance during the time period under review.</p> <p data-bbox="672 1749 1471 1843">The Department maintains that the questioned costs identified in the finding were unsubstantiated and will continue to work with the Office of Financial Management to ensure all federal funding is used for allowable purposes.</p> <p data-bbox="672 1875 1471 1969">Funding for this program ended in December 2021 and the Department did not have expenditures during fiscal year 2023. The auditors considered this finding unresolved in fiscal year 2022 due to outstanding questioned costs.</p>	Questioned Costs:	<u>Assistance Listing #</u>	<u>Amount</u>		21.019 COVID-19	\$8,681,008
Questioned Costs:	<u>Assistance Listing #</u>	<u>Amount</u>						
	21.019 COVID-19	\$8,681,008						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2020	020 (cont'd)	<p>In accordance with 2 CFR 200.511, the Department believes that this audit finding is no longer valid and does not warrant further action, as justified by the following conditions:</p> <ul style="list-style-type: none"> <li>• Two years have passed since the audit report in which the finding occurred was submitted to the Federal Clearinghouse;</li> <li>• The Federal agency or pass-through entity is not currently following up with the auditee on the audit finding; and</li> <li>• A management decision was not issued.</li> </ul> <p>Completion Date: The auditors determined this finding was resolved in the fiscal year 2023 audit.</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 4804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2020	032	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure payments paid on behalf of clients for the Vocational Rehabilitation grant were allowable.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.126</td> <td style="text-align: right;">\$13,143</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding.</p> <p>The Department contacted the U.S. Department of Education in April 2022 regarding the questioned costs and has not received any request for repayment.</p> <p>The Division of Vocational Rehabilitation will take the following corrective actions:</p> <ul style="list-style-type: none"> <li>• By January 2024, develop a process to monitor the approval of client services.</li> <li>• By November 2023:                         <ul style="list-style-type: none"> <li>○ Develop training for staff to reinforce understanding of existing federal requirements for the authorizations of client service purchases.</li> <li>○ Implement a process improvement regarding the timing and types of approval required for vocational rehabilitation services.</li> <li>○ Review existing policies and procedures with a focus on changes to clients' plans for employment.</li> <li>○ Implement improvements to existing supervisory review protocols.</li> </ul> </li> </ul> <p>The Department is currently in the process of procuring a new case management system. By January 2024, the Department will incorporate automated controls to validate authorizations for purchases into the design for the new system.</p> <p>The conditions noted in this finding were previously reported in findings 2019-023, 2018-023, 2017-014, and 2016-013.</p> <p>June 2023</p> <p>Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.126	\$13,143
<u>Assistance Listing #</u>	<u>Amount</u>						
84.126	\$13,143						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2020	053	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with federal requirements for completing recertification surveys in a timely manner.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the audit finding and has taken corrective actions to strengthen internal controls over the completion of recertification surveys.</p> <p>As of April 2021, the Department modified the process used in calculating survey intervals to ensure it accurately calculates the statewide average survey frequency based on the federal fiscal year end.</p> <p>As of July 2021, the field manager and administrative staff began conducting quarterly meetings to review the survey interval tracking spreadsheet to ensure information entered is accurate and the Plan of Correction timelines are met.</p> <p>The conditions noted in this finding were previously reported in findings 2019-061, 2018-052, 2017-042, 2016-037, 2015-045, and 2014-046.</p> <p>In progress</p> <p>Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status					
2020	057	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Opioid State Targeted Response program received required risk assessments.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.788</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>Since the Authority assumed responsibilities over the grant program in fiscal year 2019, a multi-divisional subrecipient monitoring workgroup was established to develop internal controls and monitoring procedures for subrecipients.</p> <p>Prior to conclusion of the fiscal year 2020 audit, the workgroup had developed and approved an effective agency-wide subrecipient risk assessment process. The workgroup established internal controls and monitoring procedures, and also developed a risk assessment and monitoring plan (RAMP) form that is used in contracting with subrecipients.</p> <p>The Authority completed initial staff training in December 2021. Ongoing training is provided to the contact managers who are required to complete a RAMP form on active subrecipient contracts. Contracts will not be signed by the Authority without the RAMP form completed and provided to the Office of Contracts and Procurement.</p> <p>The risk assessment process has been fully implemented across the agency. The grant closed in April 2020 and no additional expenditures will be charged to the grant.</p> <p>The conditions noted in this finding were previously reported in finding 2019-066.</p> <p>June 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.788	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
93.788	\$0						

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2019	037	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching requirements for the Child Care and Development Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$440,578</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The Department works closely with the Department of Social and Health Services (DSHS) and maintains that both agencies have adequate internal controls in place to ensure compliance with matching requirements of the Child Care and Development Fund grant. There has been no audit exception in this compliance area reported by the State Auditor’s Office (SAO) in previous audits.</p> <p>Due to miscommunication between DSHS and SAO on the request for information during audit testing, the Department did not have sufficient time to provide the level of details needed for clear and convincing evidence that the Department complied with the requirement and met the required state match.</p> <p>In September 2020, the Department received the appropriate documentation from DSHS to submit to the U.S. Department of Health and Human Services (HHS), and is currently waiting for a response. The documentation supports the amount of state match reported by the Department.</p> <p>If HHS contacts the Department regarding questioned costs that should be repaid, the Department will confirm these costs and will take appropriate action.</p> <p>Not applicable</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$440,578	93.596	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.575	\$440,578								
93.596									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Status							
2019	038	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families improperly charged \$4,212,863 to the Child Care and Development Fund program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$4,212,863</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department partially concurs with the finding.</p> <p>During the audit period, grant reconciliations were not performed timely because the Department had to focus resources on transitioning two major federal programs and the onboarding of approximately 1,500 employees.</p> <p>Since then, the Department has prioritized reconciliations of the Child Care and Development Fund grants. Based on these reconciliations, the Department has identified and made corrections to expenditures to comply with the period of performance requirements. However, these corrections were made outside of the audit period and therefore were not taken into consideration when the auditors concluded audit work and issued this finding.</p> <p>In response to the audit recommendations, the Department:</p> <ul style="list-style-type: none"> <li>• Strengthened internal controls to ensure grant expenditures are obligated and liquidated within the grant period of performance.</li> <li>• Completed journal voucher corrections of expenditures identified as charged to the incorrect grant period.</li> </ul> <p>The Department did not concur with the full amount of the questioned costs identified by the auditors. It should also be noted that due to the late timing of the auditors' request for and review of financial records, the Department was not given sufficient time to complete verification of the remaining \$6,591 questioned costs and concur if this amount was actually charged to the incorrect grant period.</p> <p>In March 2020, the Department processed a JV to transfer the questioned costs from the 2017 grant to the 2018 grant. In February 2021, the Department received a management decision letter from the grantor agreeing and confirming that the \$6,591 questioned costs were repaid. All corrective action was considered completed.</p> <p>February 2021</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$4,212,863	93.596	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.575	\$4,212,863								
93.596									



Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2019	047	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with a state law requirement to perform semi-annual data sharing with health insurers.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>This finding is based on a specific data exchange method in which most insurance carriers have chosen not to participate and which the Authority has no legal authority to enforce. The auditor recommended the Authority seek and obtain the legal authority through legislation. While it is not within the Authority’s scope of responsibilities to regulate insurance companies, several other methods of data sharing are regularly employed to achieve the goal of identifying third party liability.</p> <p>After an unsuccessful attempt in 2019, the Authority again drafted legislation for the 2020 legislative session. House Bill 2677 was a technical correction that modified existing state law to more appropriately align with state practices.</p> <p>The legislation unanimously passed both the House of Representatives and Senate and was signed into law by the governor on March 27, 2020. The finding was resolved through the enactment of this law, which was effective June 11, 2020.</p> <p>The Authority continues to update state laws and regulations as needed when updates to federal compliance rules are received. Bringing carriers onboard is a continuous process, and the Authority will continue to engage and work with carriers to offer additional formats to submit data.</p> <p>The conditions noted in this finding were previously reported in findings 2018-041, 2017-031, 2016-028, 2015-030, 2014-034, 2013-020, 12-49, 11-38, 10-40, 09-19 and 08-25.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      P.O. Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.summerour@hca.wa.gov">Kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2019	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls to ensure Medicaid expenditures for Children’s Health Insurance Program Funds were allowable.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$4</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Authority does not concur with the description or effect of condition of the finding.</p> <p>The auditors determined that the Authority does not conduct a post-eligibility review for coverage under the Children’s Health Insurance Program (CHIP) when a household’s income is below 133 percent of the federal poverty level. There is no such requirement in our federally approved verification plan, and the Authority does not agree that a significant deficiency in internal control exists.</p> <p>The condition that led to the \$4 in unallowable claims for additional CHIP funds was corrected in July 2017.</p> <p>The Authority will consult with the grantor regarding the resolution of the questioned costs.</p> <p>The conditions noted in this finding were previously reported in findings 2018-048, 2017-038, 2016-034, 2015-039, and 2014-037. The auditors determined 2014-037 as resolved. The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>Not Applicable</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.summerour@hca.wa.gov">Kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$4	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$4										
93.777											
93.778											

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2019	051	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with suspension and debarment requirements for Medicaid medical fee-for-service providers.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Authority is taking corrective actions to improve internal controls and compliance with the suspension and debarment requirements.</p> <p>As of December 2022, the Authority fully implemented the Automated Provider Screening process to conduct the following monthly database checks for medical providers:</p> <ul style="list-style-type: none"> <li>• Excluded Parties List System</li> <li>• Federal System for Award Management</li> </ul> <p>The Authority will also continue to monitor Managed Care Organizations' compliance with their contractual requirements to perform these monthly checks.</p> <p>As of March 2023, the system issue was corrected and the process of sending notifications is working as intended.</p> <p>The conditions noted in this finding were previously reported in findings 2018-046 and 2017-037.</p> <p>March 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.summerour@hca.wa.gov">Kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2019	057	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with requirements to ensure Medicaid Community First Choice client service plans were properly approved.</p> <table border="0" data-bbox="667 583 1122 705"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: right;">\$2,191,213</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with the finding.</p> <p>The Department agrees that a person-centered service plan should be signed by the Department, client, and provider responsible for its implementation.</p> <p>However, the Department disagrees that:</p> <ul style="list-style-type: none"> <li>• A lack of required signatures on the service plan should result in questioned costs when the client is eligible for the services and the provider is qualified to deliver services. The Centers for Medicare &amp; Medicaid Services (CMS) has also provided guidance to the Department that services should not be terminated if required signatures cannot be obtained.</li> <li>• A service plan that is not signed by a client, a provider, or the Department within 60 days should be considered an exception. The 60-day timeline in the state law outlines an administrative option that could be utilized by the Department to terminate services when deemed necessary.</li> </ul> <p>The Department also has concerns over the objectives of the additional reviews performed in the fiscal year 2019 audit, as follows:</p> <ul style="list-style-type: none"> <li>• The auditors significantly broadened the scope of the audit by including interim assessments, which increased the number of asserted exceptions compared to when only full assessments were included.</li> <li>• The auditors performed follow-up testing on the 59 exceptions previously reported in the fiscal year 2018 audit finding. The auditors subsequently took exceptions on the client service plans that were still not complete for part or all of the current audit period and assigned questioned costs to the current audit finding.</li> </ul> <p>The Department does not agree that re-testing of the prior year's audit exceptions is valid. By performing audit testing on outdated client service plans included in the prior year's audit, the auditor's approach essentially disregarded the Department's good faith effort in attempting to remediate exceptions from the prior audit.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.775		\$2,191,213	93.777			93.778		
	<u>Assistance Listing #</u>	<u>Amount</u>													
93.775		\$2,191,213													
93.777															
93.778															

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2019	057 (cont'd)	<p>As of June 2019, the Department:</p> <ul style="list-style-type: none"> <li>• Revised policies and procedures to require providers' signatures on person-centered service plans.</li> <li>• Issued a management bulletin to communicate the updated policies and procedures, and address the use of electronic signature technology in the field.</li> <li>• Created a mechanism for case managers to collect signatures on an electronic signature pad. The Department will continue to work with field staff to encourage the use of this technology.</li> <li>• Conducted numerous meetings with the directors of Area Agency on Aging to discuss policy changes on service summary signatures and staffing issues caused by the increased workload.</li> </ul> <p>The Department currently included reviewing compliance with signature requirements on client service plans as part of the formal quality assurance (QA) reviews. However, the outcomes of these enhanced QA activities were not reflected in the fiscal year 2019 audit period.</p> <p>The Department has continued to implement process improvement plans. As of March 2021, statewide compliance results met proficiency goals.</p> <p>As of June 2021, the Department:</p> <ul style="list-style-type: none"> <li>• Provided additional training to staff on relevant federal regulations and state policies.</li> <li>• Established guidance on the appropriate use of interim assessments.</li> <li>• Submitted a request in the Governor's budget and received:                         <ul style="list-style-type: none"> <li>○ Additional staff to collect signed service plans.</li> <li>○ An information technology enhancement that will reduce, but not eliminate, the manual effort necessary to collect signed service plans.</li> </ul> </li> </ul> <p>As of December 2021, the Department began utilizing electronic voice signature collecting technology.</p> <p>In September 2020, the Department and the Health Care Authority (HCA) sent a letter to CMS to request an opinion as to whether the questioned costs need to be repaid. As of August 2023, neither the Department nor HCA has received any correspondence regarding its opinion or determination.</p> <p>The conditions noted in this finding were previously reported in findings 2018-059 and 2017-045. The auditors determined finding 2017-045 was resolved in fiscal year 2023, but still considered 2019-057 and 2018-059 unresolved due to outstanding questioned costs.</p> <p>Completion Date: In progress</p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2019	057 (cont'd)	Agency Contact: Rick Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status								
2019	058	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate internal controls over and did not comply with requirements to ensure Medicaid Community First Choice client service plans were properly approved.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 583 1128 703"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$2,169,725</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department partially concurs with the finding.</p> <p>The Department agrees that a person-centered service plan should be signed by the Department, client, and provider responsible for its implementation.</p> <p>However, the Department disagrees that:</p> <ul style="list-style-type: none"> <li>• A lack of required signatures on the service plans should result in questioned costs when the client is eligible for the services and the provider is qualified to deliver services. The Centers for Medicare &amp; Medicaid Services (CMS) has also provided guidance to the Department that services should not be terminated if required signatures cannot be obtained.</li> <li>• A service plan that is not signed by a client, a provider, or the Department within 60 days should be considered an exception. The 60-day timeline in the state law outlines an administrative option that could be utilized by the Department to terminate services when deemed necessary.</li> </ul> <p>The Department also has the following concerns over the objectives of the additional reviews performed in the fiscal year 2019 audit, as follows:</p> <ul style="list-style-type: none"> <li>• The auditors performed follow-up testing on the exceptions previously reported in the fiscal year 2018 audit finding. The auditors subsequently took exceptions on the client service plans that were still not complete for part or all of the current audit period and assigned questioned costs to the current audit finding.</li> <li>• The Department does not agree that re-testing of the prior year’s audit exceptions is valid. By performing audit testing on outdated client service plans included in the prior year’s audit, the auditor’s approach essentially disregarded the Department’s good faith effort in attempting to remediate exceptions from prior audit.</li> </ul> <p>Currently, the Department has the following quality assurance process in place to monitor compliance in obtaining required signatures on person-centered service plans:</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$2,169,725	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>									
93.775	\$2,169,725									
93.777										
93.778										

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2019	058 (cont'd)	<ul style="list-style-type: none"> <li>• The Quality Compliance Coordination team reviews a statewide sample for required signatures or documented attempts to obtain signatures.</li> <li>• The review measures statewide proficiency for obtaining required signatures in an established annual cycle. If the review finds a proficiency rate below 86 percent, the Department will implement a quality improvement plan to improve statewide performance.</li> <li>• Case manager supervisors monitor compliance by ensuring all case managers meet the requirement of obtaining signatures through all available department-approved options.</li> </ul> <p>The Department will continue to work towards implementing the electronic signature option.</p> <p>The Department and the Health Care Authority (HCA) sent a letter to CMS to request an opinion as to whether the questioned costs need to be repaid. As of August 2023, neither the Department nor HCA have received any correspondence from CMS regarding its opinion or determination.</p> <p>The conditions noted in this finding were previously reported in findings 2018-060, 2017-046, and 2016-043. In fiscal year 2023, the auditors determined findings 2017-046 and 2016-043 were resolved, but still considered 2019-058 unresolved due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>



Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2019	060	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls to ensure Medicaid payments to home care agencies were allowable.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>Area Agencies on Aging (AAA) monitor home care agencies (HCAs) for contractual compliance in many areas, including verification of time and task performance. In response to the prior year’s audit finding, the Department modified the tool provided to AAAs for more effectively monitoring HCAs’ compliance with electronic timekeeping contractual requirements.</p> <p>The Aging and Long-Term Support Administration State Unit on Aging (SUA) reviews a random sample of HCAs to determine if the AAA monitored and reviewed compliance with the electronic time keeping requirements as outlined in the HCA Monitoring Tool.</p> <p>The Department maintains that the monitoring by the AAA and SUA is adequate to provide assurance that Medicaid payments to home care agencies were allowable.</p> <p>Additionally, the fiscal year 2019 audit did not identify any exceptions related to electronic time keeping compliance, which provided further evidence that the current internal controls implemented by the Department are working as intended.</p> <p>The conditions noted in this finding were previously reported in finding 2018-054.</p> <p>Not applicable</p> <p>Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status																		
2019	062	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure providers of the Medicaid program were properly screened, licensed, and enrolled.</p> <table border="0" data-bbox="483 583 1096 772"> <tr> <td data-bbox="483 583 613 615">Questioned</td> <td data-bbox="673 583 889 615"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1096 615"><u>Amount</u></td> </tr> <tr> <td data-bbox="483 615 613 646">Costs:</td> <td data-bbox="673 615 750 646">93.775</td> <td data-bbox="1003 615 1031 646">\$0</td> </tr> <tr> <td></td> <td data-bbox="673 646 750 678">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="673 678 889 709">93.777 - COVID-19</td> <td></td> </tr> <tr> <td></td> <td data-bbox="673 709 750 741">93.778</td> <td></td> </tr> <tr> <td></td> <td data-bbox="673 741 889 772">93.778 - COVID-19</td> <td></td> </tr> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department partially concurs with the finding.</p> <p>In response to prior years’ audit findings, the Department developed a process to screen and track each nursing facility contract to ensure validation and revalidation occurs within the five-year requirement, and had subsequently completed all nursing facility screenings. However, the Department was not aware that federal database checks include the National Plan and Provider Enumeration System for those nursing facilities contracted on or before March 25, 2001, which were required to be conducted at least every five years by September 2016. The Department became aware of this requirement in 2018 and had completed the required nursing facility validations by October 2018. The Department is aware that this subset of revalidations was not completed timely and that the finding will likely remain unresolved through September 2021 or until these facilities are revalidated at the end of the subsequent five-year period.</p> <p>The Department also implemented additional internal controls to ensure Medicaid providers are properly screened, licensed, and enrolled. The Department will continue to maintain the controls currently in place for the provider revalidation process and will codify them into formal policies and procedures to ensure continued federal compliance, including:</p> <ul style="list-style-type: none"> <li>• The monthly database check with the System for Awards Management and the appropriate actions taken when necessary. This process has been ongoing since 2014.</li> <li>• The entire process for the termination of provider applications or revalidations that are found to be ineligible.</li> </ul> <p>As of November 2020, the Department developed a high-risk provider tracking process. By September 2021, a workgroup will be established to develop policies and procedures for completing fingerprint-based criminal background checks for the high-risk providers.</p> <p>By November 2021, the Department will convene a fingerprint-based</p>	Questioned	<u>Assistance Listing #</u>	<u>Amount</u>	Costs:	93.775	\$0		93.777			93.777 - COVID-19			93.778			93.778 - COVID-19	
Questioned	<u>Assistance Listing #</u>	<u>Amount</u>																		
Costs:	93.775	\$0																		
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	93.778 - COVID-19																			

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2019	062 (cont'd)	<p>criminal background check stakeholder workgroup to provide an overview of rules and requirements, with a goal to formally adopt policies and procedures by April 2022.</p> <p>By July 2022, a training plan for the fingerprint-based criminal background checks will be established for providers and staff.</p> <p>The conditions noted in this finding were previously reported in finding 2018-057, and both were determined by the auditors to be resolved in fiscal year 2021. Upon auditors' request, these findings are reinstated in the fiscal year 2023 Summary Schedule of Prior Audit Findings due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2018	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made improper payments for Medicaid managed care recipients with Medicare insurance coverage.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: right;">\$3,762,678</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Authority has implemented the following corrective actions:</p> <ul style="list-style-type: none"> <li>• As of March 2016, developed an algorithm to identify Per Member Per Month (PMPM) premium payments for clients enrolled in Medicare.</li> <li>• As of June 2018, went live with the enhancements to the ProviderOne system to automate recoupment of PMPM premiums for clients who are retro-enrolled in Medicare.</li> <li>• Ran the new algorithm for the period from the last algorithm run in November 2017 to the system enhancement in June 2018, and identified all PMPM premium duplicate payments.</li> </ul> <p>As of August 2019, the Authority completed the work to recoup the duplicate payments, and will follow its normal finding resolution process with the U.S. Department of Health and Human Services regarding the resolution of questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2017-039. The auditors considered finding 2017-039 unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>June 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.775		\$3,762,678	93.777			93.778		
	<u>Assistance Listing #</u>	<u>Amount</u>													
93.775		\$3,762,678													
93.777															
93.778															

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status													
2017	032	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Health Care Authority overpaid a tribe for Medicaid chemical dependency treatments.</p> <table border="0" data-bbox="667 520 1122 646"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.775</td> <td style="text-align: center;">\$3,909,517</td> </tr> <tr> <td></td> <td style="text-align: center;">93.777</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">93.778</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority submits an annual State Plan to the Centers for Medicare and Medicaid Services (CMS) for approval. The plan includes tribal health care facilities that deliver health care services to Medicaid-eligible clients. In August 2017, the State Auditor’s Office published a whistleblower investigation (report number 1019566) that reported the Authority overpaid a tribe for chemical dependency treatments.</p> <p>Since the language in the State Plan is not conclusive and more than one tribe has challenged the conclusions in the whistleblower report, the Authority requested guidance from CMS in September 2017 on whether the payments identified in the audit report are overpayments.</p> <p>The Authority also requested an amendment to the State Plan to provide clear language that would prospectively preclude the primary type of findings published in the whistleblower investigation and that is consistent with language approved by CMS for other states’ tribal health programs. CMS approved the requested amendment effective September 29, 2017.</p> <p>On January 29, 2018, CMS directed the Authority to Section 4320 of the State Medicaid Manual issued by the Health Care Financing Administration (predecessor agency to CMS). In particular, paragraph C of the Section states:</p> <p style="text-align: center;"><i>“If a State elects to cover clinic services, it may choose the type of clinics or clinic services that are covered, provided that the services constitute medical or remedial care.”</i></p> <p>In light of this CMS guidance and various mitigating factors, the Authority determined it would be inappropriate to seek recovery of payments based solely on service rendered by a provider not listed in the State Plan, which was in effect prior to the amendment in September 2017.</p> <p>The Authority has contacted CMS on multiple occasions to determine if the audit finding is closed. As of June 2020, the Authority resubmitted the supporting information to CMS, requested the finding be closed, and the questioned costs be resolved.</p> <p>If the U.S. Department of Health and Human Services determines the payments identified in the audit are in fact overpayments, the Authority will follow the normal audit resolution process to resolve the questioned costs.</p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.775	\$3,909,517		93.777			93.778	
	<u>Assistance Listing #</u>	<u>Amount</u>													
	93.775	\$3,909,517													
	93.777														
	93.778														

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status
2017	032 (cont'd)	<p>The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2017	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority overpaid Medicaid hospitals for outpatient services.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$118,679</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority agrees that some claims were missed during the original mass adjustment of claims affected by incorrect Enhanced Ambulatory Patient Group (EAPG) weight assignment in the ProviderOne system.</p> <p>As of November 2017, the Authority identified all the missed claims and processed the majority of the adjustments.</p> <p>As of January 2018, the Authority completed the processing of the remaining two percent of the claims that did not get adjusted in November 2017. All corrections had been completed at that time and there were no outstanding questioned costs.</p> <p>Since federal funds overpayments were normally returned through the quarterly reporting process, the Authority is working with the Center for Medicare and Medicaid Services in order to appropriately reflect the resolution of the questioned costs.</p> <p>The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$118,679	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$118,679										
93.777											
93.778											

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2017	040	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made improper Medicaid pharmacy fee-for-service payments for clients enrolled in managed care.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$111,756</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Authority does not concur with the finding.</p> <p>The pharmacy claims selected under this review were appropriately paid with the client being covered under the fee-for-service program at the time of claim submission and payment. The Authority does not recoup pharmacy payments for appropriately billed and paid services when the client's enrollment retroactively changes from fee-for-service to managed care.</p> <p>The Authority received informal guidance from Centers for Medicare and Medicaid Services (CMS) stating that this cost/benefit approach is appropriate. The Authority has since requested official guidance from CMS on multiple occasions.</p> <p>In September 2023, the Authority received correspondence from CMS confirming that the finding is resolved and closed. No questioned costs were required to be repaid.</p> <p>September 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$111,756	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$111,756										
93.777											
93.778											



Department of Social and Health Services

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Fiscal Year	Finding Number	Finding and Corrective Action Status											
2017	048	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor Adult Family Home providers to ensure Medicaid providers and their employees had proper background checks.</p> <table border="0"> <tr> <td data-bbox="672 583 971 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="672 615 748 642">93.775</td> <td data-bbox="1003 615 1094 642">\$153,536</td> </tr> <tr> <td data-bbox="672 646 748 674">93.777</td> <td></td> </tr> <tr> <td data-bbox="672 678 748 705">93.778</td> <td></td> </tr> <tr> <td data-bbox="672 709 829 737">93.778 ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with this finding.</p> <p>The Department agrees that one background check was not renewed timely. As of November 2017, the Department implemented an internal reporting tool which alerts staff to send a reminder notice to a provider when the current background check of an employee is expiring in 60 days. If the provider does not complete the background check by the required due date, a complaint investigation will be initiated.</p> <p>The Department does not concur with the two exceptions regarding the missing national fingerprint background check for the two providers. The providers in question had both applied in 2011, which was prior to WAC 388-76-10165 becoming effective and requiring a fingerprint check.</p> <p>The Department also does not agree the findings should be tied to questioned costs. The auditors did not identify any providers who had a disqualifying crime or negative action. While the one Adult Family Home in question was out of compliance with the licensing requirements of WAC 388-76 by not having current background check results on file, and is therefore subject to corrective action and sanctions by the Department, the provider was not unqualified to provide Medicaid paid services. Thus, the payments to the provider were proper.</p> <p>Additionally, the Department is unable to comment on or validate the auditor’s statement of noncompliance with background check issues related to the Adult Family Home employees because the auditor had failed to provide any data to substantiate this part of the finding.</p> <p>In July 2018, the Department sent a letter to the Centers for Medicare and Medicaid Services (CMS) to request an opinion as to whether the questioned costs need to be repaid. In October 2018, the Department held a telephone conference with CMS, the auditors, and the State Health Care Authority (HCA) to discuss the questioned costs.</p> <p>As of August 2023, neither the Department nor HCA has received any correspondence from CMS regarding its opinion or determination.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$153,536	93.777		93.778		93.778 ARRA	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.775	\$153,536												
93.777													
93.778													
93.778 ARRA													

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Fiscal Year	Finding Number	Finding and Corrective Action Status
2017	048 (cont'd)	<p>The conditions noted in this finding were previously reported in findings 2016-044, 2015-051, 2014-048, and 2013-037. The auditors considered finding 2013-037 resolved.</p> <p>The auditors had previously determined findings 2017-048, 2016-044 and 2014-048 were resolved in fiscal year 2022. Upon auditors' request, the findings are reinstated in the fiscal year 2023 Summary Schedule of Prior Audit Findings due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.meyer@dshs.wa.gov">Richard.meyer@dshs.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status								
2017	050	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Care Administration and Developmental Disabilities Administration, made improper overtime payments to Medicaid individual providers.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 548 1096 674"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$9,778</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department does not concur with the finding.</p> <p>The Department uses the Comprehensive Assessment Reporting Evaluation (CARE) tool, approved by the Centers for Medicare and Medicaid Services (CMS), to assess client needs and to allocate the number of hours of personal care and respite the client is eligible to receive.</p> <p>Payments were made to qualified providers for services the client was authorized to receive. All hours paid to the individual providers were allowable as no payments were made in excess of the CARE generated allowable hours.</p> <p>The Department’s process complies with CMS’s directive outlined in the information bulletin published by the U.S. Department of Health and Human Services in July 2014. The directive required that any processes developed by States must comply with the Fair Labor Standards Act (FLSA). The Department protects clients’ access to eligible services and supports from a provider of their choice through their person-centered service plan. In addition, overtime costs paid under FLSA can be reimbursed as a reasonable cost related to the delivery of Medicaid services.</p> <p>The Department cannot prevent the provider from being paid more than their work week limit because labor law requires payment for all hours worked. Providers must therefore be allowed to claim and be paid for hours worked. However, the Department does follow the post-payment procedure outlined in WAC 388-114-0120 to address claims that exceed a provider’s work week limit.</p> <p>With the passage of Engrossed Second Substitute House Bill 1725 (ESSHB 1725), the Legislature imposed work week limits on individual providers. The statute also directed the Department not to impose work week limits on individual providers until the Department conducted a review of the plan of care for the clients served by the individual provider. These reviews were not completed until July 2016, and five of the payments found by the auditors to be unallowable were made prior to this time.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$9,778	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>									
93.775	\$9,778									
93.777										
93.778										

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Fiscal Year	Finding Number	Finding and Corrective Action Status
2017	050 (cont'd)	<p>The rules adopted as a result of ESSHB 1725 have a mechanism for terminating individual providers if they repeatedly exceed their work week limit. Regardless of whether the individual provider exceeds their work week limit, payment for all hours worked is required. The Department adheres to specific actions before stopping a payment to an individual provider who works more than the work week limit. The restrictions imposed on the individual provider by these statutory limits and associated rules have no relation to the client's benefit, which is reflected as authorized hours.</p> <p>The Department also notes that the calculation of the questioned costs was incorrect. The provision of the hours themselves are not in question, only the payment of overtime for these hours. The cost of overtime is the difference between the individual provider's base rate of pay and one and a half times of the base rate. Therefore, questioned costs should be calculated only on the overtime cost.</p> <p>The Department will continue to:</p> <ul style="list-style-type: none"> <li>• Follow procedures to identify providers who have excess claims over the work week limit.</li> <li>• Issue necessary contract actions according to Department policy.</li> </ul> <p>In July 2018, the Department sent a letter to the Centers for Medicare and Medicaid Services (CMS) to request an opinion as to whether the questioned costs need to be repaid. In October 2018, the Department held a telephone conference with CMS, the auditors, and the Health Care Authority (HCA) to discuss the questioned costs. In March 2019, the Department followed up with CMS requesting a decision. As of August 2023, neither the Department nor HCA has received any correspondence from CMS regarding its opinion or decision.</p> <p>The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.meyer@dshs.wa.gov">Richard.meyer@dshs.wa.gov</a></p>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2016	032	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not establish adequate internal controls and did not comply with requirements to ensure it sought reimbursement for all eligible Medicaid outpatient prescription drug rebate claims.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$273,598</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>In response to the audit finding, the Authority has implemented the following corrective actions:</p> <ul style="list-style-type: none"> <li>• As of September 2016, identified and corrected the system issue concerning the Medicaid eligibility code.</li> <li>• As of February 2017, corrected the system issue concerning the managed care plan coding errors.</li> </ul> <p>The Authority has also strengthened its review process by:</p> <ul style="list-style-type: none"> <li>• Preparing a checklist of steps for staff to consider when a new code is added to the ProviderOne System.</li> <li>• Implementing quarterly monitoring reports designed to validate the completeness and accuracy of each invoicing cycle.</li> </ul> <p>On May 31, 2017, the Authority invoiced the unclaimed rebates identified by the auditors.</p> <p>The Authority and U.S. Department of Health and Human Services have discussed the resolution of questioned costs.</p> <p>The conditions noted in this finding were previously reported in findings 2015-034 and 2014-031, which the auditors determined to be resolved. The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$273,598	93.777		93.778	
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93.775	\$273,598										
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status								
2016	047	<p>Finding: Medicaid funds were overpaid to a supported living agency that contracted with the Department of Social and Health Services, Developmental Disabilities Administration.</p> <p>Questioned Costs:</p> <table border="0" data-bbox="673 546 1128 672"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$1,258,250</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department partially concurs with finding.</p> <p>The Department processed the payment notice to the Department’s Office of Financial Recovery (OFR) in February 2017.</p> <p>Per federal rules, the Department is not required to refund the federal share of an overpayment made to a provider to the extent that the Department is unable to recover the overpayment because the provider has been determined bankrupt.</p> <p>The provider in question filed for bankruptcy in March 2019. The Department worked with OFR to follow the federal and state rules for financial recovery that pertains to bankruptcy proceedings, and submitted the required information received from the bankruptcy court for the amount owed.</p> <p>As of March 2019, the Department forwarded all court records, disclosing the provider was bankrupt, to the U.S. Department of Health and Human Services (HHS).</p> <p>As of August 2023, the Department has not received any communication from HHS confirming the status of the questioned costs. The auditors considered this finding unresolved in fiscal year 2023 due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.meyer@dshs.wa.gov">Richard.meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$1,258,250	93.777		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>									
93.775	\$1,258,250									
93.777										
93.778										

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Status									
2015	037	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority overpaid Medicaid providers for dental services.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$25,945</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority has recouped the unallowable claims paid to dental providers.</p> <p>The Authority will follow its normal finding resolution process with the U.S. Department of Health and Human Services regarding the resolution of questioned costs.</p> <p>The conditions noted in this finding were previously reported in findings 2014-033, 2013-027 and 12-53, which the auditors considered resolved.</p> <p>The auditors had previously determined that this finding was resolved in fiscal year 2022. Upon auditors' request, the finding is reinstated in the fiscal year 2023 Summary Schedule of Prior Audit Findings due to outstanding questioned costs.</p> <p>In progress</p> <p>Kari Summerour, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:kari.summerour@hca.wa.gov">kari.summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$25,945	93.777		93.778	ARRA and non-ARRA
<u>Assistance Listing #</u>	<u>Amount</u>										
93.775	\$25,945										
93.777											
93.778	ARRA and non-ARRA										

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status												
2015	040	<p data-bbox="483 422 1466 548">Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls in place to ensure in-home care providers paid by Medicaid had proper background checks.</p> <table data-bbox="483 583 1128 703"> <tr> <td data-bbox="483 583 609 615">Questioned Costs:</td> <td data-bbox="673 583 889 615"><u>Assistance Listing #</u></td> <td data-bbox="1036 583 1128 615"><u>Amount</u></td> </tr> <tr> <td></td> <td data-bbox="673 615 748 646">93.775</td> <td data-bbox="1036 615 1128 646">\$26,138</td> </tr> <tr> <td></td> <td data-bbox="673 646 748 678">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="673 678 998 709">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p data-bbox="483 741 982 772">Status: Corrective action in progress</p> <p data-bbox="483 804 1466 1056">Corrective Action: The Department reviewed the six providers identified by the auditors to verify that the providers had no disqualifying crimes at any point in their employment. The providers were subjected to an initial Character, Competence and Suitability (CCS) review during the contracting process. There is no RCW or WAC that states that an individual provider becomes unqualified if a new CCS review is not completed at each bi-annual background check when there are no new crimes and they care for the same client, which is the case for these six providers.</p> <p data-bbox="673 1094 1466 1245">The Department continues to strengthen processes to ensure CCS reviews are completed and adequately documented in accordance with Department policy. Clarification was provided to field offices via management bulletin on March 30, 2015, providing clear direction on required forms and frequency of completion for CCS reviews.</p> <p data-bbox="673 1283 1466 1598">Annually, the Assisted Long-Term Services Administration’s Quality Assurance (QA) unit selects a sample of individual provider files for monitoring at each field office and reviews the files for background checks. In 2015, a total of 386 files were reviewed by the QA unit. In addition to these reviews, field office supervisors are required to complete quality assurance reviews on individual provider files. In 2015, a total of 1,293 files were reviewed by supervisors. Overall, internal quality assurance reviews showed 97 percent proficiency. This process will continue and will assist in evaluating compliance with the Department’s policies and processes to identify potential changes.</p> <p data-bbox="673 1633 1466 1728">The Department has sent numerous communications to the U.S. Department of Health and Human Services regarding resolution of the questioned costs, but is still awaiting a response.</p> <p data-bbox="673 1766 1466 1850">The conditions noted in this finding were previously reported in findings 2014-049, 2013-040, 12-41, and 11-34, which the auditors determined to be resolved.</p>	Questioned Costs:	<u>Assistance Listing #</u>	<u>Amount</u>		93.775	\$26,138		93.777			93.778 ARRA and non-ARRA	
Questioned Costs:	<u>Assistance Listing #</u>	<u>Amount</u>												
	93.775	\$26,138												
	93.777													
	93.778 ARRA and non-ARRA													



Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Status
2015	040 (cont'd)	<p>The auditors considered finding 2015-040 as resolved in fiscal year 2022. Upon auditors' request, the finding is reinstated in the fiscal year 2023 Summary Schedule of Prior Audit Findings due to outstanding questioned costs.</p> <p>Completion Date: In progress</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

## INDEPENDENT AUDITOR'S REPORT

### 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*

#### State of Washington July 1, 2022 through June 30, 2023

The Honorable Jay Inslee  
State of Washington  
Olympia, Washington

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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 7, 2023.

Our report includes a reference to other auditors who audited the financial statements of the Department of Retirement Systems, Local Government Investment Pool, University of Washington, and funds managed by the State Investment Board, as described in our report on the State's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the State'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 above 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.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control, described in the accompanying Schedule of Audit Findings and Responses as Finding 2023-001, that we consider to be significant deficiencies.

We also noted certain matters that we have reported to the management of the State in a separate letter dated December 7, 2023.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the State'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*.

## **STATE'S RESPONSE TO FINDINGS**

*Government Auditing Standards* requires the auditor to perform limited procedures on the State's response to the findings identified in our audit and described in the accompanying Schedule of Audit Findings and Responses. The State's response was not subjected to the 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 State'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 State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

December 7, 2023

# INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

**State of Washington**  
**July 1, 2022 through June 30, 2023**

The Honorable Jay Inslee  
State of Washington  
Olympia, Washington

## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

### **Disclaimer, Adverse, Qualified and Unmodified Opinions**

We have audited the compliance of the State of Washington, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2023. The State's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### **Federal Expenditures Not Included in the Compliance Audit**

The State's basic financial statements include the operations of King County Public Hospital District No. 1 (the Valley Medical Center), which expended \$32,284,755 in federal awards, but is not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023. Our audit, described below, did not include the operations of the Valley Medical Center because it received a separate audit of its federal awards in accordance with the Uniform Guidance.

### **Disclaimer of Opinion on 93.575 - Child Care and Development Block Grant and 93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

Because of the significance of the matter described below, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the compliance with the major program.

### **Adverse Opinion on 21.023 –Emergency Rental Assistance Program, 21.027 – Coronavirus State and Local Fiscal Recovery Funds and 93.667 – Social Services Block Grant**

In our opinion, because of the significance of the matter described below, on 21.023 – Emergency Rental Assistance, 21.027 – Coronavirus State and Local Fiscal Recovery Funds and 93.667 – Social Services Block Grant paragraph, the State did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the programs for the year ended June 30, 2023.

### **Qualified Opinion on 93.558 – Temporary Assistance for Needy Families**

In our opinion, except for the possible effects of the matter described below, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on 93.558 – Temporary Assistance for Needy Families for the year ended June 30, 2023.

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

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2023.

### **Basis for Adverse, Qualified and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements of Title 2 *U.S. Code of Federal Regulations* (CFR), 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 State 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 adverse, qualified, and unmodified audit opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State’s compliance with the compliance requirements referred to above.

### **Basis for Disclaimer of Opinion on 93.575 - Child Care and Development Block Grant and 93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

As described in the accompanying Schedule of Federal Award Findings and Questioned Costs and in Findings 2023-058, 2023-059, 2023-060, 2023-061, 2023-062, 2023-063 and 2023-064, the State did not comply with accounting and other necessary requirements regarding its Child Care and Development Fund Cluster program for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Matching, Level of Effort, Earmarking, Period of Performance, Reporting, and Special Test and Provision – Health and Safety Requirements. The State could not provide documentation necessary to determine compliance. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

### **Matter Giving Rise to Disclaimer of Opinion on 93.575 - Child Care and Development Block Grant and 93.596 - Child Care Mandatory and Matching Funds of the Child Care and Development Fund**

As we noted in Finding 2023-058, the State’s expenditure data for Child Care and Development Fund Cluster expenditures was inaccurate and determined unreliable for testing. As a result, we could not trace federal expenditures to a level adequate to establish whether the State’s expenditures of CCDF funds were in accordance with state and federal regulations. As a result, we were unable to test compliance with requirements for child care payments.

### **Matter Giving Rise to Adverse Opinion on 21.023 – Emergency Rental Assistance Program, 21.027 – Coronavirus State and Local Fiscal Recovery Funds and 93.667 – Social Services Block Grant**

As described in the accompanying Schedule of Federal Award Findings and Questioned Costs and in Findings 2023-017, 2023-018, and 2023-020, the State did not comply with requirements regarding 21.023 – COVID-19 Emergency Rental Assistance Program for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Reporting, and Subrecipient Monitoring.

As described in the accompanying Schedule of Federal Award Findings and Questioned Costs and in Findings 2023-026, 2023-027, 2023-028, 2023-029, 2023-030, 2023-031 and 2023-032, the State did not comply with requirements regarding 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Reporting, and Subrecipient Monitoring.

Additionally, as described in the accompanying Schedule of Federal Award Findings and Questioned Costs and in Findings 2023-070, 2023-071 and 2023-072, the State did not comply with requirements regarding 93.667 – Social Services Block Grant for Activities Allowed or

Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Performance, and Reporting.

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

### **Matter Giving Rise to Qualified Opinion on 93.558 – Temporary Assistance for Needy Families**

As described in the accompanying Schedule of Federal Award Findings and Questioned Costs and in Findings 2023-051 and 2023-059, the State did not comply with requirements regarding 93.558 – Temporary Assistance for Needy Families for Activities Allowed or Unallowed, Allowable Costs/Cost Principles and Eligibility.

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

### **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 State'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 State'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 a material noncompliance when it exists. The risk of not detecting a 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 judgement made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.



Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- 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 State’s 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 State’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 State’s internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Other Matters**

The results of our auditing procedures also disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Federal Award Findings and Questioned Costs as Findings 2023-002, 2023-003, 2023-004, 2023-005, 2023-006, 2023-009, 2023-010, 2023-011, 2023-012, 2023-013, 2023-014, 2023-015, 2023-016, 2023-024, 2023-025, 2023-034, 2023-035, 2023-037, 2023-038, 2023-039, 2023-040, 2023-041, 2023-042, 2023-043, 2023-044, 2023-045, 2023-046, 2023-047, 2023-048, 2023-049, 2023-050, 2023-052, 2023-053, 2023-054, 2023-055, 2023-056, 2023-057, 2023-065, 2023-073, 2023-074, 2023-075, 2023-076, 2023-077, 2023-078, 2023-079, 2023-080, 2023-081, 2023-082, 2023-084, 2023-086, and 2023-087. Our opinion on each major federal program is not modified with respect to these matters.

## **State’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the State’s response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The State’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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. 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, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies. In the accompanying Schedule of Federal Award Findings and Questioned Costs, we consider the deficiencies described in Findings 2023-002, 2023-003, 2023-004, 2023-005, 2023-007, 2023-009, 2023-010, 2023-011, 2023-012, 2023-013, 2023-014, 2023-015, 2023-016, 2023-017, 2023-018, 2023-019, 2023-020, 2023-021, 2023-022, 2023-023, 2023-024, 2023-025, 2023-026, 2023-027, 2023-028, 2023-029, 2023-030, 2023-031, 2023-032, 2023-034, 2023-037, 2023-038, 2023-039, 2023-040, 2023-041, 2023-042, 2023-043, 2023-044, 2023-045, 2023-046, 2023-047, 2023-048, 2023-049, 2023-050, 2023-051, 2023-052, 2023-053, 2023-054, 2023-055, 2023-056, 2023-057, 2023-058, 2023-059, 2023-060, 2023-061, 2023-062, 2023-063, 2023-064, 2023-065, 2023-068, 2023-069, 2023-070, 2023-071, 2023-072, 2023-073, 2023-074, 2023-076, 2023-077, 2023-078, 2023-079, 2023-080, 2023-081, 2023-082, 2023-084, 2023-085, 2023-086, and 2023-087 to be material weaknesses and the deficiencies described in Findings 2023-008, 2023-033, 2023-036, 2023-066, 2023-067, and 2023-083 to be significant deficiencies.

## State's Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the State's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Federal Award Findings and Questioned Costs. The State'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.

## Purpose of this Report

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. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

## REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the governmental entities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of and for the year ended June 30, 2023, and have issued our report thereon dated December 7, 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 State's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management, and it 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 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

May 9, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### State of Washington July 1, 2022 through June 30, 2023

The Honorable Jay Inslee  
State of Washington  
Olympia, Washington

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Department of Retirement Systems, Local Government Investment Pool, University of Washington, or the fund managed by the State Investment Board. Those financial statements represent part or all the total assets, net position, and revenues or additions of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information as follows:

<b>Opinion Unit</b>	<b>Percent of Total Assets</b>	<b>Percent of Net Position</b>	<b>Percent of Total Revenues/Additions</b>
Governmental Activities	12.6%	19.4%	6.9%
Business-Type Activities	73.0%	100.0%	27.6%
Higher Education Special Revenue Fund	49.7%	46.8%	47.7%
Higher Education Endowment Fund	97.2%	96.9%	82.9%
Higher Education Student Services Fund	68.7%	100.0%	90.4%
Workers' Compensation Fund	96.0%	97.0%	16.3%
Aggregate Discretely Presented Component Units and Remaining Fund Information	97.0%	93.0%	62.2%

Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the entities and funds listed above, is based solely on the reports of the other auditors.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

**Matters of Emphasis**

As explained in Note 1.D.1, the financial statements include pension trust investments valued at \$90.7 billion, which comprise 38.0 percent of the total assets and 43.9 percent of the net position of the aggregate discretely component units and remaining fund information. The fair values of

those investments have been estimated by management in the absence of readily determinable fair values. Management's estimates are based upon information provided by the fund managers or, in the case of investments in partnerships, the general partners. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, in 2023, the State adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 91, *Conduit Debt Obligations*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, No. 96 *Subscription-Based Information Technology Arrangements*, and No. 99 *Omnibus 2022*. Our opinion is not modified with respect to this matter.

As discussed in Note 20.C to the financial statement, in October 2023, the State submitted requests to the United States Department of Labor to issue blanket authority to waive \$473.3 million of overpayments for CARES Act unemployment compensation programs. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

December 7, 2023

**State of Washington  
July 1, 2022 through June 30, 2023**

**REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2023

**BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2023

Statement of Activities – 2023

Balance Sheet – Governmental Funds – 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net  
Position – 2023

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental  
Funds – 2023

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities – 2023

Statement of Net Position – Proprietary Funds – 2023

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds –  
2023

Statement of Cash Flows – Proprietary Funds – 2023

Statement of Net Position – Fiduciary Funds – 2023

Statement of Changes in Net Position – Fiduciary Funds – 2023

Statement of Net Position – Component Units – 2023

Statement of Revenues, Expenses and Changes in Net Position – Component Units –  
2023

Notes to Financial Statements – 2023

**REQUIRED SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule – General Fund – 2023

Budget to GAAP Reconciliation – General Fund – 2023

Budgetary Comparison Schedule – Higher Education Special Revenue Fund – 2023

Budget to GAAP Reconciliation – Higher Education Special Revenue Fund – 2023

Infrastructure Modified Approach Information – 2023

Schedule of Changes in the Net Pension Liability and Related Ratios – Washington State Patrol Retirement System – Plan 1/2, Judicial Retirement System, Judges Retirement Fund – 2023

Schedule of Contributions – Washington State Patrol Retirement System – Plan 1/2, Judicial Retirement System, Judges Retirement Fund – 2023

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3, LEOFF 1, LEOFF 2, PSERS 2, TRS 1, TRS 2/3, SERS 2/3 – 2023

Schedule of Contributions – PERS 1, PERS 2/3, LEOFF 2, PSERS 2, TRS 1, TRS 2/3, SERS 2/3 – 2023

Notes to Required Supplementary Information – Pension Plan Information

Schedule of Contributions – Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund – 2023

Schedule of Investment Returns – Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund – 2023

Schedule of Change in Net Pension Liability – Volunteer Fire Fighters’ and Reserve Officers’ Relief and Pension Fund – 2023

Schedule of Contributions – Higher Education Supplemental Defined Benefit Plans – University of Washington, Washington State University, Eastern Washington University, Central Washington University, The Evergreen State College, Western Washington University, State Board for Community and Technical Colleges – 2023

Schedule of Investment Returns – Higher Education Supplemental Defined Benefit Plans – 2023

Schedule of Changes in Net Pension Liability and Related Ratios – Higher Education Supplemental Defined Benefit Plans – University of Washington, Washington State University, Eastern Washington University, Central Washington University, The Evergreen State College, Western Washington University, State Board for Community and Technical Colleges – 2023

Schedule of Net Pension Liability – Higher Education Supplemental Defined Benefit Plans – University of Washington, Washington State University, Eastern Washington University, Central Washington University, The Evergreen State College, Western Washington University, State Board for Community and Technical Colleges – 2023

Schedule of Changes in Total OPEB Liability and Related Ratios – 2023

Infrastructure Modified Approach Information – 2023

## **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Expenditures of Federal Awards – 2023

Notes to the Schedule of Expenditures of Federal Awards – 2023

## MD&A

### Management's Discussion & Analysis

As managers of the state of Washington, we offer this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We present this information in conjunction with the information included in our letter of transmittal, which can be found preceding this narrative, and with the state's financial statements, which follow. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### Financial Highlights

- Total assets and deferred outflows of the state of Washington exceeded its liabilities and deferred inflows by \$37.25 billion (reported as net position). Of this amount, \$(10.59) billion was reported as "unrestricted net position." A negative balance indicates that no funds were available for discretionary purposes.
- The state of Washington's governmental funds reported a combined ending fund balance of \$32.74 billion, an increase of 11.3 percent compared with the prior year.
- The state's capital assets increased by \$1.73 billion, total bond debt increased by \$140.0 million, and the state's net investment in capital assets is \$26.95 billion.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the state of Washington's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The focus is on both the state as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden the basis for comparison (year-to-year or government-to-government), and enhance the state's accountability.

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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The government-wide financial statements are designed to provide readers with a broad overview of the state of Washington's finances, in a manner similar to a private sector business.

**Statement of Net Position.** The Statement of Net Position presents information on all of the state of Washington's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the state of Washington is improving or deteriorating.

**Statement of Activities.** The Statement of Activities presents information showing how the state's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type, and component unit). This is intended to summarize and simplify the reader's analysis of the revenues and costs of various state activities and the degree to which activities are subsidized by general revenues.

Both of these government-wide financial statements distinguish functions of the state of Washington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the state of Washington include education, human services, transportation, natural resources, adult corrections, and general government.

The business-type activities of the state of Washington include the workers' compensation, unemployment compensation, and health insurance programs, and various higher education student services such as housing and dining.

## **FUND FINANCIAL STATEMENTS**

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The state of Washington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the state can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on fund balances at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for three major funds and an aggregate total for all nonmajor funds. The state's major governmental funds are the General Fund, Higher Education Special Revenue Fund, and the Higher Education Endowment and Other Permanent Funds. Individual fund data for the state's nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

**Proprietary Funds.** The state of Washington maintains two different types of proprietary funds. Enterprise funds

are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds represent an accounting device used to accumulate and allocate costs internally among the state of Washington's various functions. The state of Washington uses internal service funds to account for general services such as motor pool, data processing services, and risk management. Because internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Workers' Compensation Fund, Unemployment Compensation Fund, Higher Education Student Services Fund, and the Health Insurance Fund, which are considered to be major funds, as well as an aggregated total for all nonmajor enterprise funds.

The internal service funds are combined for presentation purposes. Individual fund data for the state's nonmajor proprietary funds are provided in the form of combining statements elsewhere in this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the state of Washington's own programs. Washington's fiduciary funds also include state administered pension plans. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the state's fiduciary funds are provided in the form of combining statements elsewhere in this report.

**Component Units.** Component units that are legally separate from the state and primarily serve or benefit those outside the state are discretely presented. They are either financially accountable to the state or have relationships with the state such that exclusion would cause the state's financial statements to be misleading or incomplete. The state discretely reports three major component units: the Valley Medical Center, the Fred Hutchinson Cancer Center, and the Health Benefit Exchange, as well as five nonmajor component units.

State of Washington

**NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**OTHER INFORMATION**

This report also presents required supplementary information on budgetary comparisons, pension plans and other postemployment benefits information, and infrastructure assets reported using the modified approach.

The combining statements referred to earlier are presented immediately following the required supplementary information.

STATE OF WASHINGTON  
**Statement of Net Position**

*(in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and other assets	\$ 51,409	\$ 53,892	\$ 31,206	\$ 30,022	\$ 82,615	\$ 83,914
Capital assets	<u>47,517</u>	<u>45,727</u>	<u>3,609</u>	<u>3,672</u>	<u>51,126</u>	<u>49,399</u>
Total assets	<u>98,926</u>	<u>99,619</u>	<u>34,815</u>	<u>33,694</u>	<u>133,741</u>	<u>133,313</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,666</u>	<u>2,079</u>	<u>672</u>	<u>447</u>	<u>4,338</u>	<u>2,526</u>
<b>LIABILITIES</b>						
Current and other liabilities	8,604	10,363	2,219	1,983	10,823	12,346
Long-term liabilities outstanding	<u>37,057</u>	<u>37,829</u>	<u>45,492</u>	<u>44,678</u>	<u>82,549</u>	<u>82,507</u>
Total liabilities	<u>45,661</u>	<u>48,192</u>	<u>47,711</u>	<u>46,661</u>	<u>93,372</u>	<u>94,853</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>6,516</u>	<u>9,204</u>	<u>941</u>	<u>1,244</u>	<u>7,457</u>	<u>10,448</u>
<b>NET POSITION</b>						
Net investment in capital assets	26,190	24,818	761	884	26,951	25,702
Restricted	16,535	14,186	4,351	3,671	20,886	17,857
Unrestricted	<u>7,690</u>	<u>5,298</u>	<u>(18,277)</u>	<u>(18,319)</u>	<u>(10,587)</u>	<u>(13,021)</u>
Total net position	<u>\$ 50,415</u>	<u>\$ 44,302</u>	<u>\$ (13,165)</u>	<u>\$ (13,764)</u>	<u>\$ 37,250</u>	<u>\$ 30,538</u>

Note: The 2022 amounts presented here have not been restated for prior period adjustments. Complete information necessary to fully restate the 2022 amounts was not available. Refer to Note 2 Accounting and Reporting Changes.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the state of Washington, total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$37.25 billion at June 30, 2023, as compared to \$30.54 billion as reported at June 30, 2022.

The largest portion of the state's net position (72.4 percent for fiscal year 2023 as compared to 84.2 percent for fiscal year 2022) reflects its net investment in capital assets (e.g., land, buildings, equipment, and intangible assets) less any related debt used to acquire those assets that is still outstanding. The state of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the state of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the state of Washington's net position (56.1 percent for fiscal year 2023 as compared to 58.5 percent for fiscal year 2022) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(10.59) billion represents

unrestricted net position. The state's overall negative balance in unrestricted net position is due to deficits in business-type activities.

In governmental activities, net position increased from \$44.30 billion in fiscal year 2022 to \$50.42 billion in fiscal year 2023. The increase reflects increases in tax revenues and charges for services that outpaced the increases in expenses.

In business-type activities, the deficit is caused by claims expense continuing to outpace associated premiums in the workers' compensation program that provides time-loss, medical, disability, and pension payments to qualifying individuals who sustain work-related injuries or develop occupational diseases as a result of their required work activities. The main benefit plans of the workers' compensation program are funded on rates that will keep the plans solvent in accordance with recognized actuarial principles. The supplemental pension cost-of-living adjustments (COLAs) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

As previously mentioned, the state's activities are divided between governmental and business-type. The majority of support for governmental activities comes from taxes and intergovernmental grants, while business-type activities are supported primarily through user charges.

State of Washington

STATE OF WASHINGTON  
**Changes in Net Position**  
*(in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 9,268	\$ 7,438	\$ 15,791	\$ 13,623	\$ 25,059	\$ 21,061
Operating grants and contributions	28,465	28,848	46	1,480	28,511	30,328
Capital grants and contributions	891	726	1	—	892	726
General revenues:						
Taxes	35,811	33,991	15	14	35,826	34,005
Interest and investment earnings (loss)	693	(738)	770	(2,712)	1,463	(3,450)
Total revenues	<u>75,128</u>	<u>70,265</u>	<u>16,623</u>	<u>12,405</u>	<u>91,751</u>	<u>82,670</u>
<b>EXPENSES</b>						
General government	(4,848)	(3,403)	—	—	(4,848)	(3,403)
Education - K-12	(16,868)	(16,407)	—	—	(16,868)	(16,407)
Education - Higher education	(9,957)	(8,722)	—	—	(9,957)	(8,722)
Human services	(30,293)	(27,479)	—	—	(30,293)	(27,479)
Adult corrections	(1,304)	(1,177)	—	—	(1,304)	(1,177)
Natural resources and recreation	(2,076)	(1,536)	—	—	(2,076)	(1,536)
Transportation	(3,022)	(2,483)	—	—	(3,022)	(2,483)
Interest on long-term debt	(1,107)	(1,090)	—	—	(1,107)	(1,090)
Workers' compensation	—	—	(4,039)	(6,955)	(4,039)	(6,955)
Unemployment compensation	—	—	(1,208)	(2,433)	(1,208)	(2,433)
Higher education student services	—	—	(4,154)	(3,388)	(4,154)	(3,388)
Health insurance	—	—	(3,855)	(3,726)	(3,855)	(3,726)
Other business-type activities	—	—	(2,703)	(2,120)	(2,703)	(2,120)
Total expenses	<u>(69,475)</u>	<u>(62,297)</u>	<u>(15,959)</u>	<u>(18,622)</u>	<u>(85,434)</u>	<u>(80,919)</u>
Excess (deficiency) of revenues over expenses before contributions to endowments and transfers	5,653	7,968	664	(6,217)	6,317	1,751
Contributions to endowments	138	97	—	—	138	97
Transfers	<u>1</u>	<u>(252)</u>	<u>(1)</u>	<u>252</u>	<u>—</u>	<u>—</u>
Increase (decrease) in net position	5,792	7,813	663	(5,965)	6,455	1,848
Net position - July 1, as restated	<u>44,623</u>	<u>36,489</u>	<u>(13,828)</u>	<u>(7,799)</u>	<u>30,795</u>	<u>28,690</u>
Net position - June 30	<u>\$ 50,415</u>	<u>\$ 44,302</u>	<u>\$ (13,165)</u>	<u>\$ (13,764)</u>	<u>\$ 37,250</u>	<u>\$ 30,538</u>



## State of Washington

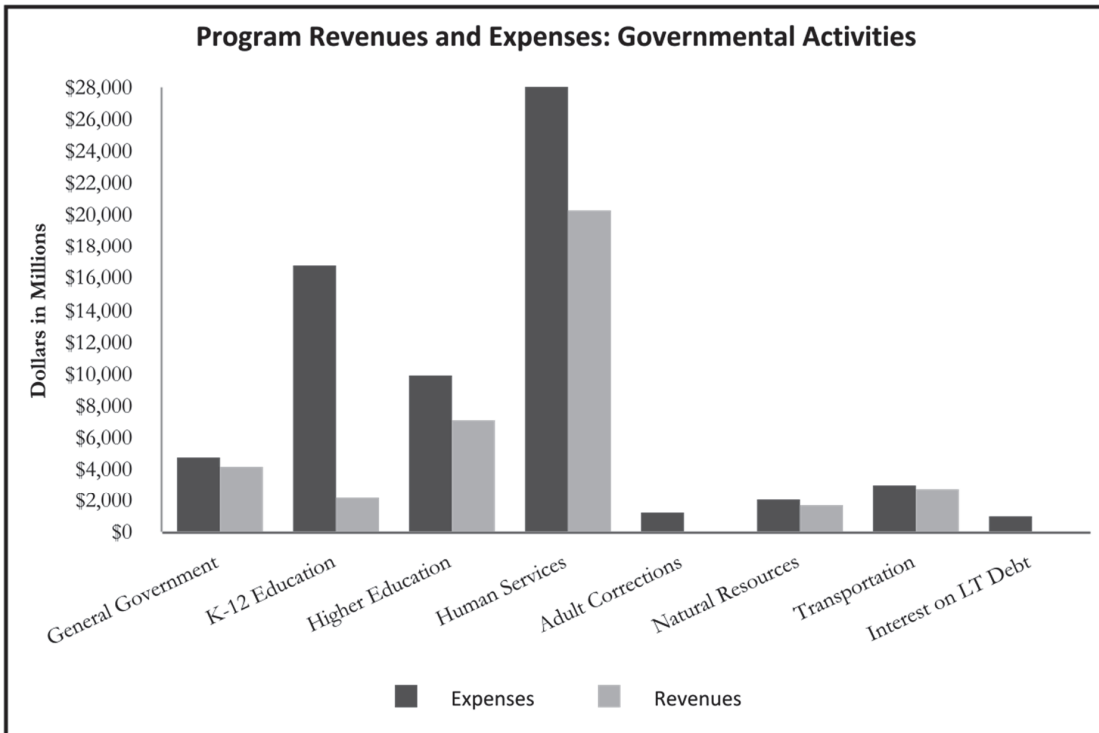
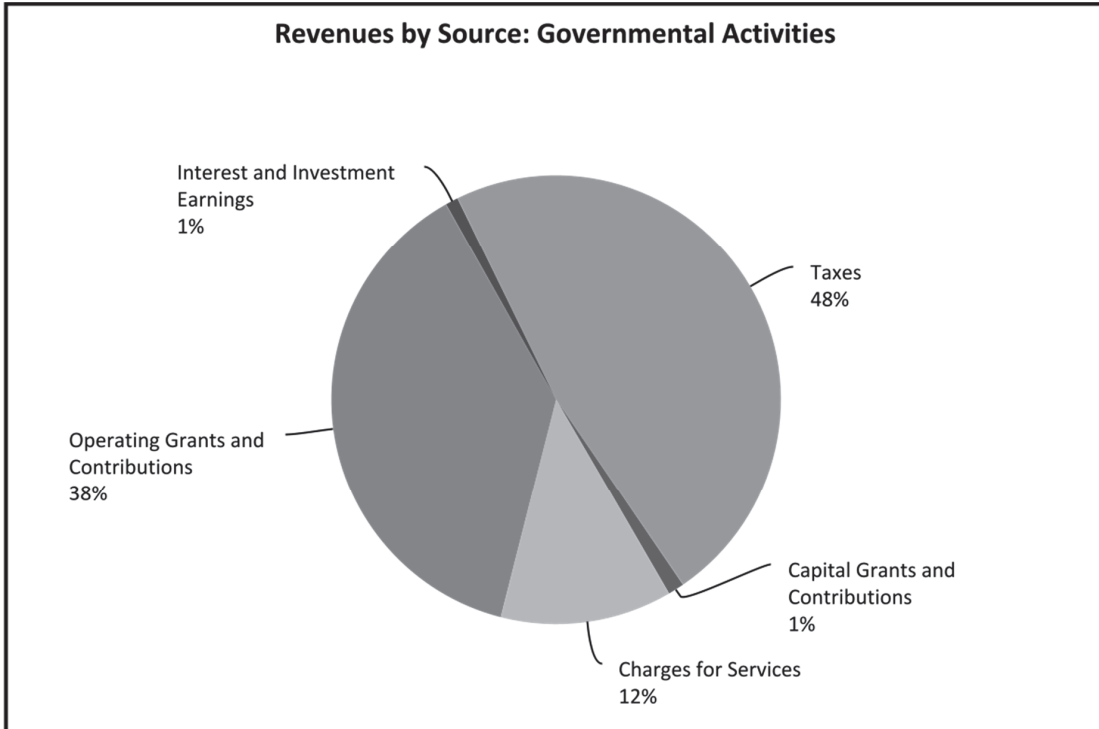
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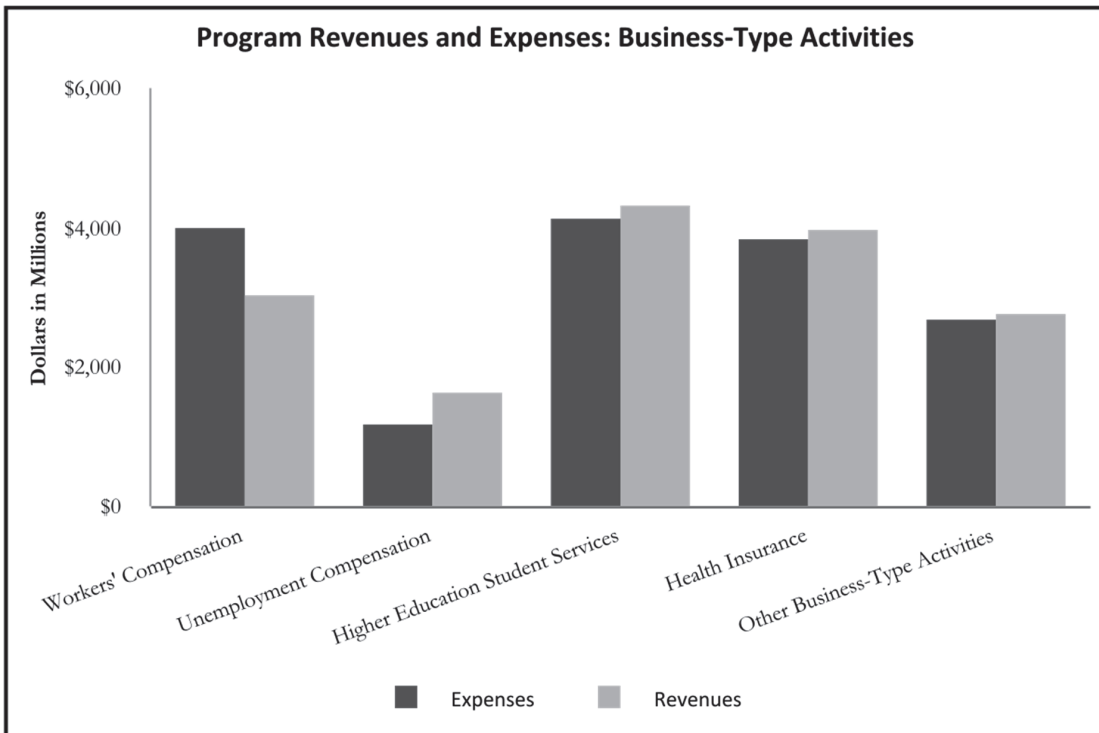
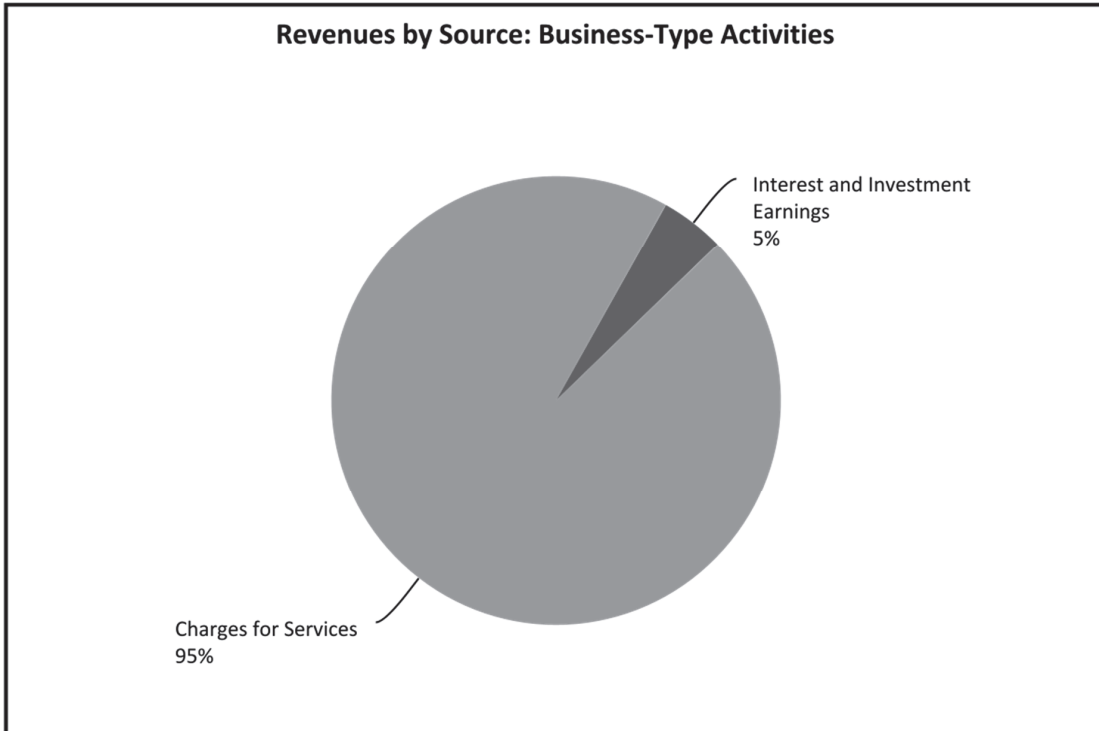
**Governmental Activities.** Governmental activities resulted in an increase in the state of Washington's net position of \$5.79 billion. Key factors contributing to operating results of governmental activities are:

- Tax revenues increased by \$1.82 billion in fiscal year 2023 as compared to fiscal year 2022 reflecting increases in sales tax and business and occupation tax, showing that spending is still strong in the state. Sales and use tax, which are the main tax revenue for governmental activities, reported an increase of \$779.1 million. Business and occupation tax increased by \$504.5 million. Property tax revenue increased by \$115.4 million as property values continue to rise. Revenue from real estate excise taxes, levied on the sale of real estate, decreased by \$258.0 million reflecting the slowdown in housing sales.
- Operating grants and contributions decreased by \$383.4 million in fiscal year 2023 compared with fiscal year 2022. The decrease reflects the continuing slowdown of federal stimulus funds received in response to COVID-19. As of June 30, 2023, \$1.01 billion in federal stimulus funds received from the U.S. Department of the Treasury remained unspent and is classified as unearned revenue.
- Expenses grew by \$7.18 billion in fiscal year 2023 as compared to fiscal year 2022. The largest increases were in human services of \$2.81 billion, higher education of \$1.23 billion, and general government of \$1.45 billion in fiscal year 2023 as compared to fiscal year 2022. This reflects the state's need to help provide funding for higher education and its ongoing commitment to provide additional funding in human services.

**Business-Type Activities.** Business-type activities increased the state of Washington's net position by \$663.6 million. Key factors contributing to the operating results of business-type activities are:

- The workers' compensation activity decrease in net position in fiscal year 2023 was \$397.3 million compared to a decrease of \$6.71 billion in fiscal year 2022. Premiums and assessments revenue increased \$215.1 million in fiscal year 2023 as compared with fiscal year 2022 as a result of the increase in reported hours and premium increases in both the accident and medical aid accounts. Claim costs decreased by \$3.00 billion in fiscal year 2023 as compared with fiscal year 2022. Investment income increased by \$3.17 billion as compared to fiscal year 2022. The workers' compensation portfolio is 80.1 percent debt securities.
- The unemployment compensation activity reported an operating gain in fiscal year 2023 of \$454.6 million compared to an operating gain of \$655.1 million in fiscal year 2022. Premiums and assessments revenue increased \$17.7 million in fiscal year 2023 as compared with fiscal year 2022 as unemployment rates remained about the same. Unemployment insurance benefits decreased by \$1.25 billion in fiscal year 2023 compared to fiscal year 2022 due in large part to the ending of the extended federal unemployment benefits available during the COVID-19 emergency. The unemployment rate for the state for June 2023 was 3.8 percent, a modest decrease from the 3.9 percent unemployment rate for June 2022.
- The higher education student services activity reported relatively proportional increases in both operating revenues and expenses when compared to the prior year.
- The health insurance activity increase in net position in fiscal year 2023 was \$156.4 million compared to a decrease of \$284.5 million in fiscal year 2022. Health insurance premiums collected increased by \$544.2 million in fiscal year 2023 as compared with fiscal year 2022. Claim costs increased by \$127.0 million in fiscal year 2023 as compared with fiscal year 2022. Rates are created by actuarial analysis and adjusted annually to maintain a positive fund balance.





## Financial Analysis of the State's Funds

As noted earlier, the state of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** As previously discussed, the focus of the state of Washington's governmental funds is to provide information on near-term inflows, outflows, and fund balances. Such information is useful in assessing the state of Washington's financing requirements.

**Fund Balances.** At June 30, 2023, the state's governmental funds reported combined ending fund balances of \$32.74 billion. Of this amount, \$3.64 billion or 11.1 percent is nonspendable, either due to its form or legal constraints; and \$7.64 billion or 23.3 percent is restricted for specific programs by external constraints,

constitutional provisions, or contractual obligations. An additional \$15.35 billion or 46.9 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional \$1.97 billion or 6.0 percent of total fund balance has been assigned to specific purposes by management. The unassigned portion of the governmental fund balance is \$4.15 billion or 12.7 percent of total fund balance and can be used at the state's discretion.

The General Fund is the chief operating fund of the state of Washington. The fund balance increased by \$884.4 million in fiscal year 2023 as compared to a \$2.20 billion increase in fiscal year 2022. Revenues have continued to stay ahead of increased spending. Assigned fund balance of \$1.86 billion is reported for fiscal year 2023 and relates to certain accrued and non-cash revenues which are not considered by management to be available for budgetary purposes.

STATE OF WASHINGTON			
General Fund			
<i>(in millions of dollars)</i>			
	Fiscal Year		Difference Increase (Decrease)
	2023	2022	
<b>REVENUES</b>			
Taxes	\$ 30,138	\$ 29,534	\$ 604
Federal grants	23,529	23,392	137
Investment revenue (loss)	173	(217)	390
Other	1,155	974	181
Total	54,995	53,683	1,312
<b>EXPENDITURES</b>			
Human services	30,563	27,614	2,949
Education	17,452	17,457	(5)
Other	4,484	3,220	1,264
Total	52,499	48,291	4,208
Net transfers in (out)	(1,915)	(3,387)	1,472
Other financing sources	303	190	113
Net increase (decrease) in fund balance	\$ 884	\$ 2,195	\$ (1,311)

General Fund expenditures continue to be concentrated in services and programs most vital to citizens – primarily human services and public education.

In addition to the General Fund, the state reports the Higher Education Special Revenue and the Higher Education Endowment and Other Permanent Funds as

major governmental funds. Significant changes in these funds are as follows:

- The change in fund balance of the Higher Education Special Revenue Fund in fiscal year 2023 was an increase of \$556.4 million compared to an increase of \$1.01 billion in fiscal year 2022. The decrease in the

change in fund balance can be attributed to a number of factors. While federal grants decreased by \$313.4 million compared to fiscal year 2022, there was an overall increase in revenue of \$1.11 billion driven mainly by increased tax revenue. The increase was offset by an increases in expenditures of \$1.57 billion as compared to fiscal year 2022, primarily due to increases in grants and staff salary benefits.

- The fund balance for the Higher Education Endowment and Other Permanent Funds increased by \$211.5 million in fiscal year 2023 compared to a decrease of \$486.5 million in fiscal year 2022. The increase is a result of positive growth in investment earnings in fiscal year 2023.

**Proprietary Funds.** The state of Washington's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Significant changes reported in fiscal year 2023 are as follows:

- The Workers' Compensation Fund reported a decrease in net position of \$397.3 million in fiscal year 2023. Operating revenues increased by \$226.0 million due to an increase in reported hours and an increase in premium rates. Operating expenses decreased by \$2.92 billion as compared to fiscal year 2022 due to a significant decrease in claims expense. As previously stated, premiums and assessments revenue increased \$215.1 million in fiscal year 2023 as compared with fiscal year 2022. Claim costs decreased by \$3.00 billion in fiscal year 2023 over fiscal year 2022. In addition, investment income increased \$3.17 billion as compared to fiscal year 2022.
- Washington's Unemployment Compensation Fund reported an increase in net position of \$509.3 million. While unemployment benefit claims expense decreased by \$1.25 billion in fiscal year 2023 as compared to fiscal year 2022, unemployment premiums and assessments increased by \$17.7 million and federal aid decreased by \$1.44 billion in fiscal year 2023 as compared to 2022. As previously stated, unemployment insurance benefits and federal aid continued to decrease as unemployment rates return to normal and the federal extended COVID-19 benefit program ends.
- The Higher Education Student Services Fund reported consistent activity when compared to the prior year.
- The Health Insurance Fund reported an increase in net position of \$440.8 million in fiscal year 2023 as compared to fiscal year 2022. Operating revenues increased by \$551.8 million and operating expenses increased by \$132.7 million as compared to fiscal year 2022.

## General Fund Budgetary Highlights

Differences between the original budget of the General Fund and the final amended budget reflect increases in mandatory costs driven by rising caseloads and school enrollment as well as other high priority needs. Changes to estimates are summarized as follows:

- Estimated biennial resources increased by \$17.58 billion over the course of the fiscal year. The major increases in estimated resources were additional federal grants-in-aid and transfers from other funds.

## Capital Assets, Infrastructure, and Bond Debt Administration

**Capital Assets.** The state of Washington’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$51.13 billion (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, museum and historical collections, buildings and other improvements, furnishings, equipment, intangible assets, and lease and subscription assets, as well as construction in progress.

Washington’s fiscal year 2023 investment in capital assets, net of current year depreciation, increased \$1.49 billion over fiscal year 2022, including increases to the state’s transportation infrastructure of \$793.3 million. The state’s construction in progress includes both new construction and major improvements to state capital facilities and

- Appropriated expenditure authority increased by \$21.37 billion over the course of the fiscal year to address increases in the state’s human services, education, and general wage increases for state staff.

The state did not overspend its legal spending authority for the 2021-2023 biennium. Actual General Fund revenues and expenditures were 86.9 and 85.4 percent of final budgeted resources and appropriations, respectively, for the 2021-2023 biennium.

infrastructure. Remaining commitments on these construction projects total \$7.17 billion.

Additional information on the state of Washington’s capital assets can be found in Note 6.

**Infrastructure.** The state of Washington uses the modified approach for reporting selected infrastructure assets. The modified approach requires that the state meet certain requirements regarding the inventory and maintenance of eligible capital assets, including condition assessments. Under the modified approach, assets are not depreciated and certain maintenance and preservation costs associated with those assets are expensed. In fiscal year 2023, assets accounted for under this approach include approximately 20,925 pavement lane miles, 4,126 bridges and tunnels, and 47 highway safety rest areas. The total count of bridges includes vehicular bridges of all lengths and pedestrian bridges. Infrastructure asset categories are assessed predominantly on a two-year cycle, either on a calendar year or fiscal year basis.

STATE OF WASHINGTON  
**Capital Assets - Net of Depreciation**  
*(in millions of dollars)*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022*	2023	2022*	2023	2022*
Land	\$ 3,079	\$ 3,058	\$ 75	\$ 75	\$ 3,154	\$ 3,133
Transportation infrastructure and other assets not depreciated	28,021	27,224	5	5	28,026	27,229
Buildings	9,204	8,901	2,638	2,820	11,842	11,721
Furnishings, equipment, and intangible assets	2,116	2,075	304	195	2,420	2,270
Other improvements and infrastructure	1,305	1,351	102	101	1,407	1,452
Construction in progress	2,199	1,830	175	234	2,374	2,064
Lease and subscription assets	1,593	1,502	310	269	1,903	1,771

## State of Washington

	<u>\$</u>	<u>47,517</u>	<u>\$</u>	<u>45,941</u>	<u>\$</u>	<u>3,609</u>	<u>\$</u>	<u>3,699</u>	<u>\$</u>	<u>51,126</u>	<u>\$</u>	<u>49,640</u>
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\*Prior year balances restated for comparability

The state of Washington's goal is to maintain 85 percent of pavements and 90 percent of bridges at a condition level of fair or better. The condition of these assets, along with the rating scales, and additional detail comparing planned to actual preservation and maintenance spending are available in the required supplementary information.

In 2018, the Washington State Department of Transportation (WSDOT) updated its Capital Assets - Infrastructure Policy to report the average of the three most recent assessment periods, as opposed to just the most recent period.

The most recent pavements condition assessment indicates that 92.5 percent of pavements were in fair or better condition. The condition of pavements has remained steady in the last three assessment periods, averaging 93.3 percent in fair or better condition. For fiscal year 2023, **Bond Debt.** At the end of fiscal year 2023, the state of Washington had general obligation bond debt outstanding including accreted interest and issuance premiums of \$21.23 billion, an increase of 1.0 percent from fiscal year 2022. This debt is secured by a pledge of the full faith and credit of the state. Additionally, the state had authorized \$16.39 billion general obligation debt that remains unissued.

General obligation debt is subject to the limitation prescribed by the state Constitution. The aggregate debt contracted by the state as of June 30, 2023, does not exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than 8.25 percent of the arithmetic mean of its general state revenues for the six immediately preceding fiscal years. The arithmetic mean of its general state revenues for fiscal years 2017-2022 is \$24.13 billion. The debt service limitation, 8.25 percent of this mean, is \$1.99 billion. The state's maximum annual debt service as of June 30, 2023,

actual maintenance and preservation expenditures were 9.5 percent higher than planned. Over the past five fiscal years, the actual expenditures for maintaining and preserving pavements were 11.1 percent lower than planned.

The most recent condition assessment of bridges over 20 feet in length indicates that 92.6 percent of bridges were in good or fair condition. The condition of bridges has remained steady over the last three assessment periods, averaging 93.4 percent in good or fair condition. For fiscal year 2023, the actual maintenance and preservation expenditures were 12.1 percent lower than planned, and over the past five fiscal years, the actual expenditures were 19.2 percent lower than planned. The variance between actual and planned expenditures in fiscal year 2023 can be attributed to continued insufficient resources in keeping up with increased delivery demands imposed on the WSDOT.

subject to the constitutional debt limitation is \$1.39 billion, or \$605.0 million less than the debt service limitation.

For further information on the debt limit, refer to Schedule 11 in the Statistical Section of this report or online from the Office of the State Treasurer at: [Report on the State of Washington's Debt Limitation](#).

By statutory provision, the State Finance Committee (SFC) is authorized to supervise and control the issuance of all state bonds, notes, or other evidences of indebtedness. The SFC is composed of the Governor, Lieutenant Governor, and State Treasurer, the latter serving as chairperson.

As of June 30, 2023, the state of Washington's general obligation debt was rated Aaa by Moody's Investor Service, AA+ by Standard & Poor's Rating Group, and AA+ by Fitch Ratings.

### STATE OF WASHINGTON

### Bond Debt

*(in millions of dollars)*

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General obligation (GO) bonds	\$ 20,938	\$ 20,710	\$ —	\$ —	\$ 20,938	\$ 20,710

## State of Washington

Accreted interest on zero interest rate GO bonds	292	312	—	—	292	312
Revenue bonds	1,578	1,749	2,226	2,288	3,804	4,037
Unamortized premium on bonds sold	<u>3,152</u>	<u>2,970</u>	<u>155</u>	<u>172</u>	<u>3,307</u>	<u>3,142</u>
Total	<u>\$ 25,960</u>	<u>\$ 25,741</u>	<u>\$ 2,381</u>	<u>\$ 2,460</u>	<u>\$ 28,341</u>	<u>\$ 28,201</u>

The state had revenue debt outstanding at June 30, 2023, of \$3.80 billion, a decrease of \$233.6 million compared to fiscal year 2022. The decrease is primarily related to the state issuing fewer revenue bonds than in prior years. This debt is not supported or intended to be supported by the full faith and credit of the state. Revenue bond debt is generally secured by specific sources of revenue. The exceptions are the University of Washington and Washington State University which issue general revenue bonds that are payable from general revenues of each university.

General obligation and revenue bonds totaling \$1.34 billion were refunded during the year. Washington's refunding activity produced \$203.0 million in gross debt service savings.

Additional information on the state's bond debt obligations is presented in Note 7.

### Conditions with Expected Future Impact

**Economic Outlook.** Washington's unemployment remains at a record low while the state's personal income continues to grow. Washington housing construction continues to be slow as housing prices in the state have appeared to peak due to higher interest rates. The state's

expanding economy, continued hiring, advancing personal income, and a rebound of growth in consumer spending should result in steady state revenue growth.

**Rainy Day Account.** In November 2007, Washington state voters ratified Engrossed Substitute Senate Joint Resolution 8206, amending the Washington Constitution and establishing the Budget Stabilization Account (BSA). The state's Constitution details a limited number of circumstances under which funds can be appropriated from the BSA, one of which is a favorable vote of at least three-fifths of the members of each house of the Legislature.

On June 30, 2023, \$310.0 million was transferred to the BSA from the General Fund in accordance with the provisions of the Constitution. The BSA had a fund balance of \$652.3 million as of June 30, 2023.

### Requests for Information

This financial report is designed to provide a general overview of the state of Washington's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Financial Management, Accounting Division, P.O. Box 43127, Olympia, WA 98504-3127.



State of Washington

**Statement of Net Position**

June 30, 2023

*(expressed in thousands)*

Continued

	<u>Primary Government</u>			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,853,636	\$ 6,848,786	\$ 28,702,422	\$ 823,107
Taxes receivable (net of allowance for uncollectibles)	5,901,662	2,106	5,903,768	—
Other receivables (net of allowance for uncollectibles)	3,828,376	3,488,141	7,316,517	351,950
Internal balances	245,812	(245,812)	—	—
Due from other governments	6,198,349	510,085	6,708,434	—
Inventories and prepaids	186,491	86,760	273,251	83,072
Restricted cash and investments	340,590	15,044	355,634	—
Restricted receivables, current	3,301	—	3,301	—
Investments, noncurrent	7,574,907	19,997,524	27,572,431	1,230,193
Restricted investments, noncurrent	—	33,414	33,414	—
Restricted net pension asset	5,276,342	305,152	5,581,494	3,803
Other assets	—	165,213	165,213	1,176,122
Capital assets:				
Non-depreciable assets	33,299,032	253,989	33,553,021	241,300
Depreciable assets (net of accumulated depreciation)	<u>14,217,990</u>	<u>3,354,676</u>	<u>17,572,666</u>	<u>1,589,348</u>
Total capital assets	<u>47,517,022</u>	<u>3,608,665</u>	<u>51,125,687</u>	<u>1,830,648</u>
<b>Total Assets</b>	<u>98,926,488</u>	<u>34,815,078</u>	<u>133,741,566</u>	<u>5,498,895</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,665,553</u>	<u>672,456</u>	<u>4,338,009</u>	<u>20,560</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 102,592,041</u>	<u>\$ 35,487,534</u>	<u>\$ 138,079,575</u>	<u>\$ 5,519,455</u>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Net Position**

June 30, 2023

*(expressed in thousands)*

	Primary Government			Concluded
	Governmental Activities	Business-Type Activities	Total	Component Units
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,975,063	\$ 338,265	\$ 3,313,328	\$ 160,078
Accrued liabilities	2,421,004	978,011	3,399,015	315,734
Obligations under security lending agreements	—	17,451	17,451	—
Due to other governments	1,507,317	682,912	2,190,229	—
Unearned revenues	1,700,506	202,588	1,903,094	163,920
Long-term liabilities:				
Due within one year	2,639,754	3,316,320	5,956,074	57,806
Due in more than one year	34,417,417	42,175,255	76,592,672	2,121,062
<b>Total Liabilities</b>	45,661,061	47,710,802	93,371,863	2,818,600
<b>DEFERRED INFLOWS OF RESOURCES</b>	6,515,971	941,375	7,457,346	68,602
<b>NET POSITION</b>				
Net investment in capital assets	26,190,189	760,951	26,951,140	393,926
Restricted for:				
Unemployment compensation	—	3,973,176	3,973,176	—
Nonexpendable permanent endowments	3,456,193	—	3,456,193	—
Expendable endowment funds	2,065,727	—	2,065,727	—
Pensions	5,439,733	378,503	5,818,236	4,709
Human services	767,967	—	767,967	—
Wildlife and natural resources	1,363,191	—	1,363,191	—
Transportation	2,134,653	—	2,134,653	—
Budget stabilization	652,375	—	652,375	—
Higher education	40,076	—	40,076	—
Other purposes	614,780	—	614,780	660,481
Unrestricted	7,690,125	(18,277,273)	(10,587,148)	1,573,137
<b>Total Net Position</b>	50,415,009	(13,164,643)	37,250,366	2,632,253
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	\$ 102,592,041	\$ 35,487,534	\$ 138,079,575	\$ 5,519,455

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Activities**  
For the Fiscal Year Ended June 30, 2023  
(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities:</b>				
General government	\$ 4,848,224	\$ 1,372,379	\$ 2,807,555	\$ —
Education - K-12 education	16,867,854	19,363	2,194,282	—
Education - higher education	9,956,842	3,735,651	3,318,860	76,120
Human services	30,292,321	902,661	19,538,296	—
Adult corrections	1,304,478	5,058	2,533	—
Natural resources and recreation	2,076,194	1,482,893	246,000	57,908
Transportation	3,021,575	1,749,888	357,376	756,560
Interest on long-term debt	1,107,488	—	—	—
<b>Total Governmental Activities</b>	<b>69,474,976</b>	<b>9,267,893</b>	<b>28,464,902</b>	<b>890,588</b>
<b>Business-Type Activities:</b>				
Workers' compensation	4,038,995	3,037,651	9,832	—
Unemployment compensation	1,208,172	1,641,777	20,989	—
Higher education student services	4,153,848	4,336,484	15,043	1,159
Health insurance	3,854,551	4,009,968	—	—
Washington's lottery	756,398	1,006,357	—	—
Paid family and medical leave	1,649,030	1,512,373	—	—
Other	297,565	246,317	537	—
<b>Total Business-Type Activities</b>	<b>15,958,559</b>	<b>15,790,927</b>	<b>46,401</b>	<b>1,159</b>
<b>Total Primary Government</b>	<b>\$ 85,433,535</b>	<b>\$ 25,058,820</b>	<b>\$ 28,511,303</b>	<b>\$ 891,747</b>
<b>Total Component Units</b>	<b>\$ 3,076,955</b>	<b>\$ 2,218,147</b>	<b>\$ 1,159,091</b>	<b>\$ —</b>

**General Revenues:**

Taxes, net of related credits:

Sales and use

Business and occupation

Property

Motor vehicle and fuel

Excise

Cigarette and tobacco

Public utilities

Insurance premium

Other

Interest and investment earnings

**Total general revenues**

Excess (deficiency) of revenues over expenses before

contributions to endowments and transfers

Contributions to endowments

Transfers

Change in Net Position

**Net Position - Beginning, as restated**

**Net Position - Ending**

The notes to the financial statements are an integral part of this statement.

State of Washington

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Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (668,290)	\$ —	\$ (668,290)	
(14,654,209)	—	(14,654,209)	
(2,826,211)	—	(2,826,211)	
(9,851,364)	—	(9,851,364)	
(1,296,887)	—	(1,296,887)	
(289,393)	—	(289,393)	
(157,751)	—	(157,751)	
<u>(1,107,488)</u>	<u>—</u>	<u>(1,107,488)</u>	
<u>(30,851,593)</u>	<u>—</u>	<u>(30,851,593)</u>	
	(991,512)	(991,512)	
	454,594	454,594	
	198,838	198,838	
	155,417	155,417	
	249,959	249,959	
	(136,657)	(136,657)	
	<u>(50,711)</u>	<u>(50,711)</u>	
	<u>(120,072)</u>	<u>(120,072)</u>	
<u>\$ (30,851,593)</u>	<u>\$ (120,072)</u>	<u>\$ (30,971,665)</u>	
		<u>\$ 300,283</u>	
15,966,276	—	15,966,276	—
6,656,154	—	6,656,154	—
4,583,232	—	4,583,232	52,046
1,559,037	—	1,559,037	—
2,834,473	14,696	2,849,169	—
329,320	—	329,320	—
635,866	—	635,866	—
847,086	—	847,086	—
2,400,407	2	2,400,409	27,629
<u>692,635</u>	<u>769,575</u>	<u>1,462,210</u>	<u>112,838</u>
<u>36,504,486</u>	<u>784,273</u>	<u>37,288,759</u>	<u>192,513</u>
5,652,893	664,201	6,317,094	492,796
138,473	—	138,473	—
<u>629</u>	<u>(629)</u>	<u>—</u>	<u>—</u>
5,791,995	663,572	6,455,567	492,796
<u>44,623,014</u>	<u>(13,828,215)</u>	<u>30,794,799</u>	<u>2,139,457</u>
<u>\$ 50,415,009</u>	<u>\$ (13,164,643)</u>	<u>\$ 37,250,366</u>	<u>\$ 2,632,253</u>

State of Washington

**Balance Sheet**  
**GOVERNMENTAL FUNDS**

June 30, 2023

(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,279,346	\$ 1,900,991	\$ 1,136,332	\$ 8,090,120	\$ 20,406,789
Investments	5,336	2,738,628	5,109,584	317,283	8,170,831
Taxes receivable (net of allowance)	5,514,756	85,928	—	300,978	5,901,662
Receivables (net of allowance)	1,102,159	1,193,800	75,399	1,336,064	3,707,422
Due from other funds	1,332,327	1,303,994	55	478,517	3,114,893
Due from other governments	1,890,986	180,913	495	3,773,525	5,845,919
Inventories and prepaids	18,930	51,634	—	67,086	137,650
Restricted cash and investments	25,276	275	—	217,647	243,198
Restricted receivables	—	2,495	—	283	2,778
<b>Total Assets</b>	<b>19,169,116</b>	<b>7,458,658</b>	<b>6,321,865</b>	<b>14,581,503</b>	<b>47,531,142</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	—	—	—	232	232
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 19,169,116</b>	<b>\$ 7,458,658</b>	<b>\$ 6,321,865</b>	<b>\$ 14,581,735</b>	<b>\$ 47,531,374</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,212,465	\$ 128,531	\$ —	\$ 582,204	\$ 2,923,200
Accrued liabilities	731,535	770,023	102,759	260,313	1,864,630
Due to other funds	334,668	32,185	868,294	1,549,251	2,784,398
Due to other governments	567,686	28,992	—	323,716	920,394
Unearned revenue	1,341,643	255,148	—	94,849	1,691,640
Claims and judgments payable	60,322	—	—	209,665	269,987
<b>Total Liabilities</b>	<b>5,248,319</b>	<b>1,214,879</b>	<b>971,053</b>	<b>3,019,998</b>	<b>10,454,249</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	3,756,519	371,485	32,243	174,224	4,334,471
<b>FUND BALANCES</b>					
Nonspendable fund balance	60,468	51,634	3,234,347	288,931	3,635,380
Restricted fund balance	692,162	40,076	2,084,222	4,822,307	7,638,767
Committed fund balance	3,365,227	5,670,645	—	6,310,816	15,346,688
Assigned fund balance	1,862,952	109,939	—	—	1,972,891
Unassigned fund balance	4,183,469	—	—	(34,541)	4,148,928
<b>Total Fund Balances</b>	<b>10,164,278</b>	<b>5,872,294</b>	<b>5,318,569</b>	<b>11,387,513</b>	<b>32,742,654</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 19,169,116</b>	<b>\$ 7,458,658</b>	<b>\$ 6,321,865</b>	<b>\$ 14,581,735</b>	<b>\$ 47,531,374</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Reconciliation of the Balance Sheet to the  
Statement of Net Position  
GOVERNMENTAL FUNDS**

June 30, 2023

*(expressed in thousands)*

<b>Total Fund Balances for Governmental Funds</b>	\$	32,742,654
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Non-depreciable assets	\$	33,219,818
Depreciable assets		27,457,188
Less: Accumulated depreciation		<u>(14,252,017)</u>
Total capital assets		46,424,989
Long-term receivables for capital assets are not financial resources and therefore are not reported in the funds		35,000
Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are considered deferred inflows in the funds.		3,955,282
Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a financial resource and therefore is not reported in the funds		5,183,286
Deferred outflows of resources represent a consumption of net assets that will be reported as an outflow of resources in a future period and therefore are not reported in the funds		3,515,792
Deferred inflows of resources represent an acquisition of net assets that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds		(5,904,659)
Unmatured interest on general obligation bonds and other debt is not recognized in the funds until due.		(404,554)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position		(787,314)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds and other financing contracts payable	\$	(25,735,042)
Accreted interest on bonds and other debt		(292,260)
Right-to-use lease liabilities		(1,269,884)
Subscription liabilities		(115,974)
Compensated absences		(853,070)
Other postemployment benefits obligations		(3,480,386)
Net pension liability		(1,263,518)
Unclaimed property		(145,751)
Pollution remediation obligations		(298,946)
Claims and judgments		(42,241)
Asset retirement obligations		(31,171)
Other obligations		<u>(817,224)</u>
Total long-term liabilities		<u>(34,345,467)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>50,415,009</u></b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023  
*(expressed in thousands)*

	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Retail sales and use taxes	\$15,830,647	\$ —	\$ —	\$ 135,629	\$15,966,276
Business and occupation taxes	6,239,099	413,661	—	3,394	6,656,154
Property taxes	4,484,192	—	—	—	4,484,192
Excise taxes	1,176,214	745,359	—	912,900	2,834,473
Motor vehicle and fuel taxes	324	—	—	1,558,713	1,559,037
Other taxes	2,407,313	936,844	—	524,849	3,869,006
Licenses, permits, and fees	162,933	1,210	—	2,251,047	2,415,190
Other contracts and grants	436,239	1,450,377	—	212,345	2,098,961
Timber sales	4,207	—	21,601	143,806	169,614
Federal grants-in-aid	23,529,447	1,907,987	—	1,819,163	27,256,597
Charges for services	63,916	2,905,689	—	773,648	3,743,253
Investment income (loss)	173,130	159,189	193,898	166,416	692,633
Miscellaneous revenue	316,257	659,967	67,511	1,720,695	2,764,430
Contributions and donations	—	—	138,473	—	138,473
Unclaimed property	170,984	—	—	—	170,984
<b>Total Revenues</b>	<b>54,994,902</b>	<b>9,180,283</b>	<b>421,483</b>	<b>10,222,605</b>	<b>74,819,273</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,952,791	193	165	1,436,162	4,389,311
Human services	30,563,253	26,682	—	1,274,095	31,864,030
Natural resources and recreation	1,014,349	—	—	1,008,608	2,022,957
Transportation	96,063	—	—	2,613,039	2,709,102
Education	17,452,446	8,263,265	1,653	731,385	26,448,749
Intergovernmental	135,614	—	—	414,750	550,364
Capital outlays	271,160	247,885	9	2,662,401	3,181,455
Debt service:					
Principal	12,116	47,350	—	1,279,586	1,339,052
Interest	1,627	19,419	963	1,069,956	1,091,965
<b>Total Expenditures</b>	<b>52,499,419</b>	<b>8,604,794</b>	<b>2,790</b>	<b>12,489,982</b>	<b>73,596,985</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>2,495,483</b>	<b>575,489</b>	<b>418,693</b>	<b>(2,267,377)</b>	<b>1,222,288</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	190,120	5,841	—	1,336,995	1,532,956
Refunding bonds issued	—	—	—	1,343,065	1,343,065
Payments to escrow agents for refunded bond debt	—	—	—	(1,536,603)	(1,536,603)
Issuance premiums	171	130	—	421,625	421,926
Other debt issued	—	32,723	—	31,681	64,404
Refunding COPs issued	—	1,080	—	—	1,080
Payment to escrow agents for refunded COP debt	—	7	—	—	7
Right-to-use lease acquisition	113,199	71,186	—	32,789	217,174
Transfers in	815,092	1,042,051	105,646	6,165,228	8,128,017
Transfers out	(2,729,681)	(1,172,149)	(312,856)	(4,145,287)	(8,359,973)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,611,099)</b>	<b>(19,131)</b>	<b>(207,210)</b>	<b>3,649,493</b>	<b>1,812,053</b>
<b>Net Change in Fund Balances</b>	<b>884,384</b>	<b>556,358</b>	<b>211,483</b>	<b>1,382,116</b>	<b>3,034,341</b>
<b>Fund Balances - Beginning, as restated</b>	<b>9,279,894</b>	<b>5,315,936</b>	<b>5,107,086</b>	<b>10,005,397</b>	<b>29,708,313</b>
<b>Fund Balances - Ending</b>	<b>\$10,164,278</b>	<b>\$ 5,872,294</b>	<b>\$ 5,318,569</b>	<b>\$11,387,513</b>	<b>\$32,742,654</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

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**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2023  
*(expressed in thousands)*

**Net Change in Fund Balances - Total Governmental Funds** \$ 3,034,341

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlays	\$ 2,456,688	
Less: Depreciation expense	<u>(1,076,500)</u>	1,380,188

Some revenues in the Statement of Activities do not provide current financial resources, and therefore are unavailable in governmental funds. Also, revenues related to prior periods that became available during the current period are reported in governmental funds but are eliminated in the Statement of Activities. This amount is the net 478,433

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is reported with governmental activities. 348,291

Bond proceeds and other financing contracts provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. In the current period, these amounts consist of:

Bonds and other financing contracts issued	\$ (3,472,813)	
Principal payments on bonds and other financing contracts	3,288,205	
Accreted interest on bonds	<u>20,095</u>	(164,513)

Some expenses/revenue reductions reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in governmental funds. Also payments of certain obligations related to prior periods are recognized in governmental funds but are eliminated in the Statement of Activities. In

Compensated absences	\$ (50,701)	
Other postemployment benefits	104,529	
Pensions	858,195	
Pollution remediation	(68,851)	
Claims and judgments	(1,974)	
Accrued interest	(12,932)	
Unclaimed property	(25,980)	
Asset retirement obligations	(1,927)	
Other obligations	<u>(85,104)</u>	<u>715,255</u>

**Change in Net Position of Governmental Activities** \$ 5,791,995

The notes to the financial statements are an integral part of this statement.



State of Washington

**Statement of Net Position**  
**PROPRIETARY FUNDS**

June 30, 2023

*(expressed in thousands)*

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 114,410	\$ 3,365,373	\$ 1,261,972
Investments	1,345,191	—	39,585
Taxes receivable (net of allowance)	—	—	—
Receivables (net of allowance)	1,049,211	1,326,569	527,137
Due from other funds	255	4,131	17,016
Due from other governments	1,326	216,083	79,924
Inventories	—	—	56,497
Prepaid expenses	165	—	16,951
Restricted cash and investments	565	—	14,479
Restricted receivables	—	—	—
<b>Total Current Assets</b>	<b>2,511,123</b>	<b>4,912,156</b>	<b>2,013,561</b>
<b>Noncurrent Assets:</b>			
Investments, noncurrent	17,621,246	—	701,966
Restricted investments, noncurrent	—	—	33,414
Restricted net pension asset	61,121	—	210,318
Other noncurrent assets	3,037	—	100,439
Capital assets:			
Land and other non-depreciable assets	3,332	—	74,597
Buildings	65,111	—	4,696,742
Other improvements	1,289	—	159,526
Furnishings, equipment, and intangibles	106,685	—	914,833
Infrastructure	—	—	63,603
Lease assets	49,641	—	358,091
Subscription assets	8,046	—	48,880
Accumulated depreciation and amortization	(173,631)	—	(3,057,789)
Construction in progress	52,114	—	119,863
<b>Total Noncurrent Assets</b>	<b>17,797,991</b>	<b>—</b>	<b>4,424,483</b>
<b>Total Assets</b>	<b>20,309,114</b>	<b>4,912,156</b>	<b>6,438,044</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>89,947</b>	<b>—</b>	<b>513,046</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 20,399,061</b>	<b>\$ 4,912,156</b>	<b>\$ 6,951,090</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

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Continued

			<u>Governmental Activities</u>	
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 334,116	\$ 335,082	\$ 5,410,953	\$ 829,633	
—	53,057	1,437,833	692	
—	2,106	2,106	—	
61,439	523,785	3,488,141	85,956	
19	69,138	90,559	105,736	
176,708	8,221	482,262	159,642	
—	12,436	68,933	24,793	
—	711	17,827	24,048	
—	—	15,044	97,390	
—	—	—	523	
<u>572,282</u>	<u>1,004,536</u>	<u>11,013,658</u>	<u>1,328,413</u>	
—	1,674,312	19,997,524	20,599	
—	—	33,414	—	
3,544	30,170	305,153	93,056	
—	61,734	165,210	—	
—	1,540	79,469	7,275	
—	12,828	4,774,681	573,115	
—	6,221	167,036	15,055	
415	125,106	1,147,039	1,181,464	
—	—	63,603	2,170	
5,152	8,431	421,315	180,215	
—	4,381	61,307	189,475	
(2,845)	(46,040)	(3,280,305)	(1,128,674)	
—	2,543	174,520	71,940	
<u>6,266</u>	<u>1,881,226</u>	<u>24,109,966</u>	<u>1,205,690</u>	
<u>578,548</u>	<u>2,885,762</u>	<u>35,123,624</u>	<u>2,534,103</u>	
<u>8,820</u>	<u>60,644</u>	<u>672,457</u>	<u>149,529</u>	
<u>\$ 587,368</u>	<u>\$ 2,946,406</u>	<u>\$ 35,796,081</u>	<u>\$ 2,683,632</u>	

State of Washington

**Statement of Net Position  
PROPRIETARY FUNDS**

June 30, 2023

(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 20,909	\$ —	\$ 200,124
Accrued liabilities	364,081	172,420	439,735
Obligations under security lending agreements	—	—	—
Bonds and notes payable	9,729	—	218,781
Total OPEB liability	2,351	—	12,336
Due to other funds	7,815	2,917	220,916
Due to other governments	—	631,223	2,792
Unearned revenue	2,470	11,179	133,300
Claims and judgments payable	2,299,042	121,241	—
<b>Total Current Liabilities</b>	<b>2,706,397</b>	<b>938,980</b>	<b>1,227,984</b>
<b>Noncurrent Liabilities:</b>			
Claims and judgments payable	37,372,418	—	—
Bonds and notes payable	20,463	—	2,650,720
Net pension liability	36,131	—	139,951
Total OPEB liability	90,764	—	476,431
Unearned revenue	3,180	—	—
Other long-term liabilities	6,269	—	157,830
<b>Total Noncurrent Liabilities</b>	<b>37,529,225</b>	<b>—</b>	<b>3,424,932</b>
<b>Total Liabilities</b>	<b>40,235,622</b>	<b>938,980</b>	<b>4,652,916</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>141,114</b>	<b>—</b>	<b>719,953</b>
<b>NET POSITION</b>			
Net investment in capital assets	82,394	—	570,409
Restricted for:			
Unemployment compensation	—	3,973,176	—
Pensions	70,776	—	267,986
Unrestricted	(20,130,845)	—	739,826
<b>Total Net Position</b>	<b>(19,977,675)</b>	<b>3,973,176</b>	<b>1,578,221</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 20,399,061</b>	<b>\$ 4,912,156</b>	<b>\$ 6,951,090</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

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Concluded

			<u>Governmental Activities</u>	
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>	
\$ 91,505	\$ 25,727	\$ 338,265	\$ 51,861	
11,954	198,705	1,186,895	133,141	
—	17,451	17,451	—	
836	2,448	231,794	181,649	
172	1,114	15,973	3,334	
582	118,117	350,347	176,334	
—	7,097	641,112	4,463	
1,867	50,592	199,408	6,764	
<u>170,340</u>	<u>268,942</u>	<u>2,859,565</u>	<u>288,229</u>	
<u>277,256</u>	<u>690,193</u>	<u>5,840,810</u>	<u>845,775</u>	
—	11,891	37,384,309	1,460,037	
1,967	4,361	2,677,511	707,686	
2,076	17,382	195,540	59,334	
6,647	43,084	616,926	128,786	
—	—	3,180	2,101	
<u>1,142</u>	<u>1,135,832</u>	<u>1,301,073</u>	<u>35,104</u>	
<u>11,832</u>	<u>1,212,550</u>	<u>42,178,539</u>	<u>2,393,048</u>	
<u>289,088</u>	<u>1,902,743</u>	<u>48,019,349</u>	<u>3,238,823</u>	
<u>8,756</u>	<u>71,552</u>	<u>941,375</u>	<u>232,123</u>	
(81)	108,229	760,951	272,827	
—	—	3,973,176	—	
4,285	35,456	378,503	102,417	
<u>285,320</u>	<u>828,426</u>	<u>(18,277,273)</u>	<u>(1,162,558)</u>	
<u>289,524</u>	<u>972,111</u>	<u>(13,164,643)</u>	<u>(787,314)</u>	
\$ 587,368	\$ 2,946,406	\$ 35,796,081	\$ 2,683,632	

State of Washington

**Statement of Revenues, Expenses, and Changes in Net Position**  
**PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023  
*(expressed in thousands)*

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>OPERATING REVENUES</b>			
Sales	\$ —	\$ —	\$ 46,862
Less: Cost of goods sold	—	—	(29,685)
Gross profit	—	—	17,177
Charges for services	23	—	3,873,539
Premiums and assessments	2,982,042	1,624,335	—
Lottory ticket proceeds	—	—	—
Federal aid for unemployment insurance benefits	—	20,989	—
Miscellaneous revenue	55,518	17,441	514,934
<b>Total Operating Revenues</b>	<b>3,037,583</b>	<b>1,662,765</b>	<b>4,405,650</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	224,115	—	1,464,821
Employee benefits	49,073	—	303,823
Personal services	19,842	—	246,917
Goods and services	95,720	—	1,651,137
Travel	4,346	—	30,765
Premiums and claims	3,582,759	1,186,305	—
Guaranteed education tuition program expense	—	—	—
Lottory prize payments	—	—	—
Depreciation and amortization	13,613	—	293,566
Miscellaneous expenses	49,216	21,867	33,616
<b>Total Operating Expenses</b>	<b>4,038,684</b>	<b>1,208,172</b>	<b>4,024,645</b>
<b>Operating Income (Loss)</b>	<b>(1,001,101)</b>	<b>454,593</b>	<b>381,005</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings (loss) on investments	594,480	54,685	3,526
Interest expense	(310)	—	(99,511)
Tax and license revenue	98	—	—
Other revenues (expenses)	9,899	—	(83,808)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>604,167</b>	<b>54,685</b>	<b>(179,793)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(396,934)</b>	<b>509,278</b>	<b>201,212</b>
Capital contributions	—	—	1,159
Transfers in	—	—	736,009
Transfers out	(385)	—	(684,167)
<b>Net Contributions and Transfers</b>	<b>(385)</b>	<b>—</b>	<b>53,001</b>
<b>Change in Net Position</b>	<b>(397,319)</b>	<b>509,278</b>	<b>254,213</b>
<b>Net Position - Beginning, as restated</b>	<b>(19,580,356)</b>	<b>3,463,898</b>	<b>1,324,008</b>
<b>Net Position - Ending</b>	<b>\$ (19,977,675)</b>	<b>\$ 3,973,176</b>	<b>\$ 1,578,221</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

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				<u>Governmental Activities</u>			
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>		<u>Total</u>	<u>Internal Service Funds</u>			
\$	—	\$	120.452	\$	167.314	\$	47.472
	—		(85.474)		(115.159)		(39.791)
	—		34.978		52.155		7.681
	—		94.350		3,967.912		970.812
	4,001.563		1,540.692		10,148.632		275.142
	—		1,003.446		1,003.446		—
	—		—		20.989		—
	8.410		6.121		602.424		208.286
	4,009,973		2,679,587		15,795,558		1,461,921
	16.900		122.382		1,828.218		393.399
	4.774		32.365		390.035		73.975
	13.233		29.290		309.282		46.702
	5.967		138.730		1,891.554		483.065
	87		1.061		36.259		5.009
	3,812.673		1,574.285		10,156.022		239.221
	—		74.034		74.034		—
	—		618.834		618.834		—
	896		9.127		317.202		143.637
	27		14.926		119.652		256
	3,854,557		2,615,034		15,741,092		1,385,264
	155,416		64,553		54,466		76,657
	2.463		114.422		769.576		9.282
	(29)		(2.461)		(102.311)		(15.782)
	—		14.598		14.696		15
	(3)		530		(73.382)		683
	2,431		127,089		608,579		(5,802)
	157,847		191,642		663,045		70,855
	—		—		1.159		44.850
	25		215.924		951.958		260.093
	(1,515)		(266.521)		(952.588)		(27.507)
	(1,490)		(50.597)		529		277.436
	156,357		141,045		663,574		348,291
	133,167		831,066		(13,828,217)		(1,135,605)
\$	289,524	\$	972,111	\$	(13,164,643)	\$	(787,314)

State of Washington

**Statement of Cash Flows**  
**PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023  
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,850,068	\$ 1,622,154	\$ 3,783,685
Payments to suppliers	(2,720,511)	(1,224,723)	(1,883,790)
Payments to employees	(303,833)	—	(1,881,532)
Other receipts	55,520	36,347	513,185
Net Cash Provided (Used) by Operating Activities	(118,756)	433,778	531,548
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	—	—	736,009
Transfers out	(385)	—	(684,167)
Operating grants and donations received	9,843	—	13,871
Taxes and license fees collected	98	—	—
Net Cash Provided (Used) by Noncapital Financing Activities	9,556	—	65,713
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid	(313)	—	(115,157)
Principal payments on long-term capital financing	(11,265)	—	(343,920)
Proceeds from long-term capital financing	—	—	151,830
Proceeds from sale of capital assets	71	—	113,528
Acquisitions of capital assets	(27,349)	—	(277,522)
Net Cash Provided (Used) by Capital and Related Financing Activities	(38,856)	—	(471,241)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of interest	634,740	54,685	1,474
Proceeds from sale of investment securities	6,914,001	—	102,568
Purchases of investment securities	(7,435,816)	—	(123,930)
Net Cash Provided (Used) by Investing Activities	112,925	54,685	(19,888)
Net Increase (Decrease) in Cash and Pooled Investments	(35,131)	488,463	106,132
Cash and cash equivalents, July 1, as restated	150,106	2,876,910	1,170,319
Cash and cash equivalents, June 30	\$ 114,975	\$ 3,365,373	\$ 1,276,451
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (1,001,101)	\$ 454,593	\$ 381,005
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Depreciation and amortization	13,613	—	293,566
Revenue reduced for uncollectible accounts	42,561	—	2,210
<b>Change in Assets: Decrease (Increase)</b>			
Receivables	(137,181)	6,423	(139,066)
Inventories	63	—	1,391
Prepaid expenses	(2)	—	(9,625)
Other assets	106,870	—	427,929
<b>Change in Deferred Outflows of Resources: Increase (Decrease)</b>	(40,037)	—	(163,051)
<b>Change in Liabilities: Increase (Decrease)</b>			
Pavables	962,130	(27,238)	(33,441)
<b>Change in Deferred Inflows of Resources: Decrease (Increase)</b>	(65,672)	—	(229,370)
<b>Net Cash Provided (Used) by Operating Activities</b>	\$ (118,756)	\$ 433,778	\$ 531,548

The notes to the financial statements are an integral part of this statement.

State of Washington

Continued

				<u>Governmental Activities</u>	
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>		
\$ 4,038,517	\$ 2,617,413	\$ 14,911,837	\$ 1,167,640		
(3,851,651)	(2,293,587)	(11,974,262)	(991,770)		
(22,505)	(165,917)	(2,373,787)	(526,813)		
7,713	6,107	618,872	208,679		
<u>172,074</u>	<u>164,016</u>	<u>1,182,660</u>	<u>(142,264)</u>		
25	215,924	951,958	260,093		
(1,515)	(266,521)	(952,588)	(27,507)		
—	465	24,179	179		
—	15,927	16,025	14		
<u>(1,490)</u>	<u>(34,205)</u>	<u>39,574</u>	<u>232,779</u>		
(29)	(132)	(115,631)	(20,364)		
(845)	(3,055)	(359,085)	(94,756)		
—	—	151,830	52,479		
—	232	113,831	27,917		
<u>(17)</u>	<u>(20,184)</u>	<u>(325,072)</u>	<u>(144,748)</u>		
<u>(891)</u>	<u>(23,139)</u>	<u>(534,127)</u>	<u>(179,472)</u>		
5,018	19,921	715,838	15,005		
—	155,422	7,171,991	7,730		
—	(138,522)	(7,698,268)	(5,470)		
<u>5,018</u>	<u>36,821</u>	<u>189,561</u>	<u>17,265</u>		
174,711	143,493	877,668	(71,692)		
159,405	191,589	4,548,329	998,715		
<u>\$ 334,116</u>	<u>\$ 335,082</u>	<u>\$ 5,425,997</u>	<u>\$ 927,023</u>		
\$ 155,416	\$ 64,553	\$ 54,466	\$ 76,657		
896	9,127	317,202	143,637		
—	14,632	59,403	(9)		
36,563	(142,605)	(375,866)	(129,145)		
—	692	2,146	(1,688)		
540	(495)	(9,582)	(1,012)		
5,339	48,577	588,715	151,980		
(2,967)	(21,863)	(227,918)	(61,919)		
(21,593)	219,326	1,099,184	(210,760)		
<u>(2,120)</u>	<u>(27,928)</u>	<u>(325,090)</u>	<u>(110,005)</u>		
<u>\$ 172,074</u>	<u>\$ 164,016</u>	<u>\$ 1,182,660</u>	<u>\$ (142,264)</u>		



State of Washington

**Statement of Cash Flows**  
**PROPRIETARY FUNDS**

For the Fiscal Year Ended June 30, 2023  
*(expressed in thousands)*

	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
Contributions of capital assets	\$ —	\$ —	\$ 1,159
Acquisition of capital assets through financing arrangements	13,563	—	105,703
Amortization of annuity prize liability	—	—	—
Increase (decrease) in fair value of investments	(56,853)	—	(3,495)
Amortization of debt premium/discount	—	—	17,740

The notes to the financial statements are an integral part of this statement.

State of Washington

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Concluded

			<u>Governmental Activities</u>		
<u>Health Insurance</u>	<u>Nonmajor Enterprise Funds</u>		<u>Total</u>	<u>Internal Service Funds</u>	
\$	—	\$	—	\$	1,159
	—		1,675	120,941	176,823
	—		2,462	2,462	—
	(3,638)		90,200	26,214	(1,152)
	—		3,230	20,970	6,167

State of Washington

**Statement of Net Position**  
**FIDUCIARY FUNDS**

June 30, 2023

(expressed in thousands)

Continued

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,356	\$ 7,082,766	\$ 47,524	\$ 272,833
Receivables, pension and other employee benefit plans:				
Employers	—	—	240,765	—
Members (net of allowance)	—	—	6,431	—
Interest and dividends	—	—	394,891	—
Investment trades pending	—	—	18,468,168	—
Due from other pension and other employee benefit funds	—	—	101,687	—
Taxes receivable (net of allowance)	—	—	—	1,597,726
Other receivables, all other funds	—	63,266	326	6,711
Due from other governments	—	—	—	26,580
Investments:				
Liquidity	—	12,202,132	2,469,652	—
Fixed income	—	1,732,744	23,695,074	—
Public equity	—	—	52,770,414	—
Private equity	—	—	45,530,131	—
Real estate	—	—	33,214,110	—
Tangible assets	—	—	10,830,250	—
Innovations	—	—	1,768,716	—
Security lending collateral	—	—	245,629	—
Other noncurrent assets	—	—	—	117,129
Capital assets:				
Furnishings, equipment, and intangibles	16	—	—	—
Leased assets	1,805	—	—	5,621
Subscription assets	5,096	—	—	—
Accumulated depreciation and amortization	(1,815)	—	—	(2,108)
<b>Total Assets</b>	<b>11,458</b>	<b>21,080,908</b>	<b>189,783,768</b>	<b>2,024,492</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>—</b>	<b>—</b>	<b>281</b>	<b>—</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 11,458</b>	<b>\$ 21,080,908</b>	<b>\$ 189,784,049</b>	<b>\$ 2,024,492</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Net Position**  
**FIDUCIARY FUNDS**

June 30, 2023

(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Concluded Custodial Funds
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 491	\$ —	\$ —	\$ 7,742
Contracts payable	—	—	—	72
Accrued liabilities	309	73	18,895,020	41,580
Obligations under security lending agreements	—	—	245,629	—
Notes and leases payable	712	—	—	693
Due to other funds	—	109	—	—
Due to other pension and other employee benefit funds	—	—	101,688	—
Due to other governments	—	574,224	—	664,349
Unearned revenue	—	—	1,020	—
<b>Total Current Liabilities</b>	<b>1,512</b>	<b>574,406</b>	<b>19,243,357</b>	<b>714,436</b>
<b>Noncurrent Liabilities:</b>				
Unearned revenue	4,489	—	—	2,930
Other long-term liabilities	—	—	—	7,637
<b>Total Noncurrent Liabilities</b>	<b>4,489</b>	<b>—</b>	<b>—</b>	<b>10,567</b>
<b>Total Liabilities</b>	<b>6,001</b>	<b>574,406</b>	<b>19,243,357</b>	<b>725,003</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>—</b>	<b>—</b>	<b>377</b>	<b>—</b>
<b>NET POSITION</b>				
Net position restricted for:				
Pensions	—	—	164,354,420	—
Deferred compensation participants	—	—	6,185,895	—
Local government pool participants	—	20,506,502	—	—
Individuals, organizations, and other governments	5,457	—	—	1,299,489
<b>Total Net Position</b>	<b>\$ 5,457</b>	<b>\$ 20,506,502</b>	<b>\$ 170,540,315</b>	<b>\$ 1,299,489</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Changes in Net Position**  
**FIDUCIARY FUNDS**

For the Fiscal Year Ended June 30, 2023  
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Custodial Funds
<b>ADDITIONS</b>				
<b>Contributions:</b>				
Employers	\$ —	\$ —	\$ 3,252,006	\$ —
Members	—	—	2,140,563	—
State	—	—	349,019	—
Participants	—	32,136,768	431,525	838,447
<b>Total Contributions</b>	<b>—</b>	<b>32,136,768</b>	<b>6,173,113</b>	<b>838,447</b>
<b>Investment Income:</b>				
Net appreciation (depreciation) in fair value	—	—	9,186,675	—
Interest and dividends	—	727,855	3,049,865	3,442
Earnings (loss) on investments	(10)	(8,388)	—	431
Less: Investment expenses	—	—	(711,592)	—
<b>Net Investment Income (Loss)</b>	<b>(10)</b>	<b>719,467</b>	<b>11,524,948</b>	<b>3,873</b>
<b>Other Additions:</b>				
Unclaimed property	151,069	—	—	—
Transfers from other plans	—	—	97,030	—
Sales tax collections for other governments	—	—	—	8,185,373
Other	858	3	27,075	308,706
<b>Total Other Additions</b>	<b>151,927</b>	<b>3</b>	<b>124,105</b>	<b>8,494,079</b>
<b>Total Additions</b>	<b>151,917</b>	<b>32,856,238</b>	<b>17,822,166</b>	<b>9,336,399</b>
<b>DEDUCTIONS</b>				
Pension benefits	—	—	6,475,249	—
Pension refunds	—	—	1,048,518	—
Transfers to other plans	—	—	97,030	—
Administrative expenses	8,129	1,967	4,384	4,600
Distributions to participants	—	31,136,270	360,927	—
Payments of sales tax to other governments	—	—	—	8,091,662
Payments on behalf of retirees for medical benefits	—	—	—	844,750
Other deductions	—	—	—	320,450
Payments to or on behalf of individuals, organizations, and other governments in accordance with state unclaimed property laws	150,884	—	—	—
<b>Total Deductions</b>	<b>159,013</b>	<b>31,138,237</b>	<b>7,986,108</b>	<b>9,261,462</b>
<b>Net Increase (Decrease)</b>	<b>(7,096)</b>	<b>1,718,001</b>	<b>9,836,058</b>	<b>74,937</b>
<b>Net Position - Beginning, as restated</b>	<b>12,553</b>	<b>18,788,501</b>	<b>160,704,257</b>	<b>1,224,552</b>
<b>Net Position - Ending</b>	<b>\$ 5,457</b>	<b>\$ 20,506,502</b>	<b>\$ 170,540,315</b>	<b>\$ 1,299,489</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Net Position**  
**COMPONENT UNITS**

June 30, 2023

(expressed in thousands)

Continued

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 249,477	\$ 15,465	\$ 56,790	\$ 410,469	\$ 732,201
Investments	—	—	27,212	63,694	90,906
Receivables (net of allowance)	203,719	4,925	113,226	30,080	351,950
Inventories	29,717	—	9,389	—	39,106
Prepaid expenses	16,147	3,547	23,538	734	43,966
<b>Total Current Assets</b>	<b>499,060</b>	<b>23,937</b>	<b>230,155</b>	<b>504,977</b>	<b>1,258,129</b>
<b>Noncurrent Assets:</b>					
Investments, noncurrent	1,156,077	—	74,116	—	1,230,193
Restricted net pension asset	—	1,823	—	1,980	3,803
Other noncurrent assets	615,424	14	24,262	536,422	1,176,122
<b>Capital assets:</b>					
Land	142,661	—	13,145	34,677	190,483
Buildings	979,084	—	546,615	460,952	1,986,651
Other improvements	—	1,783	24,525	176	26,484
Furnishings, equipment, and intangible assets	298,828	77,601	311,174	12,951	700,554
Lease asset	210,283	83	128,824	14,820	354,010
Subscription asset	—	2,039	17,156	—	19,195
Accumulated depreciation and amortization	(540,428)	(56,620)	(568,100)	(332,398)	(1,497,546)
Construction in progress	35,115	3,360	12,342	—	50,817
<b>Total Noncurrent Assets</b>	<b>2,897,044</b>	<b>30,083</b>	<b>584,059</b>	<b>729,580</b>	<b>4,240,766</b>
<b>Total Assets</b>	<b>3,396,104</b>	<b>54,020</b>	<b>814,214</b>	<b>1,234,557</b>	<b>5,498,895</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
	—	5,888	11,805	2,867	20,560
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,396,104</b>	<b>\$ 59,908</b>	<b>\$ 826,019</b>	<b>\$ 1,237,424</b>	<b>\$ 5,519,455</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Net Position**  
**COMPONENT UNITS**

June 30, 2023

(expressed in thousands)

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Concluded Total
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable	\$ 122,069	\$ 8,467	\$ 28,053	\$ 1,489	\$ 160,078
Accrued liabilities	147,245	1,543	127,555	51,056	327,399
Total OPEB liability	—	—	—	3	3
Lease and subscription liabilities	13,732	979	18,336	13,091	46,138
Unearned revenue	—	14,360	—	149,560	163,920
<b>Total Current Liabilities</b>	<b>283,046</b>	<b>25,349</b>	<b>173,944</b>	<b>215,199</b>	<b>697,538</b>
<b>Noncurrent Liabilities:</b>					
Bonds and notes payable	1,086,339	—	278,913	—	1,365,252
Net pension liability	—	—	—	1,290	1,290
Total OPEB liability	—	1,626	—	2,514	4,140
Lease and subscription liabilities	213,781	695	89,036	101	303,613
Other long-term liabilities	428,824	118	—	17,825	446,767
<b>Total Noncurrent Liabilities</b>	<b>1,728,944</b>	<b>2,439</b>	<b>367,949</b>	<b>21,730</b>	<b>2,121,062</b>
<b>Total Liabilities</b>	<b>2,011,990</b>	<b>27,788</b>	<b>541,893</b>	<b>236,929</b>	<b>2,818,600</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>9,613</b>	<b>5,680</b>	<b>48,992</b>	<b>4,317</b>	<b>68,602</b>
<b>NET POSITION</b>					
Net investment in capital assets	111,691	25,770	77,063	179,402	393,926
Restricted for:					
Pension	—	2,794	—	1,915	4,709
Other purposes	637,053	—	1,897	21,531	660,481
Unrestricted	625,757	(2,124)	156,174	793,330	1,573,137
<b>Total Net Position</b>	<b>1,374,501</b>	<b>26,440</b>	<b>235,134</b>	<b>996,178</b>	<b>2,632,253</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 3,396,104</b>	<b>\$ 59,908</b>	<b>\$ 826,019</b>	<b>\$ 1,237,424</b>	<b>\$ 5,519,455</b>

The notes to the financial statements are an integral part of this statement.

State of Washington

**Statement of Revenues, Expenses, and Changes in Net Position**  
**COMPONENT UNITS**

For the Fiscal Year Ended June 30, 2023  
*(expressed in thousands)*

	Fred Hutchinson Cancer Center	Health Benefit Exchange	Valley Medical Center	Nonmajor Component Units	Total
<b>EXPENSES</b>	\$ 1,975,745	\$ 84,641	\$ 932,998	\$ 83,571	\$ 3,076,955
<b>PROGRAM REVENUES</b>					
Charges for services	1,232,131	42,251	889,001	54,764	2,218,147
Operating grants and contributions	1,073,044	46,640	—	39,407	1,159,091
<b>Total Program Revenues</b>	2,305,175	88,891	889,001	94,171	3,377,238
<b>Net Program Revenues (Expense)</b>	329,430	4,250	(43,997)	10,600	300,283
<b>GENERAL REVENUES (EXPENSES)</b>					
Earnings (loss) on investments	101,210	—	1,202	10,426	112,838
Tax and license revenue	—	—	25,595	26,451	52,046
Other revenues (expenses)	(522)	(143)	28,294	—	27,629
<b>Total General Revenues (Expenses)</b>	100,688	(143)	55,091	36,877	192,513
<b>Change in Net Position</b>	430,118	4,107	11,094	47,477	492,796
<b>Net Position - Beginning, as restated</b>	944,383	22,333	224,040	948,701	2,139,457
<b>Net Position - Ending</b>	\$ 1,374,501	\$ 26,440	\$ 235,134	\$ 996,178	\$ 2,632,253

The notes to the financial statements are an integral part of this statement.



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**Notes to the Financial Statements**

For the Fiscal Year Ended June 30, 2023

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## Note 1

### Summary of Significant Accounting Policies

The accompanying financial statements of the state of Washington have been prepared in conformity with generally accepted accounting principles (GAAP). The Office of Financial Management (OFM) is the primary authority for the state's accounting and reporting requirements. OFM has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is nationally accepted as the standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the significant accounting policies:

#### A. REPORTING ENTITY

In defining the state of Washington for financial reporting purposes, management considers all funds, organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government) and organizations that are financially accountable to the state. Additionally, other organizations that do not meet the financial accountability criteria may be included in the reporting entity if the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading.

Financial accountability exists when the primary government appoints a voting majority of an organization's governing body and is either (1) able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government is also financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another

government. The organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists: (1) the primary government is legally entitled to or can access the organization's resources, (2) the primary government is legally obligated or has otherwise assumed the obligation to finance or provide financial support to the organization, (3) the primary government is obligated in some manner for the debt of the organization.

Based on these criteria, the following are included in the financial statements of the primary government:

**State Agencies.** Except as otherwise described herein, all state elected offices, departments, agencies, commissions, boards, committees, authorities, councils (agencies), and all funds and subsidiary accounts of the state are included in the primary government. Executives of these agencies are either elected, directly appointed by the Governor, appointed by a board which is appointed by the Governor, or appointed by a board which is in part appointed by the Governor. Additionally, a small number of board positions are established by statute or independently elected.

The Legislature creates these agencies, assigns their programs, approves operational funding, and requires financial accountability. The Legislature also authorizes all bond issuances for capital construction projects for the benefit of state agencies. The legal liability for these bonds and the ownership of agency assets reside with the state.

**Colleges and Universities.** The governing boards of the five state universities, the state college, and the 34 state community and technical colleges are appointed by the Governor. The governing board of each college and university appoints a president to function as chief administrator. The Legislature approves budgets and budget amendments for the appropriated funds of each college and university, which include the state's General Fund as well as certain capital projects funds. The State Treasurer issues general obligation debt for major campus construction projects. However, the colleges and universities are authorized to issue revenue bonds.

The University of Washington (UW) and Washington State University (WSU) issue general revenue bonds that are payable from general revenues, including student tuition, grant indirect cost recovery, sales and services revenue, and investment income. All other revenue bonds issued by colleges and universities pledge the income derived from acquired or constructed assets such as housing, dining, and

parking facilities. These revenue bonds are payable solely from, and secured by, fees and revenues derived from the operation of constructed facilities. The legal liability for the bonds and the ownership of the college and university assets reside with the state.

Colleges and universities do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges and universities are legally part of the state, their financial operations, including their blended component units, are reported in the state's financial statements using the fund structure prescribed by GASB.

**Retirement Systems.** The state of Washington, through the Department of Retirement Systems (DRS), administers eight retirement systems for public employees of the state and political subdivisions: the Public Employees' Retirement System, the Teachers' Retirement System, the School Employees' Retirement System, the Law Enforcement Officers' and Firefighters' Retirement System, the Washington State Patrol Retirement System, the Public Safety Employees' Retirement System, the Judicial Retirement System, and the Judges' Retirement Fund. The director of DRS is appointed by the Governor.

There are three additional retirement systems administered outside of the DRS. The Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund is administered through the State Board for Volunteer Firefighters and Reserve Officers, which is appointed by the Governor. The Judicial Retirement Account is administered through the Administrative Office of the Courts under the direction of the Board for Judicial Administration. The Higher Education Retirement Plan Supplemental Benefit Fund Plans are administered by the state's colleges and universities.

The Legislature establishes laws pertaining to the creation and administration of all public retirement systems. The participants of the public retirement systems, together with the state, provide funding for all costs of the systems based upon actuarial valuations. The state establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

All of the aforementioned retirement systems are included in the primary government's financial statements.

### **Blended Component Units**

Blended component units, although legally separate entities, are part of the state's operations in substance. Accordingly, they are reported as part of the state and blended into the appropriate funds. Financial information for the state's blended component units may be obtained from the Office of Financial Management, Accounting Division, P.O. Box 43127, Olympia, WA 98504-3127. The following entities are blended in the state's financial statements:

**Tobacco Settlement Authority** was created by the Legislature in March 2002 as a public instrumentality separate and distinct from the state. It is governed by a five-member board appointed by the Governor. It was created solely for the purpose of issuing bonds to securitize a portion of the state's future tobacco settlement revenue. Proceeds of the debt instrument were transferred to the state to help fund health care, long-term care, and other programs of the state. Refer to Note 7.A for additional information.

**University of Washington Physicians (UWP)** was established for the exclusive benefit of the University of Washington School of Medicine (UWSOM). UWP employs UWSOM faculty and bills and collects for their clinical services as an agent for UWSOM.

**UW Medicine Neighborhood Clinics (UW Neighborhood Clinics)** were established for the exclusive benefit of the UWSOM, UWP and its affiliated medical centers, Harborview Medical Center, and the UW Medical Center (UWMC). The UW Neighborhood Clinics were organized to coordinate and develop patient care in a community clinical setting. They enhance the academic environment of UWSOM by providing additional sites of primary care practice and training for faculty, residents, and students.

**Washington Biomedical Research Properties I and II, and Washington Biomedical Research Facilities 3, 3.2, and 3.3** were formed to acquire, construct, or renovate certain real properties for the benefit of the UW in fulfilling its educational, medical, or scientific research missions.

**Portage Bay Insurance (PBI)** was established to provide the UW with alternative risk financing options for self-insurance reserves. PBI is responsible for insuring UW for medical professional liability, educator's legal liability including employment practices liability, and general, and automobile liability.

**TOP and FYI Properties** were formed to design and construct office facilities to house state employees. The facilities were financed with tax-exempt obligations that meet the requirements of Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service.

**Students Book Corporation** is a legally separate entity, owned by the students of WSU, which operates bookstores on each of the WSU campuses.

**Washington State University Alumni Association** (WSUAA) is a 501(c)3 corporation that is focused on proactively increasing WSUAA membership and expanding the ways alumni and friends of WSU can become engaged with the University.

**Discrete Component Units**

Discretely presented component units are reported in a separate column in the government-wide financial statements. Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state or have relationships with the state such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These entities are reported as discrete component units because state officials either serve on or appoint the members of the governing bodies of the institutions. The state also has the ability to influence the operations of the institutions through legislation.

The state's discrete component units each have a year end of June 30 with the exception of the Washington Economic Development Finance Authority which has a December 31 year end.

The following entities are discretely presented in the financial statements of the state in the component unit's column:

**Fred Hutchinson Cancer Center (FHCC)** was created in April 2022 from the merger of Seattle Cancer Care Alliance (SCCA) and Fred Hutchinson Cancer Research Center, along with the execution of the Restructuring and Enhanced Collaboration Agreement between the UW and FHCC. FHCC is focused on adult oncology research and care that is a clinically integrated part of UWMC.

Financial reports of FHCC may be obtained at the following address:

Fred Hutchinson Cancer Center  
1100 Fairview Ave N  
Seattle, WA 98109-1024

**Valley Medical Center (VMC)** was created July 1, 2011, through a strategic alliance between UW Medicine and Public Hospital District No. 1 of King County. Valley Medical Center owns and operates a 341-bed full service acute care hospital and more than 50 specialty clinics located throughout south King County.

Financial reports of VMC may be obtained at the following address:

Valley Medical Center  
400 S. 43rd Street

Renton, WA 98055

The **Washington Health Benefit Exchange (Exchange)** was created by the Legislature to implement a central marketplace for individuals, families, and small employers to shop for health insurance and access federal tax credits pursuant to the Patient Protection and Affordable Care Act of 2010. Federal grant funding financed the Exchange design, development, and implementation phases as well as the first full year of operation during 2014. Beginning in 2015, the Exchange became self-sustaining through Medicaid program cost reimbursements, premium tax assessments, and other assessments.

Financial reports of the Exchange may be obtained at the following address:

Washington Health Benefit Exchange  
810 Jefferson Street SE  
Olympia, WA 98501

The **Washington State Public Stadium Authority (PSA)** was created by the Legislature to acquire, construct, own, and operate a football/soccer stadium, exhibition center, and parking garage. Construction was completed in 2002.

Financial reports of the PSA may be obtained at the following address:

Washington State Public Stadium Authority  
Lumen Field & Event Center  
800 Occidental Avenue South, #700  
Seattle, WA 98134

The **Washington Economic Development Finance Authority**, the **Washington Health Care Facilities Authority**, the **Washington Higher Education Facilities Authority**, and the **Washington State Housing Finance Commission** (financing authorities) were created by the Legislature in a way that specifically prevents them from causing the state to be liable or responsible for their acts and obligations including, but not limited to, any obligation to pay principal and interest on financing authority bonds. The financing authorities cannot obligate the state, either legally or morally, and the state has not assumed any obligation of, or with respect to, the financing authorities.

Financial reports of these financing authorities may be obtained from each authority at the following addresses:

Washington Health Care Facilities Authority

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410 11th Avenue SE, Suite 201  
Olympia, WA 98501

Washington State Housing Finance Commission  
Washington Higher Education Facilities Authority  
Washington Economic Development Finance  
Authority  
1000 Second Avenue, Suite 2700  
Seattle, WA 98104

## Joint Ventures

The UW and Seattle Children's Hospital established **Children's University Medical Group (CUMG)** to assist the organizations in carrying out their pediatric patient care, as well as charitable, educational, and scientific missions.

CUMG employs UWSOM faculty physicians and bills and collects for their services as an agent for UWSOM. The UW records revenue from CUMG based on the income distribution plan effective December 31, 2008. The UW's patient services receivable includes amounts due from CUMG of \$18.3 million in 2023.

Separate financial statements for CUMG may be obtained from:

Children's University Medical Group  
4500 Sand Point Way NE, Suite 100  
Seattle, WA 98105

In October 2018, the UW became an equity member in PNWCIN, LLC dba Embright, a Limited Liability Company. Embright is jointly owned by the UW, MultiCare Health System, and LifePoint Health. As a clinically integrated network owned by healthcare provider organizations, Embright enables the members to partner together to further the Triple Aim of improving the patient care experience and improving the health of populations while reducing costs. Together, the members represent 21 hospitals, more than 8,500 providers, and over 1,500 clinics. As of June 30, 2023, the UW's ownership interest in Embright totaled \$2.2 million.

Financial reports of Embright may be obtained at the following address:

Embright  
1114 Post Avenue  
Seattle, WA 98101

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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### **Government-wide Financial Statements**

The state presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. These government-wide financial statements report information on all non-fiduciary activities of the primary government and its component

units. The financial information for the primary government is distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

**Statement of Net Position.** The Statement of Net Position presents the state's non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. As a general rule, balances between governmental and business-type activities are eliminated.

**Statement of Activities.** The Statement of Activities reports the extent to which each major state program is supported by general state revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business-type activities, a major program is an identifiable activity.

Program revenues offset the direct expenses of major programs. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from the goods or services or is otherwise directly affected by the program, such as a state citizen or taxpayer, or other governments or nongovernmental entities.
- Amounts received from outside entities that are restricted to one or more specific program. These amounts can be operating or capital in nature.
- Earnings on investments that are restricted to a specific program.

General revenues consist of taxes and other items not meeting the definition of program revenues.

Generally, the effect of internal activities is eliminated. Exceptions to this rule include charges between the workers' compensation insurance programs and various other state programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved.

### **Fund Financial Statements**



The state uses 783 accounts that are combined into 53 rollup funds. The state presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column regardless of fund type. Internal service and fiduciary funds are reported by fund type. Major funds include:

**Major Governmental Funds:**

- **General Fund** is the state's primary operating fund. This fund accounts for all financial resources and transactions not accounted for in other funds.
- **Higher Education Special Revenue Fund** primarily accounts for tuition, student fees, and grants and contracts received for educational and research purposes.
- **Higher Education Endowment and Other Permanent Funds** accounts for gifts and bequests that the donors have specified must remain intact. Each gift is governed by various restrictions on the investment and use of the income earned on investments.

**Major Enterprise Funds:**

- **Workers' Compensation Fund** accounts for the workers' compensation program that provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.
- **Unemployment Compensation Fund** accounts for the unemployment compensation program. It accounts for the deposit of funds, requisitioned from the Federal Unemployment Trust Fund, to provide services to eligible participants within the state and to pay unemployment benefits.
- **Higher Education Student Services Fund** is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.
- **Health Insurance Fund** is used to account for premiums collected and payments for public and school employees' insurance benefits.

The state includes the following nonmajor funds:

**Nonmajor Governmental Funds:**

- **Special Revenue Funds** account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or for major capital projects) that are restricted or committed to expenditures for specific purposes. These include a variety of state programs including public safety and health assistance programs; natural resource and wildlife protection and management programs; the state's transportation programs which include the operation of the state's ferry system and maintenance and preservation of interstate and non-interstate highway systems; driver licensing, highway and non-highway operations, and capital improvements; K-12 school construction; and construction and loan programs for local public works projects.
- **Debt Service Funds** account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the state's bonds issued in support of governmental activities.
- **Capital Projects Funds** account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of major state-owned capital facilities (other than highway infrastructure or those financed by proprietary funds).
- **Common School Permanent Fund** accounts for the principal derived from the sale of timber. Interest earned is used for the benefit of common schools.

**Nonmajor Proprietary Funds:**

- **Enterprise Funds** account for the state's business type operations for which a fee is charged to external users for goods or services including: the state lottery, vocational/education programs at correctional institutions, the Guaranteed Education Tuition program, paid family and medical leave compensation, and other activities.
- **Internal Service Funds** account for the provision of legal, motor pool, data processing, risk management, and other services by one department or agency to other departments or agencies of the state on a cost-reimbursement basis.

**Nonmajor Fiduciary Funds:**

- **Pension (and other employee benefit) Trust Funds** are used to report resources that are required to be held in trust by the state for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other employee benefit plans.
- **Investment Trust Funds** account for the external portion of the local government investments, which is reported by the state as the sponsoring government.
- **Private-Purpose Trust Funds** are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments such as the administration of unclaimed property.
- **Custodial Funds** account for resources held by the state in a custodial capacity for other governments, private organizations, or individuals that are not required to be reported in pension (and other employee benefit) trust funds, investment funds, or private-purpose trust funds.

**Operating and Nonoperating Revenues and Expenses.** The state's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. For example, operating revenues for the state's workers' compensation and health insurance funds consist of premiums and assessments collected. Operating expenses consist of claims paid to covered individuals, claims adjustment expenses, costs of commercial insurance coverage, and administrative expenses. Revenue from the federal government for unemployment benefits is also reported as operating revenues for the Unemployment Compensation Fund as this revenue source provides significant funding for the payment of unemployment benefits – the fund's principal activity. All revenues and expenses not meeting this definition are reported as nonoperating, including interest expense and investment gains and losses.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

For government-wide reporting purposes, the state uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is

incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

For fund statement reporting purposes, the state uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds. With the current financial resources measurement focus, generally only current assets, current liabilities, deferred outflows of resources, and deferred inflows of resources are included on the governmental funds balance sheet. Operating statements for these funds present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, motor fuel taxes, federal grants-in-aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within one year. Revenue for timber cutting contracts is accrued when the timber is harvested. Revenues from licenses, permits, and fees related to a future time period are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the availability criteria are met. Expenditure-driven grant revenue is considered available if it can be collected by the state at the same time cash is disbursed to cover the associated grant expenditure. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collectible within 12 months.

Property taxes are levied in December for the following calendar year. The first half-year collections are due by April 30, and the second half-year collections are due by October 31. Since the state is on a fiscal year ending June 30, the first half-year collections are recognized as revenue

if collectible within 60 days of the fiscal year end. The second half-year collections are recognized as receivables offset by unavailable revenue. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are generally recognized when the related liability is incurred. However, unmatured interest on general long-term obligations is recognized when due. Certain liabilities including compensated absences, other postemployment benefits, and claims and judgments are recognized when the obligations are expected to be liquidated with available spendable financial resources.

The state reports both unavailable and unearned revenues on its governmental fund balance sheet. Unavailable revenues arise when a potential revenue does not meet both the “measurable” and the “available” criteria for revenue recognition in the current period. Unearned revenues arise when resources are received by the state before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures/expenses.

All proprietary and fiduciary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, liabilities, deferred outflows of resources, and deferred inflows of resources associated with the operations of these funds are included on their respective statements of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

All proprietary and fiduciary funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

## **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND**

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### **NET POSITION/FUND BALANCE**

#### **1. Cash and Investments**

Investments of surplus or pooled cash balances are reported on the accompanying Statements of Net Position, Balance Sheets, and Statements of Cash Flows as “Cash and Cash Equivalents.” The Office of the State Treasurer invests state treasury cash surplus where funds can be disbursed at any time without prior notice or penalty. For reporting purposes, pooled investments are stated at fair value or amortized cost, which approximates

fair value. For purposes of reporting cash flows, the state considers cash and pooled investments to be cash equivalents. Pooled investments include short-term, highly-liquid investments that are both readily convertible to cash and are so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates.

The method of accounting for investments varies depending upon the fund classification. Investments in the state’s Local Government Investment Pool (LGIP), a qualified external investment pool, are reported at amortized cost which approximates fair value. The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98504-0200, online at: [LGIP Annual Comprehensive Financial Reports](#) or phone number (360) 902-9000. TTY users dial 711 to be connected to the state TTY operator.

The fair value of certain pension trust fund investments that are organized as limited partnerships and have no readily ascertainable fair values (including real estate, private equity, and tangible assets) has been determined by using the net asset value per share of the Pension Funds’ ownership interest in partners’ capital. These values are based on the individual investee’s capital account balance reported at fair value at the closest available reporting period, adjusted for subsequent activity. At June 30, 2023, these alternative investments are valued at \$90.72 billion. Because of the inherent uncertainties in the estimation of fair values, it is possible that the estimates will change in the near-term or the subsequent sale of assets will be different than the June 30, 2023, reported net asset value.

Short-term money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

All other investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Additional disclosure describing investments is provided in Note 3.

## 2. Receivables and Payables

Receivables in the state's governmental fund type accounts consist primarily of taxes and federal revenues. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria (refer to Note 1.C) have been met. All receivables are reported net of an allowance for accounts estimated to be uncollectible.

For government-wide reporting purposes, amounts recorded as interfund/interagency receivables and payables are eliminated in the governmental and business-type activities columns on the Statement of Net Position, except for the net residual balances due between the governmental and business-type activities, which are reported as internal balances.

Amounts recorded in governmental and business-type activities as due to or from fiduciary funds have been reported as due to or from other governments.

## 3. Inventories and Prepaids

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported in the state's financial statements if the fiscal year-end balance on hand at an inventory control point is estimated to be \$50,000 or more. Consumable inventories are valued at cost using either the first-in, first-out or weighted average methods. Donated consumable inventories are recorded at fair value.

All merchandise inventories are considered reportable for financial statement purposes. Merchandise inventories are generally valued at cost using the first-in, first-out or weighted average method. Inventories of governmental funds are valued at cost and recorded using the consumption method. Proprietary funds expense inventories when used or sold.

For governmental fund financial reporting, inventory balances are also recorded as a nonspendable fund balance indicating that they do not constitute "available spendable resources," except for \$6.8 million in federally donated consumable inventories, which are offset by unearned revenue because they are not earned until they are distributed to clients.

Prepaid items are those certain types of supplies and/or services (not inventory) that are acquired or purchased

during an accounting period but not used or consumed during that accounting period.

In governmental fund type accounts, prepaid items are generally accounted for using the purchases method. Under the purchases method, prepaid items are treated as expenditures when purchased and residual balances, if any, at year end are not accounted for as assets.

In proprietary and fiduciary fund type accounts, prepaid items are accounted for using the consumption method. The portion of supplies or services consumed or used during a period is recorded as an expense. The balance that remains is reported as an asset until consumed or used.

## 4. Restricted Assets

Certain cash, investments, and other assets are classified as restricted assets on the Statement of Net Position and Balance Sheet because their use is limited by debt covenants, escrow arrangements, or other regulations.

## 5. Capital Assets

Capital assets are tangible and intangible assets held and used in state operations, which have a service life of more than one year and meet the state's capitalization policy.

It is the state's policy to capitalize:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs.
- The state highway system operated by the Department of Transportation.
- Infrastructure, other than the state highway system, with a cost of \$100,000 or more.
- Buildings, building improvements, improvements other than buildings, and leasehold improvements with a cost of \$100,000 or more.
- Intangible assets (excluding intangible right-to-use lease assets), either purchased or internally developed, with a cost of \$1 million or more that are identifiable by meeting one of the following conditions:
  - The asset is capable of being separated or divided and sold, transferred, licensed, rented, or exchanged.

## State of Washington

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- The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable.
- Lease assets with total payments over the lease term of \$500,000 or greater.
- All capital assets acquired with Certificates of Participation, a debt financing program administered by the Office of the State Treasurer.
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater.

Assets acquired by lease-to-own agreements are capitalized if the assets' fair value meets the state's capitalization thresholds described above.

Purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Capital asset costs include the purchase price plus those costs necessary to place the asset in its intended location and condition for use (ancillary costs). Normal maintenance and repair costs that do not materially add to the value or extend the life of the state's capital assets are not capitalized.

Donated capital assets, works of art, and historical treasures are valued at their estimated acquisition value on the date of donation, plus all appropriate ancillary costs. When the acquisition value is not practically determinable due to lack of sufficient records, estimated cost is used. Where necessary, estimates of value are derived by factoring price levels from the current period to the time of acquisition.

State agencies are not required to capitalize art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to policy requirements that the proceeds from sales of collection items be used to acquire other items for the collection.

Depreciation/amortization is calculated using the straight-line method over the estimated useful lives of the assets, excluding intangible right-to-use lease assets and subscription assets.

Generally, estimated useful lives are as follows:

Buildings & building components	5-50 years
Furnishings, equipment, and collections	3-50 years
Other improvements	3-50 years
Intangibles	3-50 years
Infrastructure	20-50 years

The cost and related accumulated depreciation/amortization of disposed capital assets are removed from the accounting records.

The state capitalizes the state highway system as a network but does not depreciate it since the system is being preserved approximately at or above a condition level established by the state. That condition level is documented and disclosed in the Required Supplementary Information. Additionally, the highway system is managed using an asset management system that includes:

- Maintenance of an up-to-date inventory of system assets.
- Performance of condition assessments of the assets at least every three years with summarization of the results using a measurement scale.
- Annual estimation of the amount to maintain and preserve the assets at the condition level established and disclosed.

All state highway system expenditures that preserve the useful life of the system are expensed in the period incurred. Additions and improvements that increase the capacity or efficiency of the system are capitalized. This approach of reporting condition instead of depreciating the highway system is called the modified approach.

For government-wide financial reporting purposes, capital assets of the state are reported as assets in the applicable governmental or business-type activities column on the Statement of Net Position. Depreciation/amortization expense related to capital assets is reported in the Statement of Activities.



Capital assets and the related depreciation/amortization expense are also reported in the proprietary fund financial statements.

In governmental funds, capital assets are not capitalized in the accounts that acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the year assets are acquired or construction costs are incurred. No depreciation/amortization is reported.

## 6. Leases and Subscription-Based Information Technology Arrangements

**Lessee and Subscription-Based Information Technology Arrangement (SBITA) Activities.** The state is a lessee for various noncancellable leases of land, buildings, equipment, and vehicles. The state also has noncancellable SBITAs for the right to use information technology hardware and software.

For leases and SBITAs that meet the capitalization threshold, the state recognizes a lease or subscription liability, respectively, and an intangible right-to-use lease asset or subscription asset (capital assets), respectively, on the Statement of Net Position in the government-wide and proprietary and fiduciary fund financial statements.

For governmental fund financial reporting, the initial value of the lease or subscription liability is reported as other financing sources with a corresponding capital outlay at lease or subscription commencement.

The lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the amount of the lease liability, plus any lease payments made at or before the lease commencement date and initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the state is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

The subscription liability is initially measured at the present value of payments expected to be made during the

subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the amount of the subscription liability, plus any subscription payments made at or before the subscription commencement date and capitalizable implementation costs, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Generally, the state's incremental borrowing rate is used as the discount rate for leases and SBITAs unless the rate that the lessor/vendor charges is known. The incremental borrowing rate for leases is based on the rate of interest the state would be charged if it issued certificates of participation to borrow an amount equal to the payments for a similar asset type and under similar terms at the commencement or remeasurement date. The University of Washington and Washington State University each use an incremental borrowing rate specific to their university as the discount rate for leases and SBITAs.

The lease or subscription term includes the noncancellable periods of the lease or SBITA, respectively, plus any additional periods covered by either the state or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the state and the lessor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease or subscription term.

Certain payments are evaluated to determine if they should be included in the measurement of the lease and subscription liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.

The state monitors changes in circumstances that may require remeasurement of a lease or subscription liability. When certain changes occur that are expected to significantly affect the amount of the lease, the liability is remeasured and a corresponding adjustment is made to the lease or subscription asset.

For leases and SBITAs below the capitalization threshold and leases and SBITAs with a maximum possible term of

12 months or less at commencement, an expense/expenditure is recognized based on the provisions of the contract.

**Lessor Activities.** The state is a lessor for various noncancellable leases of land, buildings, and other assets such as communication towers.

For leases that meet the capitalization threshold, at lease commencement, the state recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position in the government-wide and proprietary and fiduciary fund financial statements and on the governmental funds Balance Sheet.

The lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the amount of the lease receivable, plus lease payments made at or before the lease commencement date, less any lease incentives paid to, or on behalf of, the lessee at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as lease revenue on a straight-line basis over the lease term.

Generally, the state's incremental borrowing rate for leases is used as the discount rate for lease receivables. The University of Washington and Washington State University each use an incremental borrowing rate specific to their university as the discount rate for lease contracts where the university is the lessor.

The lease terms include the noncancellable period of the lease plus any additional periods covered by either a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the lessee and the state have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease term.

The state monitors changes in circumstances that may require remeasurement of a lease receivable. When certain changes occur that are expected to significantly affect the amount of the lease, the receivable is remeasured and a corresponding adjustment is made to the deferred inflow of resources.

For leases below the capitalization threshold and leases with a maximum possible term of 12 months or less at commencement, revenue is recognized based on the provisions of the lease contract.

## 7. Deferred Outflows/Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Refer to Note 12 for a disaggregation of deferred outflows of resources and deferred inflows of resources.

Unavailable revenue arises only under the modified accrual basis of accounting, and so is reported only on the governmental funds Balance Sheet. Governmental funds report deferred inflows for unavailable revenues primarily from two sources: taxes and long-term receivables. These amounts are recognized as inflows of resources in the periods that the amounts become available.

## 8. Compensated Absences

State employees accrue vested vacation leave at a variable rate based on years of service. In general, accrued vacation leave cannot exceed 240 hours at the employee's anniversary date.

Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested (i.e., the state does not pay employees for unused sick leave upon termination except upon employee death or retirement). At death or retirement, the state is liable for 25 percent of the employee's accumulated sick leave. In addition, the state has a sick leave buyout option in which, each January, employees who accumulate sick leave in excess of 480 hours may redeem sick leave earned but not taken during

the previous year at the rate of one day's pay in exchange for each four days of sick leave.

It is the state's policy to liquidate its compensated absences obligations with future resources rather than advance funding it with available spendable financial resources.

For government-wide reporting purposes, the state reports compensated absences obligations as liabilities in the applicable governmental or business-type activities columns on the Statement of Net Position.

For fund statement reporting purposes, governmental funds recognize an expenditure for annual and sick leave when it is payable (i.e., upon employee's use, resignation, death or retirement). Proprietary funds recognize the expense and accrue a liability for annual leave and estimated sick leave buyout, including related payroll taxes and benefits, as applicable, as the leave is earned.

## 9. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term obligations of the state are reported as liabilities on the Statement of Net Position. Bonds payable are reported net of applicable original issuance premiums or discounts. When material, bond premiums and discounts are deferred and amortized over the life of the bonds.

For governmental fund financial reporting, the face (par) amount of debt issued is reported as other financing sources. Premiums and discounts on original debt issuance are also reported as other financing sources and uses, respectively. Issuance costs are reported as debt service expenditures.

## 10. Net Position/ Fund Balance

In governmental fund type accounts, the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources is called fund balance. Fund balance is reported in classifications which reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent. Classifications include:

- **Nonspendable** fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- **Restricted** fund balance represents amounts for which constraints are placed on their use by the state

Constitution, enabling legislation, or external resource providers such as creditors, grantors, or laws or regulations of other governments.

- **Committed** fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by state law as adopted by the state Legislature. The commitment remains in place until the Legislature changes or eliminates the state law.
- **Assigned** fund balance represents amounts that are intended for a specific purpose by management, but are neither restricted nor committed. Generally, assignment is expressed by joint legislative and executive staff action.
- **Unassigned** fund balance represents the residual amount for the General Fund that is not contained in the other classifications. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When resources meeting more than one of the classifications (excluding nonspendable) are comingled in an account, assuming that the expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, and finally assigned.

For government-wide reporting as well as in proprietary funds, the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- **Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- **Restricted** net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.



- **Unrestricted** net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the state's policy to use restricted resources first and then use unrestricted resources as they are needed.

In fiduciary funds, net position is held in trust for individuals and external organizations.

## **E. OTHER INFORMATION**

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### **1. Insurance Activities**

**Workers' Compensation.** Title 51 RCW establishes the state of Washington's Workers' Compensation Program. The statute requires all employers to secure coverage for job-related injuries and diseases, with few exceptions, through the Workers' Compensation Fund or through self-insurance.

Direct private insurance is not authorized, although self-insurers are permitted to reinsure up to 80 percent of their obligations through private insurers.

The Workers' Compensation Fund, an enterprise fund, is used to account for the Workers' Compensation Program which provides time-loss, medical, vocational, disability, and pension benefits to qualifying individuals sustaining work-related injuries or illnesses. The main benefit plans of the Workers' Compensation Program are funded based on rates that will keep these plans solvent in accordance with recognized actuarial principles. The supplemental pension plan supports cost-of-living adjustments (COLAs) granted for time-loss and disability payments; however, these are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

Premiums are based on individual employers' reported payroll hours and insurance rates based on each employer's risk classification(s) and past experience, except for the Supplemental Pension Fund premiums which are based on a flat rate per hours worked independent of risk class or past experience. In addition to its regular premium plan which is required for all employers, the Workers' Compensation Fund offers a voluntary retrospective premium-rating plan under which premiums are subject to

three annual adjustments based on group and individual employers' loss experience. Initial adjustments to the standard premiums are paid to or collected from the groups and individual employers approximately ten months after the end of each plan year.

The Department of Labor and Industries, as administrator of the Workers' Compensation Program, establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have already occurred. The length of time for which such costs must be estimated varies depending on the benefit involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liabilities, claims adjudication, and judgments, the process used in computing claims liabilities does not necessarily result in an exact amount.

Claims payable are recomputed quarterly using a variety of actuarial and statistical techniques. These techniques are used to produce current estimates that reflect recent settlements, claim frequency, expected inflation, and other economic, legal, and social factors. Adjustments to claims payable are charged or credited to claims expense in the periods in which they are made.

The Workers' Compensation Program purchases catastrophe reinsurance for risks in excess of its retention on the workers' compensation insurance policy to reduce its exposure to the financial risks associated with a catastrophe. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the Workers' Compensation Program as direct insurer of the risks reinsured.

Amounts that are recoverable from reinsurers and that relate to paid claims and claim adjustment expenses are classified as assets, with an allowance for estimated uncollectible amounts. Estimated amounts recoverable from reinsurers that relate to the liabilities for unpaid claims and claims adjustment expenses are deducted from those liabilities. Ceded unearned premiums are netted with related unearned premiums. Receivables and payables from the same reinsurer, including amounts withheld, are netted. Reinsurance premiums ceded and reinsurance recoveries on claims are netted against related earned premiums and incurred claims costs in the Statement of Revenues, Expenses, and Changes in Net Position.

The Department of Labor and Industries prepares a stand-alone financial report for its Workers' Compensation Program. Copies of the report that include financial

statements and required supplementary information may be obtained by writing to Washington State Department of Labor and Industries, PO Box 44000, Olympia, WA 98504-4000 or by visiting their website at: [State Fund Financial Reports](#).

**Risk Management.** The state of Washington operates a self-insurance liability program pursuant to RCW 4.92.130. The state's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead, the state's management believes it is more economical to manage its risks internally and set aside assets for claims settlement in the Risk Management Fund, an internal service fund. Coverage is provided up to \$10 million for each claim with no deductible. Commercial insurance is purchased for various liabilities and to limit the exposure to catastrophic losses. Otherwise, the self-insurance liability program services all claims against the state for injuries and property damage to third parties. The majority of state funds and agencies participate in the self-insurance liability program in proportion to their anticipated exposure to liability losses.

**Health Insurance.** The state of Washington, through the Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) Programs, administers and provides medical, vision, dental, life, and long-term disability insurance benefits for eligible state employees, school employees, retirees, and their dependents. Employer groups, comprised of counties, municipalities, political subdivisions, tribal governments, the Washington Health Benefit Exchange, and employee organizations representing state civil service employees are allowed to contract with the state to provide these benefits to their employees through the PEBB Program. The state establishes eligibility requirements and approves the plan design of all participating insurers.

The Health Insurance Fund is accounted for as an enterprise fund.

The state and the employee contribute to the total monthly premium for benefits. The state's share of the cost of benefits is based on a per capita amount determined annually by the Legislature, which is allocated to state agencies and school districts. The employee's share is determined by the benefit coverages elected by the employee.

The Health Care Authority (HCA), as administrator of the PEBB and SEBB Programs, collects the total monthly premium. State agencies and school districts submit

payment for each eligible employee. Separated employees, employees who lose eligibility, and employees who are temporarily not in pay status are able to continue benefits on a self-pay basis for medical and dental benefits. Retirees also pay for benefits on a self-pay basis. Employer groups submit payment to HCA for the total cost of their employees' benefits. For additional information, refer to Note 16.

The state secures commercial insurance for certain coverage offered in addition to plans offered via the Uniform Medical Plan, the state's self-insured offering. The Uniform Medical Plan enrolled approximately 57 percent of the eligible subscribers in fiscal year 2023. Claims are paid from premiums collected, and claims adjudication is contracted through a third-party administrator.

Considerations in calculating liabilities include frequency of claims, administrative costs, industry inflation trends, advances in medical technology, and other social and economic factors. Liabilities include an amount for claims incurred but not reported.

## 2. Postemployment Benefits

**COBRA.** In compliance with federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the state offers health and dental benefits on a temporary basis to qualified beneficiaries whose benefit coverage would otherwise end because of a qualifying event such as loss of employment. COBRA coverage is available on a self-paid basis and is the same medical and dental coverage available to state employees.

**Medical Expense Plan.** As disclosed in Note 1.D, at the time of separation from state service due to retirement or death, the state offers a 25 percent buyout of an employee's accumulated sick leave. Individual state agencies may offer eligible employees a medical expense plan (MEP) that meets the requirements of the Internal Revenue Code. Agencies offering an MEP deposit the retiring employee's sick leave buyout in the MEP for reimbursement of medical expenses.

**Retirement Benefits.** Refer to Note 15 Retirement Plans and Note 16 Other Postemployment Benefits.

## 3. Interfund/Interagency Activities

The state engages in two major categories of interfund/interagency activity: reciprocal and nonreciprocal.

Reciprocal interfund/interagency activity is the internal counterpart to exchange and exchange-like transactions and includes both interfund loans and services provided and used. Nonreciprocal activity is nonexchange in nature and includes both transfers and reimbursements.

The net appreciation available for authorization for expenditure by governing boards totaled \$1.14 billion. This amount is reported as restricted for expendable endowment funds on the government-wide Statement of Net Position.

#### 4. Donor-restricted Endowments

The state of Washington reports endowments in higher education endowment and other permanent accounts. These accounts are established outside of the state treasury for use by the higher education institutions. There is no state law that governs endowment spending; rather, the policies of individual university and college boards govern the spending of net appreciation on investments.

Under the current spending policies, distributions to programs approximate an annual percentage rate of 3.76 percent of a five-year rolling average of the endowments' market valuation.

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## Note 2

### Accounting and Reporting Changes

**Reporting Changes.** Effective for fiscal year 2023, the state adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by clarifying the definition of conduit debt and establishes standards for accounting and financial reporting.

Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*. This statement establishes accounting and financial reporting guidance for arrangements between governments and an external entity. PPP arrangements generally result in the government conveying control of the right to operate or use a capital asset to an external entity for a period of time in an exchange or exchange-like transaction. APAs are agreements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This statement establishes accounting and financial reporting guidance for SBITAs. A SBITA is defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible underlying IT assets, in an exchange or exchange-like transaction for a period exceeding 12 months. The government is required to recognize a subscription liability and an intangible right-to-use subscription asset. Cash outlays necessary to place the subscription asset in service can be capitalized during the initial project implementation stage.

Statement No. 99, *Omnibus 2022*. This statement improves consistency by addressing practice issues identified during implementation and application of certain GASB statements and addressing accounting and financial reporting for financial guarantees.

**Prior Period Adjustments.** The state recorded an increase to the beginning fund balance of \$327 thousand in the Higher Education Student Services Fund, a major enterprise fund, and an increase of \$331 thousand in the Higher Education Revolving Fund, an internal service fund, as a result of implementing GASB Statement No. 96.

## State of Washington

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The state recorded a decrease of \$650 thousand in the beginning fund balance in the Higher Education Special Revenue Fund, a major governmental fund, a decrease in beginning fund balance of \$307 thousand in the Higher Education Facilities Fund, a non-major governmental fund, and an increase of \$84 thousand in beginning fund balance in the Higher Education Student Services Fund, a major enterprise fund. This was a result of lease activity that should have been previously recorded under GASB Statement No. 87.

The state recorded an increase of \$4.5 million in the beginning fund balance in the Higher Education Special Revenue Fund, a major governmental fund, a decrease of \$1.9 million in beginning fund balance in the Higher Education Facilities Fund, a non-major governmental fund, a decrease of \$70.0 million in beginning fund balance in the Higher Education Student Services Fund, a major enterprise fund, an increase of \$70.3 million in beginning fund balance of the General Obligation Bond Fund, a non-major governmental fund, and an increase of \$23.9 million in Other Custodial Funds, a fiduciary fund, due to corrections of errors.

The state recorded an increase of \$220.1 million in the beginning fund balance in the General Fund for federal revenues that the U.S. Department of Health and Human Services, Center for Medicare and Medicaid Services determined the state had not drawn in previous fiscal years.

The state recorded an increase of \$5.1 million in beginning net position in the Unemployment Compensation Fund, a major enterprise fund, to adjust the prior year liabilities for claims collected for overpayments that are due to the federal government.

The Health Benefit Exchange, a major component unit, recorded a decrease in beginning net position of \$166 thousand as a result of implementing GASB Statement No. 96.

The Public Stadium Authority, a nonmajor component unit, recorded an increase in beginning net position of \$29 thousand for transactions recorded in the component unit's fiscal year 2022 financial statements after the state of Washington's fiscal year 2022 Annual Comprehensive Financial Report was published.

**Governmental Capital Assets and Long-term Obligations.** The state recorded an increase to the beginning balance of governmental capital assets of \$139.8 million and an increase to the beginning balance of long-term obligations associated with governmental funds of \$111.1 million as a result of implementing GASB Statement No. 96.

The state recorded an increase to the beginning balance of governmental capital assets of \$4.8 million and an increase to the beginning balance of long-term obligations associated with governmental funds of \$5.0 million to record lease activity that should have previously been recorded per GASB Statement No. 87.

Net position/fund balance at July 1, 2022, has been restated as follows (expressed in thousands):

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State of Washington

	Net position/fund balance (deficit) at June 30, 2022, as previously reported	Prior Period Adjustment	Net position/fund balance (deficit) at July 1, 2022, as restated
<b>Governmental Funds:</b>			
General	\$ 9,059,792	\$ 220,102	\$ 9,279,894
Higher Education Special Revenue	5,312,127	3,809	5,315,936
Higher Ed. Endowment & Other Permanent Funds	5,107,086	—	5,107,086
Nonmajor Governmental	9,937,335	68,062	10,005,397
<b>Proprietary Funds:</b>			
<b>Enterprise Funds</b>			
Workers' Compensation	(19,580,356)	—	(19,580,356)
Unemployment Compensation	3,458,819	5,079	3,463,898
Higher Education Student Services	1,393,623	(69,615)	1,324,008
Health Insurance	133,167	—	133,167
Nonmajor Enterprise	831,066	—	831,066
Internal Service Funds	(1,135,936)	331	(1,135,605)
<b>Fiduciary Funds:</b>			
Private-Purpose Trust Fund	12,553	—	12,553
Local Government Investment Pool	18,788,501	—	18,788,501
Pension (and Other Employee Benefit) Trust Funds	160,704,257	—	160,704,257
Custodial Funds	1,200,681	23,871	1,224,552
<b>Component Units:</b>			
Fred Hutchinson Cancer Center	944,383	—	944,383
Health Benefit Exchange	22,499	(166)	22,333
Valley Medical Center	224,040	—	224,040
Nonmajor Component Units	948,672	29	948,701

## Note 3

### Deposits and Investments

#### A. DEPOSITS

**Custodial Credit Risk.** Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the state would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

The state minimizes custodial credit risk by restrictions set forth in state law. Statutes require state agencies to deposit

#### B. INVESTMENTS - PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

##### 1. Summary of Investment Policies

Under RCW 43.33A.030, trusteeship of the pension trust funds is vested within the voting members of the Washington State Investment Board (WSIB). The Legislature has established a standard of care for investment of these funds in RCW 43.33A.140. Additionally, the WSIB and its staff must comply with other state laws, such as the Ethics in Public Service Act, chapter 42.52 RCW, in making investment decisions and seeking to meet investment objectives.

The pension trust funds consist of retirement contributions from employer and employee participants of the plans and related earnings on those contributions, as managed by the WSIB. The Washington State Retirement System is administered by the Department of Retirement Systems (DRS). The DRS acts as the administering agency for all plans, except for the Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund, which is administered by the Board for Volunteer Firefighter and Reserve Officers, and the Higher Education Retirement Pension Supplemental Benefit Funds, which are administered by each higher education entity. The WSIB has exclusive control of the investment of all money invested in the pension trust funds.

In accordance with RCW 43.33A.110, the WSIB manages the pension fund portfolio to achieve maximum return at a prudent level of risk. The WSIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix may deviate from the target. Deviations greater than predetermined

funds in financial institutions that are physically located in Washington unless otherwise expressly permitted by statute and authorized by the Washington Public Deposit Protection Commission (PDPC). The PDPC, established under chapter 39.58 of the Revised Code of Washington (RCW), makes and enforces regulations and administers a collateral pool program to ensure public funds are protected if a financial institution becomes insolvent. Securities pledged are held by a trustee agent for the benefit of the collateral pool.

At June 30, 2023, \$1.21 billion of the state's deposits with financial institutions were insured or collateralized, with the remaining \$739 thousand uninsured/uncollateralized.

acceptable levels require rebalancing back to the target. When an asset class exceeds its range, the goal of rebalancing is to meet the target allocation within consideration of the other remaining asset classes.

**Eligible Investments.** The WSIB is authorized by statute as having investment management responsibility for the pension trust funds. The WSIB is authorized to invest as provided by statute (chapter 43.33A RCW) and WSIB policy in the following: U.S. treasury bills; discount notes; repurchase agreements; reverse repurchase agreements; banker's acceptances; commercial paper; guaranteed investment contracts; U.S. government and agency (government sponsored corporations eligible for collateral purposes at the Federal Reserve) securities; non-U.S. dollar bonds; investment grade corporate bonds; non-investment grade corporate bonds; publicly traded mortgage-backed securities; privately placed mortgages; private placements of corporate debt; U.S. and foreign common stock; U.S. preferred stock; convertible securities; private equity including but not limited to investment corporations, partnerships, and limited liability companies for venture capital, leveraged buy-outs, real estate and other tangible assets, or other forms of private equity; asset-backed securities; and derivative instrument securities including futures, options, options on futures, forward contracts, and swap transactions. There were no violations of these investment restrictions during fiscal year 2023.

**Commingled Trust Fund.** Pension trust funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments used as an investment vehicle for 20 separate retirement plans. These plans hold shares in the CTF which represent a percentage ownership in the pool of investments. Plans are allowed to purchase or sell shares in the CTF, based on the fair value of the underlying assets, on the first business day of each month.



In addition to share ownership in the CTF, most retirement plans hold short-term investments that are used to manage the cash needs of each retirement plan.

The CTF consists of the Public Employees' Retirement System (PERS) Plans 1 and 2/3; Teachers' Retirement System (TRS) Plans 1 and 2/3; School Employees' Retirement System (SERS) Plan 2/3; Law Enforcement Officers' and Firefighters' Retirement Plans 1 and 2, and the Benefits Improvement Fund; Washington State Patrol Retirement System Plans 1 and 2; Public Safety Employees' Retirement System Plan 2; Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund; and the Higher Education Retirement Pension (HERP) Supplemental Benefit Fund, which consists of plans for seven higher education entities: University of Washington, Washington State University, Eastern Washington University, Central Washington University, The Evergreen State College, Western Washington University, the State Board for Community and Technical Colleges, and the Retirement Strategy Fund (RSF). The CTF includes both the defined benefit and defined contribution portions of PERS Plan 3, TRS Plan 3, and SERS Plan 3, which are hybrid defined benefit/defined contribution plans. The CTF is a component of each RSF vintage years' glide path. The RSF is a self-directed investment option for the defined contribution and deferred compensation plans and programs. The participants of those plans have the option to direct their contributions to the CTF or invest their defined contributions in other external options not managed by the WSIB.

**CTF Investment Policies and Restrictions.** The CTF is comprised of public markets equities, fixed income securities, private equity investments, real estate, tangible assets, and an innovation portfolio. The CTF's performance objective is to exceed the return of two custom benchmarks, each consisting of public indices weighted according to asset allocation targets.

The asset allocation for the CTF is formally reviewed at least every four years. The allocation policy is reviewed more frequently if there has been a fundamental change in the structure of the capital markets or in the underlying cash flow or liability structure of the pension trust funds.

When fair values fall outside policy ranges, assets are rebalanced first by using normal cash flows and then through reallocations of assets across asset classes. In cases of a major rebalancing, the pension trust funds can utilize futures, forward contracts, and options in order to

maintain exposure within each asset class and reduce transaction costs. Major rebalancing can occur to bring asset classes within their target ranges or when the pension trust funds are transitioning managers.

*Public Markets Equity.* To achieve the performance and diversification objectives of the pension trust funds, the public markets equity program seeks to achieve the highest return possible consistent with prudent risk management and the desire for downside protection, with passive equity strategies as the default whenever strategies with better risk/return profiles cannot be identified; provide diversification to the pension trust funds' overall investment program; maintain liquidity in public equity; and maintain transparency into all public equity strategies to the extent possible.

The public markets equity portion of the pension trust funds invests in publicly traded equities globally, including equity securities in the U.S., developed non-U.S. markets, and emerging markets. The program has a global benchmark, currently the Morgan Stanley Capital International (MSCI) All Country World Index Investable Market Index. A mix of external managers approved by the WSIB is used to manage the program. Passive management delivers broad diversified equity market exposure at low cost and is used when active managers cannot be identified and monitored appropriately. Passive management is also used when it is considered an appropriate alternative to active management, typically in more efficient markets. Active management is used when the pension trust funds can identify, access, and monitor successful managers in markets that are less efficient. Active management seeks to enhance the risk/return profile of the program.

*Fixed Income.* The fixed income segment is managed to achieve the highest return possible consistent with the desire to manage interest rate and credit risk, provide diversification to the overall investment program, provide liquidity to the pension trust funds investment program, and to meet or exceed the return of the Bloomberg U.S. Universal Index. Sources of outperformance are expected to include interest rate anticipation, sector rotation, credit selection, and diversification.

RCW 43.33A.140 prohibits a corporate fixed income issues cost from exceeding 3 percent of the CTF's fair value at the time of purchase and 6 percent of its fair value thereafter. However, the WSIB manages with a more restrictive concentration constraint, limiting exposure to any corporate issuer to 3 percent of the CTF fixed income portfolio's fair value at all times.

The fixed income portfolio is constrained by policy from investing more than 1 percent of the portfolio's par value in any single issuer with a quality rating below investment grade (as defined by Bloomberg Global Family of Fixed Income Indices). Total fair value of below investment grade credit bonds shall not exceed 15 percent of the fair value of the fixed income portfolio. Although below investment grade mortgage-backed, asset-backed, or commercial mortgage-backed securities may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held. The total fair value of below investment grade mortgage-backed, asset-backed, and commercial mortgage-backed securities shall not exceed 5 percent of the fair value of the fixed income portfolio. The duration of the portfolio is targeted to be within plus or minus 25 percent of the duration of the Bloomberg U.S. Universal Index.

The major sector allocations of the fixed income portfolio are limited to the following ranges:

U.S. treasuries and government agencies	10% - 45%
Credit bonds	10% - 80%
Asset-backed securities	0% - 10%
Commercial mortgage-backed securities	0% - 10%
Mortgage-backed securities	5% - 45%

Asset allocation policy constraints may, from time to time, place unintended burdens on the portfolios. Therefore, policy exceptions are allowed under certain circumstances. These events include changes in market interest rates, portfolio rebalancing to strategic targets, and bond rating downgrades. The portfolio can remain outside of policy guidelines until it can be rebalanced without harming the portfolio.

*Private Equity.* Pension trust funds can be invested in any appropriate private equity investment opportunity that has the potential for returns superior to traditional investment opportunities and which is not prohibited by the WSIB's policies or by law. These investment types are generally divided into venture capital, corporate finance, growth equity, special situations, distressed, mezzanine, and other investments. Private equity investments are made through limited partnership or direct investment vehicles.

The private equity investment portfolio is managed to exceed the returns of the MSCI All Country World Index Investable Market Index, lagged by one calendar quarter, by 300 basis points in the long run. To meet the return and plan objectives, the private equity portfolio has diversified

investments in companies in a variety of growth stages. The portfolio also includes a broad cross-section of opportunities in different industries and geographic regions.

*Real Estate.* The WSIB's real estate program is an externally managed pool of selected partnership investments intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The income generated from bond-like lease payments coupled with the hard asset qualities of commercial real estate combine to generate returns that are expected to fall between the return expectations for fixed income and equities over the long term. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the WSIB's long-term return expectations for the asset class.

The pension trust funds' real estate partnerships typically invest in private real estate assets that are held for long-term income and appreciation. Many of the pension trust funds' investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions, related transactions, and ongoing operational decisions for annual capital expenditures.

The pension trust funds may invest in any real estate opportunity demonstrating acceptable risk-adjusted returns, provided it is not prohibited by state law or WSIB policy. Investment structures may include real estate operating companies, joint ventures, commingled funds (closed or open-ended), and co-investments with existing WSIB real estate partners. Diversification within the real estate program is achieved through consideration of property type, capital structure, life cycle, geographic region, partner concentration, and property capital level.

The WSIB's real estate portfolio current benchmark seeks to earn an 8 percent annual investment return over a rolling 10-year period.

*Tangible Assets.* The primary goal of the tangible asset portfolio is to generate a long-term, predictable, and persistent income stream. The secondary goal is to generate appreciation approximately commensurate with inflation. The structure of the investments is primarily targeted to those publicly traded securities, private funds, or separate accounts providing the WSIB with the most robust governance provisions related to acquisitions,



dispositions, debt levels, and ongoing operational decisions for annual capital expenditures. For diversification purposes, the tangible asset portfolio focuses on income-producing physical assets in the upstream and midstream segments of four main industries: minerals and mining, energy, agriculture, and society essentials.

The WSIB's current return objective for tangible assets calls for a target benchmark of 400 basis points above the U.S. Consumer Price Index over a long-term investment horizon defined as at least five years.

*Innovation Portfolio.* The innovation portfolio investment strategy is to provide the WSIB with the ability to invest in assets that fall outside of traditional asset classes and to provide the WSIB with comfort and demonstrated success before committing large dollar amounts to the strategy.

The overall benchmark for the innovation portfolio is the weighted average of the underlying benchmark for each asset in the portfolio.

Currently, there are 10 investment strategies in the innovation portfolio involving private partnerships.

## **2. Valuation of Investments**

The pension trust funds reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Unrealized gains and losses are included in the Statement of Changes in Net Position. The following table presents fair value measurements as of June 30, 2023:

State of Washington

**Pension Trust Funds**

**Investments Measured at Fair Value**

**June 30, 2023**

*(expressed in thousands)*

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Debt Securities</b>				
Corporate bonds	\$ 15,759,067	\$ —	\$ 15,759,067	\$ —
U.S. and foreign government and agency securities	6,300,864	—	6,300,864	—
Mortgage and other asset-backed securities	<u>1,776,238</u>	<u>—</u>	<u>1,776,238</u>	<u>—</u>
<b>Total Debt Securities</b>	<b>23,836,169</b>	<b>—</b>	<b>23,836,169</b>	<b>—</b>
<b>Equity Securities</b>				
Common and preferred stock	21,345,326	21,302,743	40,205	2,378
Depository receipts and other miscellaneous	583,037	583,034	—	3
Real estate investment trusts	<u>198,911</u>	<u>198,911</u>	<u>—</u>	<u>—</u>
<b>Total Equity Securities</b>	<b>22,127,274</b>	<b>22,084,688</b>	<b>40,205</b>	<b>2,381</b>
<b>Alternative Investments</b>				
Real estate	1,054,924	—	—	1,054,924
Tangible assets	<u>359,428</u>	<u>353,307</u>	<u>—</u>	<u>6,121</u>
<b>Total Alternative Investments</b>	<b>1,414,352</b>	<b>353,307</b>	<b>—</b>	<b>1,061,045</b>
<b>Total Investments by Fair Value Level</b>	<b>47,377,795</b>	<b>\$ 22,437,995</b>	<b>\$ 23,876,374</b>	<b>\$ 1,063,426</b>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Private equity	45,925,856			
Real estate	32,447,864			
Collective investment trust funds (equity securities)	17,478,379			
Tangible assets	10,564,954			
Innovation	<u>1,784,089</u>			
<b>Total Investments Measured at the NAV</b>	<b>108,201,142</b>			
<b>Total Investments Measured at Fair Value</b>	<b>\$ 155,578,937</b>			
<b>Other Assets (Liabilities) at Fair Value</b>				
Collateral held under securities lending agreements	\$ 247,762	\$ —	\$ 247,762	\$ —
Net foreign exchange contracts receivable-forward and spot	116,398	—	116,398	—
Margin variation receivable-futures contracts	244	244	—	—
Obligations under securities lending agreements	<u>(247,762)</u>	<u>—</u>	<u>(247,762)</u>	<u>—</u>
<b>Total Other Assets (Liabilities) Measured at Fair Value</b>	<b>\$ 116,642</b>	<b>\$ 244</b>	<b>\$ 116,398</b>	<b>\$ —</b>

**Investments classified as level 1.** Investments classified as level 1 in the previous table are exchange traded equity securities whose values are based on published market prices and quotations from national security exchanges as of the appropriate market close, as of each reporting period end.

**Investments classified as level 2.** Investments classified as level 2 in the previous table are primarily comprised of publicly traded debt securities and exchange traded stocks traded in inactive markets. Publicly traded debt securities are sourced from reputable pricing vendors using models that are market-based measurements representing their good faith opinion as to the exit value of a debt security in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds, and other market corroborated inputs.

**Investments classified as level 3.** Investments classified as level 3 in the previous table are publicly traded equity securities and other investments that have noncurrent or “stale” values and are included in the table at the last traded price. The stale pricing occurred due to trading suspensions, delisting from an active exchange, or lack of investor demand. The current fair values of these securities are unknown.

**Investments measured at net asset value (NAV).** Investments measured at net asset value in the pension trust funds are the collective investment trust funds and alternative investments, including private equity, real estate, tangible assets, and innovation.

*Collective Investment Trust Funds.* The pension trust funds invests in three separate collective investment trust funds (fund). Each fund determines a fair value by obtaining fair values of the underlying holdings using reputable pricing sources and computing an overall net asset value per share. The holdings within each fund are publicly traded equity securities.

Two funds are passively managed to approximate the capitalization weighted total rates of return of the MSCI U.S. Investable Market Index and the MSCI Emerging Markets Investable Market Index. Each fund has daily openings and contributions, and withdrawals can be made on any business day. The fund managers, at their discretion, may require withdrawal proceeds to be made partially or wholly in kind. Under certain circumstances, the fund

managers may choose to suspend valuation and/or the right to make contributions and withdrawals from the fund. Such circumstances include actual or anticipated closure, restriction, or suspension of trading activity in any markets or exchanges where the fund investments are traded; where the purchase, sale, or pricing of the fund’s investments would not be reasonably practicable or advisable; or where suspending contributions or withdrawals would be in the best interest of the fund or participants.

The third fund seeks to achieve long-term capital appreciation through active investment management in emerging market countries. The index against which the fund compares its performance is the MSCI Emerging Market Index. The pension trust funds may redeem some or all of their holdings on each monthly valuation date. The fund manager may delay redemption proceeds if it determines that it is reasonably necessary to prevent a material adverse impact on the fund or other investors. The fund manager, at their discretion, may require withdrawal proceeds to be made partially or wholly in kind.

*Alternative Assets.* The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value is determined by using the net asset value per share (or its equivalent) of the pension trust funds’ ownership interest in partners’ capital. These values are based on the individual investee’s capital account balance reported at fair value by the general partner at the closest available reporting period, adjusted for subsequent contributions, distributions, management fees, changes in values of foreign currency, and published market prices for certain securities.

The limited partnerships’ annual financial statements are audited by independent auditors. These investments are valued at approximately \$90.72 billion as of June 30, 2023. Because of the inherent uncertainties in estimating fair values, it is possible that the estimates will change in the near-term or the subsequent sale of assets will be different than the June 30, 2023, reported net asset value.

These investments can never be redeemed. Instead, the nature of these investments provides for distributions through the sale or liquidation of the underlying assets and from net operating cash flows. It is anticipated that the various investments within each asset class will be liquidated over the following periods:

## State of Washington

### Pension Trust Funds

#### Alternative Assets Expected Liquidation Periods

June 30, 2023

(expressed in thousands)

Liquidation Periods	Investment Type				Total	Percentage of Total
	Private Equity	Real Estate	Tangible Assets	Innovation		
Less than 3 years	\$ 34,808	\$ 2,947	\$ 54,516	\$ 1,376	\$ 93,647	0.1 %
3 to 9 years	3,642,017	1,841,492	628,503	—	6,112,012	6.7 %
10 or more years	42,249,031	30,603,425	9,881,935	1,782,713	84,517,104	93.2 %
<b>Total</b>	<b>\$ 45,925,856</b>	<b>\$ 32,447,864</b>	<b>\$ 10,564,954</b>	<b>\$ 1,784,089</b>	<b>\$ 90,722,763</b>	<b>100.0 %</b>

*Private Equity.* This includes 296 private equity limited liability partnerships that invest primarily in the United States, Europe, and Asia in leveraged buyouts, venture capital, distressed debt, and growth equity. The fair value of individual capital account balances is based on the valuation reported by private equity partnerships using the following methodologies to value the underlying portfolio companies:

- Valuations of publicly traded portfolio companies are based on active exchanges using quoted market prices as of the close of trading for each month end.
- When a portfolio company investment does not have a readily available market price but has a return that is determined by reference to an asset for which a market price is readily available, valuations are based on the closing market price of the reference asset on the valuation date, adjusted for unique factors that affect the fair value of the investment held.
- When the portfolio company investments are private holdings and are not traded on active security exchanges, valuation methodologies consist primarily of income and market approaches. The income approach involves a discounted cash flow analysis based on portfolio companies' projections. The market approach involves valuing a company at a multiple of a specified financial measure, generally earnings before interest, taxes, depreciation, and amortization, based on multiples of comparable publicly traded companies.

*Real Estate.* This includes 21 real estate investments. Targeted investment structures within the real estate portfolio include real estate operating companies, limited liability companies, joint ventures, commingled funds, and co-investments. Real estate partnerships provide quarterly valuations to the pension trust funds management based on the most recent capital account balance. Individual properties are valued by the investment management at

least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are externally appraised

## State of Washington

generally every one to five years, depending upon the investment. Structured finance investments receive quarterly adjustments by the partners, generally applying the assumption that all such positions will be held to maturity. Annual audits of most partnerships include a review of compliance with the partnership's valuation policies.

*Tangible Assets.* This includes 66 limited liability structures and funds. Valuation practices of general partners and asset managers are consistent with private equity limited partnerships.

*Innovation.* This includes 13 limited liability structures and funds. Valuation practices of general partners and asset managers are consistent with private equity limited partnerships.

### Other assets and liabilities measured at fair value.

Forward exchange contracts are valued by interpolating a value using the spot foreign exchange rate and forward points (based on the spot rate and currency interest rate differentials), which are all inputs that are observable in active markets (level 2).

Cash collateral securities held and the offsetting obligations under securities lending agreements are valued by the pension trust funds' lending agent and sourced from reputable pricing vendors using models that are market-based measurements representing their good faith opinion as to the exit value of a security in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds, and other market corroborated inputs.

Gains and losses on futures contracts are settled daily, based on a notional (underlying) principal value, and do not involve an actual transfer of the specific instrument. The margin variation represents the current gain or loss remaining to be settled from the prior day. The custodian bank provides quoted prices for these securities from a reputable pricing vendor.

### 3. Unfunded Commitments

The WSIB has entered into a number of agreements that commit the pension trust funds, upon request, to make additional investment purchases up to predetermined amounts. As of June 30, 2023, the pension trust funds had total unfunded commitments of \$36.99 billion in the following asset classes: \$20.21 billion in private equity,

\$10.54 billion in real estate, \$5.34 billion in tangible assets, and \$897.1 million in innovation.

### 4. Securities Lending

State law and WSIB policy permit the pension trust funds to participate in securities lending programs to augment investment income. The WSIB has entered into an agreement with State Street Corporation to act as agent for the pension trust funds in securities lending transactions. As State Street Corporation is the custodian bank for the pension trust funds, it is counterparty to securities lending transactions.

The fair value of the securities on loan at June 30, 2023, was approximately \$326.8 million. The pension trust funds report securities on loan in their respective categories in the Statement of Net Position. At June 30, 2023, cash collateral received totaling \$247.8 million is reported as securities lending obligation, and the fair value of the reinvested cash collateral totaling \$247.8 million is reported as security lending collateral in the Statement of Net Position. Securities received as collateral for which the pension trust funds do not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities in the Statement of Net Position. Total securities received as collateral at June 30, 2023, was \$90.9 million.

During the fiscal year, equity securities were loaned and collateralized by the pension trust funds' agent with cash and U.S. government or U.S. agency securities including U.S. agency mortgage-backed securities (exclusive of letters of credit). When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102 percent of the fair value, including accrued interest, of the securities loaned. All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities.

The following table summarizes the securities held by the pension trust funds from reinvestment of cash collateral and securities received as collateral at June 30, 2023 (in millions):

U.S. treasuries	\$	109.1
Commercial paper		72.2
Yankee CD		61.4
Repurchase agreements		48.3
Cash equivalents and other		47.7
<b>Total Collateral Held</b>	<b>\$</b>	<b>338.7</b>

During fiscal year 2023, securities lending transactions could be terminated on demand by either the pension trust funds or the borrower. As of June 30, 2023, the cash collateral held had an average duration of 12.84 days and an average weighted final maturity of 99.61 days.

Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold absent borrower default. No more than 20 percent of the total on loan value could be held by a specific borrower. Collateral investment guidelines specifically prohibit European domiciled holdings. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. State Street Corporation indemnified the pension trust funds by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. State Street Corporation's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During fiscal year 2023, there were no significant violations of legal or contractual provisions and no failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the pension trust funds incurred no losses during fiscal year 2023 resulting from a default by either the borrowers or the securities lending agents.

## **5. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. The risk is managed within the portfolios using effective duration, which is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of fixed income investments.

## State of Washington

While the pension trust funds do not have a formal policy relating to interest rate risk, the pension trust funds' fixed income investments are actively managed to meet or exceed the return of the Bloomberg U.S. Universal Index, with volatility similar to or less than the index. The fixed income portfolio's duration is targeted within plus or minus 25 percent of the duration of the portfolio's performance benchmark. As of June 30, 2023, the duration of the pension trust funds' fixed income investments was within the duration target of this index.

The two following schedules provide information about the interest rate risks associated with the pension trust funds' investments as of June 30, 2023. The schedules display various asset classes held by maturity in years, effective durations, and credit ratings. All debt securities are reported using the average life within the portfolio. The average life is a calculated estimate of the average time (in years) until maturity for these securities, taking into account possible prepayments of principal.

### Pension Trust Funds

#### Schedule of Maturities and Effective Duration

June 30, 2023

(expressed in thousands)

Investment Type	Total Fair Value	Maturity				Effective Duration (in years)*
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Corporate bonds	\$ 15,759,067	\$ 110,980	\$ 6,232,825	\$ 6,096,374	\$ 3,318,888	6.7
U.S. government and agency securities	4,318,699	861,075	2,566,469	222,133	669,022	4.4
Foreign government and agency securities	1,982,165	6,805	691,459	799,900	484,001	7.0
Mortgage and other asset-backed securities	<u>1,401,865</u>	<u>6,979</u>	<u>1,033,935</u>	<u>274,891</u>	<u>86,060</u>	<u>4.3</u>
<b>Total internally managed fixed income</b>	<b>23,461,796</b>	<b>985,839</b>	<b>10,524,688</b>	<b>7,393,298</b>	<b>4,557,971</b>	<b>6.1</b>
Mortgage-backed to be announced forwards	<u>374,373</u>	<u>374,373</u>	—	—	—	—
<b>Total Investments Categorized</b>	<b>23,836,169</b>	<b>\$ 1,360,212</b>	<b>\$ 10,524,688</b>	<b>\$ 7,393,298</b>	<b>\$ 4,557,971</b>	<b>6.1</b>
<b>Investments Not Required to be Categorized:</b>						
Alternative investments	92,137,115					
Equity securities	39,605,653					
Cash and cash equivalents	<u>2,120,799</u>					
<b>Total investments not categorized</b>	<b><u>133,863,567</u></b>					
<b>Total Investments</b>	<b><u>\$157,699,736</u></b>					

\* Excludes cash and cash equivalents

Credit ratings of investments are presented using the Moody's rating scale as follows:

## State of Washington

**Pension Trust Funds**  
**Investment Credit Ratings**  
**June 30, 2023**  
*(expressed in thousands)*

Moody's Equivalent Credit Rating	Investment Type			Total Fair Value
	Mortgage and Other Asset- Backed Securities	Corporate Bonds	Foreign Government and Agency Securities	
Aaa	\$ 1,776,048	\$ 318,348	\$ 38,740	\$ 2,133,136
Aa1	—	174,135	175,263	349,398
Aa2	—	45,606	176,139	221,745
Aa3	—	923,726	60,475	984,201
A1	—	1,397,354	276,423	1,673,777
A2	—	1,489,357	115,114	1,604,471
A3	—	2,707,009	—	2,707,009
Baa1	—	2,342,487	—	2,342,487
Baa2	190	2,316,034	539,797	2,856,021
Baa3	—	1,878,338	101,779	1,980,117
Ba1 or lower	—	2,166,673	498,435	2,665,108
<b>Total</b>	<b>\$ 1,776,238</b>	<b>\$ 15,759,067</b>	<b>\$ 1,982,165</b>	<b>\$ 19,517,470</b>

### 6. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The pension trust funds' investment policies limit the fixed income securities to investment grade or higher at the time of purchase. Investment grade securities are those fixed income securities with a Moody's rating of Aaa to Baa or a Standard and Poor's rating of AAA to BBB. The rated debt investments of the pension trust funds as of June 30, 2023, were rated by Moody's and/or an equivalent national rating organization.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The policy of the pension trust funds states no corporate fixed income issue shall exceed 3 percent of cost at the time of purchase or 6 percent of fair value thereafter of the fund, and no high yield issues shall exceed 1 percent of cost. There was no concentration of credit risk exceeding these policy guidelines as of June 30, 2023.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the pension trust funds would not be able to recover the value of their deposits, investments, or collateral securities. The pension trust funds do not have a policy relating to custodial credit risk. The WSIB mitigates

custodial credit risk by having its investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) registered and held in the name of the WSIB for the benefit of the pension trust funds.

### 7. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The pension trust funds do not have a formal policy to limit foreign currency risk. The WSIB manages their exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios by sector and by issuer, to limit foreign currency and security risk.

The following schedule presents the exposure of the pension trust funds' investments to foreign currency risk. The schedule provides information on deposits and investments held in various foreign currencies. Private equity, real estate, and tangible assets are presented according to the financial reporting currency of the individual funds. This is not a presentation of currency exposure relating to the underlying holdings. The schedule is stated in U.S. dollars. In addition, the CTF has a maximum additional foreign currency exposure at June 30, 2023, of \$816.8 million invested in one emerging market commingled equity investment trust fund.



## State of Washington

### Pension Trust Funds

#### Foreign Currency Exposure by Country

June 30, 2023

(expressed in thousands)

Foreign Currency Denomination	Investment Type in U.S. Dollar Equivalent					Total
	Cash and Cash Equivalents	Debt Securities	Equity Securities	Alternative Assets	Open Foreign Exchange Contracts-Net	
Australia-Dollar	\$ 3,797	\$ —	\$ 550,600	\$ 469,543	\$ (19,978)	\$ 1,003,962
Brazil-Real	1,817	—	424,458	—	(31,587)	394,688
Canada-Dollar	4,187	—	935,238	—	(1,096)	938,329
China-Yuan Renminbi	5,189	12,218	523,693	—	13,488	554,588
Denmark-Krone	686	—	463,473	—	2,070	466,229
E.M.U.-Euro	17,887	—	3,531,843	5,080,188	37,053	8,666,971
Hong Kong-Dollar	7,682	—	748,423	—	3	756,108
India-Rupee	1,431	—	622,290	—	611	624,332
Indonesia-Rupiah	1,715	—	98,053	—	29	99,797
Japan-Yen	25,097	—	2,312,215	—	144,885	2,482,197
Mexico-Peso	446	—	124,745	—	(16,643)	108,548
New Taiwan-Dollar	996	—	406,491	—	(110)	407,377
Norway-Krone	1,404	—	105,318	—	(1,013)	105,709
Singapore-Dollar	2,289	—	98,631	—	(69)	100,851
South Africa-Rand	462	—	40,056	33,306	(984)	72,840
South Korea-Won	1,032	—	441,652	—	1,875	444,559
Sweden-Krona	2,201	—	345,282	—	(499)	346,984
Switzerland-Franc	3,692	—	794,230	—	18,197	816,119
United Kingdom-Pound	8,749	—	1,721,323	—	13,438	1,743,510
Other	7,539	67,585	316,970	—	(43,272)	348,822
<b>Total</b>	<b>\$ 98,298</b>	<b>\$ 79,803</b>	<b>\$ 14,604,984</b>	<b>\$ 5,583,037</b>	<b>\$ 116,398</b>	<b>\$ 20,482,520</b>

### 8. Derivative Instruments

Pension trust funds are authorized to utilize various derivative instrument financial instruments including financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps, and options. Derivative instrument transactions involve, to varying degrees, market and credit risk. At June 30, 2023, the pension trust funds held investments in financial futures, forward currency contracts, and total return swap contracts that are recorded at fair value with changes in value recognized in investment income in the Statement of Changes in Net Position in the period of change. The derivative instruments are considered investment derivative instruments and not hedging derivative instruments.

Derivative instruments are generally used to achieve the desired market exposure of a security, index, or currency; adjust portfolio duration; or rebalance the total portfolio to the target asset allocation. Derivative instrument contracts are instruments that derive their value from

underlying assets, indices, reference interest rates, or a combination of these factors.

A derivative instrument could be a contract negotiated on behalf of the pension trust funds and a specific counterparty. This would typically be referred to as an over the counter (OTC) contract, such as forward and total return swap contracts. Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as “exchange traded.”

Inherent in the use of OTC derivative instruments, the pension trust funds are exposed to counterparty credit risk on all open OTC positions. Counterparty credit risk is the risk that a derivative instrument counterparty may fail to meet its payment obligation under the derivative instrument contract. As of June 30, 2023, the pension trust funds counterparty risk was approximately \$558.4 million. The majority of the counterparties (68.8 percent) held a credit rating of Aa3 or higher on Moody’s rating scale. All counterparties held investment grade credit ratings of Baa2 and above.

## State of Washington

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. As such, gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and requires margin payments to minimize such risk. Futures are generally used to achieve the desired market exposure of a security or index or to rebalance the total portfolio. Derivative instruments, which are exchange traded, are not subject to credit risk.

Forward currency contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date in the future. These forward commitments are not standardized and carry counterparty credit risk due to the possible nonperformance by a counterparty. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote.

At June 30, 2023, the pension trust funds had outstanding forward currency contracts with a net unrealized gain of \$116.4 million. The aggregate forward currency exchange contracts receivable and payable were \$18.53 billion and \$18.42 billion, respectively. The contracts have varying maturity dates ranging from July 3, 2023, to March 19, 2025.

Total return swap contracts are agreements where one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying or reference asset. Total return swaps allow the party receiving the total return to gain exposure and benefit from a reference asset without physically owning the security. The pension trust funds swap total bond market index returns for total equity index returns as the reference asset in emerging markets. The values of these contracts are highly sensitive to interest rate changes. During the current fiscal year ended June 30, 2023, the pension trust funds held no total return swap contracts.

At June 30, 2023, the pension trust funds' fixed income portfolio held derivative instrument securities consisting of collateralized mortgage obligations with a fair value of \$51.5 million. Domestic and foreign commingled investment trust fund managers may also utilize various derivative instrument securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative instrument securities by these funds is unavailable.

The following schedule presents the significant terms for derivative instruments held as investments by the pension trust funds:

<b>Pension Trust Funds</b>			
<b>Derivative Instrument Investments</b>			
<b>June 30, 2023</b>			
<i>(expressed in thousands)</i>			
	<b>Changes in Fair Value - Included in Investment Income (Loss) Amount</b>	<b>Fair Value - Investment Derivative Instrument Amount</b>	<b>Notional</b>
<b>Futures Contracts:</b>			
Bond index futures	\$ (104,777)	\$ (9,817)	\$ 994,500
Equity index futures	217,155	10,062	2,527
<b>Total</b>	<b>\$ 112,378</b>	<b>\$ 245</b>	<b>\$ 997,027</b>
<b>Forward Currency Contracts</b>	<b>\$ 26,244</b>	<b>\$ 116,420</b>	<b>\$ 18,565,669</b>

### **C. INVESTMENTS - WORKERS' COMPENSATION FUND**

#### **1. Summary of Investment Policies**

Under RCW 43.33A.030, trusteeship of the Workers' Compensation Fund investments is vested in the voting members of the Washington State Investment Board (WSIB). The Legislature established a standard of care for investment of these funds in RCW 43.33A.140.

Additionally, the WSIB and its staff must comply with other state laws, such as the Ethics in Public Service Act, chapter 42.52 RCW, in making investment decisions and seeking to meet investment objectives.

The Workers' Compensation Fund consists mainly of the investment of insurance premiums collected from employers in Washington state. The workers' compensation program provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

In accordance with state laws, the Workers' Compensation Fund investments are managed to limit fluctuations in the industrial insurance premiums. Subject to this purpose, these portfolios seek to achieve a maximum return at a prudent level of risk. Based on this requirement, the order of the objectives is:

- Maintain the solvency of the funds.
- Maintain premium rate stability.
- Ensure sufficient assets are available to fund the expected liability payments.
- Subject to the objectives above, achieve a maximum return at a prudent level of risk.

**Eligible Investments.** Eligible investments are securities and deposits that are in accordance with the WSIB's investment policy and chapter 43.33A RCW. Eligible investments include:

- U.S. equities.
- International equities.
- U.S. treasuries and government agencies.
- Credit bonds.
- Mortgage-backed securities rated investment grade, as defined by Bloomberg Global Family of Fixed Income Indices.
- Asset-backed securities rated investment grade, as defined by Bloomberg Global Family of Fixed Income Indices.
- Commercial mortgage-backed securities rated investment grade, as defined by Bloomberg Global Family of Fixed Income Indices.

- Investment grade non-U.S. dollar bonds.
- Real estate.

**Investment Policies and Restrictions.** To meet stated objectives, investments of the Workers' Compensation Fund are subject to the following constraints:

- All assets under the management of the WSIB are to be invested to maximize return at a prudent level of risk in accordance with RCW 43.33A.110 and RCW 43.33A.140.
- No corporate fixed income issue cost shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time.
- Asset allocations are to be reviewed every four years or sooner if there are significant changes in funding levels or the liability durations.
- Assets are to be rebalanced across asset classes when the fair value of the assets falls outside the policy ranges. The timing of any rebalancing will be based on market opportunities, cash flows, and the consideration of transaction costs; therefore, they need not occur immediately.

*Equity.* The benchmark and structure for global equities will be the Morgan Stanley Capital International (MSCI) All Country World Investable Market Index with U.S. Gross. The global equity portfolio will be passively managed in commingled index funds. The commingled fund managers may use futures for hedging or establishing a long position.

*Fixed Income.* It is the goal of the fixed income portfolios to match the target durations. The fixed income portfolios' required duration targets are to be reviewed every four years or sooner if there are significant changes in the funding levels or the liability durations.

Sector allocation of fixed income investments must be managed within the ranges presented below. Deviations may occur in the short term as a result of interim market conditions. However, if a range is exceeded, the portfolios must be rebalanced to the target allocations as soon as it is practical.

**Target Allocations for the Fixed Income Sectors:**

U.S. treasuries and government agencies	5% - 25%
Credit bonds	20% - 80%
Asset-backed securities	0% - 10%
Commercial mortgage-backed securities	0% - 10%
Mortgage-backed securities	0% - 25%

Total fair value of below investment grade credit bonds (as defined by Bloomberg Global Family of Fixed Income Indices) shall not exceed 5 percent of the total fair value of the funds. Although below investment grade mortgage-backed, asset-backed, and commercial mortgage-backed securities may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held. Total fair value of below investment grade mortgage-backed, asset-backed, and commercial mortgage-backed securities shall not exceed 5 percent of total fair value of the funds.

*Real Estate.* The objectives and characteristics of the real estate portfolio are as follows:

- To generate a 6 percent annual investment return over a rolling 10-year period. This objective also serves as the total net return benchmark for the portfolio.
- The majority of the return will be generated by current income, and the portfolio will be intentionally constructed to focus on yield rather than total return.
- The portfolio will be diversified across geography and property type.
- No more than 15 percent of the long-term target allocation for the real estate portfolio will be invested in the equity position for a single property at the time of acquisition.

**2. Valuation of Investments**

The Workers' Compensation Fund reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Unrealized gains and losses are included in the Statement of Revenues, Expenses, and Changes in Net Position. The following table presents fair value measurements as of June 30, 2023:

## State of Washington

Fair Value	Fair Value Measurements Using		
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
\$ 10,674,076	\$ —	\$ 10,674,076	\$ —
3,908,756	—	3,908,756	—
<u>616,407</u>	<u>—</u>	<u>616,407</u>	<u>—</u>
<u>15,199,239</u>	<u>\$ —</u>	<u>\$ 15,199,239</u>	<u>\$ —</u>
3,127,235			
<u>73,315</u>			
<u>3,200,550</u>			
<u>\$ 18,399,789</u>			

**Investments classified as level 2.** Investments classified as level 2 in the above table are comprised of publicly traded debt securities. Publicly traded debt securities are sourced from reputable pricing vendors using models that are market-based measurements representing their good faith opinion as to the exit value of a security, in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds, and other market corroborated inputs.

**Investments measured at net asset value (NAV).** Investments measured at net asset value in the Workers' Compensation Fund include collective investment trust funds and alternative investments.

*Collective Investment Trust Funds.* The Workers' Compensation Fund invests in a single collective investment trust fund (fund). The fund is passively managed to track the investment return of a broad, global equity index, the MSCI All Country World Investable Market Index with U.S. Gross. The fund determines a fair value by obtaining the values of underlying holdings using reputable pricing sources and computing an overall net asset value per share. The underlying holdings within each fund are publicly traded equity securities.

The fund has daily openings, and contributions and withdrawals can be made on any business day. The fund manager, at their discretion, may require withdrawal proceeds to be made partially or wholly in kind. Under certain circumstances, the fund manager may choose to suspend valuation and/or the right to make contributions and withdrawals from the fund. Such circumstances include actual or anticipated closure, restriction, or suspension of trading activity in any markets or exchanges

where the fund investments are traded; where the purchase, sale, or pricing of the fund's investments would not be reasonably practicable or advisable; or where suspending contributions or withdrawals would be in the best interest of the fund or participants.

*Alternative Investments.* The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value is determined by using the net asset value per share (or its equivalent) of the Workers' Compensation Funds' ownership interest in partners' capital. These values are based on the individual investee's capital account balance reported at fair value by the general partner at the most recently available reporting period, adjusted for subsequent contributions, distributions, management fees, changes in values of foreign currency, and published market prices for certain securities.

The limited partnerships' annual financial statements are audited by independent auditors. These investments are valued at approximately \$73.3 million as of June 30, 2023. Because of the inherent uncertainties in estimating fair values, it is possible these estimates will change in the near-term or the subsequent sale of assets will be different than the June 30, 2023, reported net asset value.

These investments can never be redeemed. Instead, the nature of these investments provides for distributions through the sale or liquidation of the underlying assets and from net operating cash flows. It is anticipated that the investments will be held for at least ten years or longer.

*Real Estate.* This includes four real estate investments. Targeted investment structures within the Workers' Compensation Fund real estate portfolio include limited liability companies, limited partnerships, joint ventures, commingled funds, and co-investments. Real estate partnerships generally provide quarterly valuations based on the most recent capital account balance. Individual properties are valued by the investment management at least annually and are adjusted as frequently as quarterly if material market or operational changes have occurred. Properties are externally appraised generally at least every five years, depending upon the investment. Annual audits of most partnerships include a review of compliance with the partnership's valuation policies.

### 3. Securities Lending

State law and WSIB policy permit the Workers' Compensation Fund to participate in securities lending programs to augment investment income. The WSIB has

entered into an agreement with State Street Corporation to act as agent for the Workers' Compensation Fund in securities lending transactions. As State Street Corporation is the custodian bank for the Workers' Compensation Fund, it is counterparty to securities lending transactions.

When debt securities are loaned during the fiscal year, they are collateralized by the Workers' Compensation Fund's agent with cash and U.S. government or U.S. agency securities including U.S. agency mortgage-backed securities (exclusive of letters of credit). When the loaned securities have collateral denominated in the same currency, the collateral requirement is 102 percent of the fair value, including accrued interest, of the securities loaned. All other securities are required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities. No securities were lent by the Workers' Compensation Fund during the current fiscal year and, accordingly, no collateral was held at June 30, 2023.

Securities lending transactions can be terminated on demand by either the Workers' Compensation Fund or the borrower. Non-cash collateral cannot be pledged or sold absent borrower default. No more than 20 percent of the total on-loan value can be held by a specific borrower. Collateral investment guidelines specifically prohibit European domiciled holdings. There are no restrictions on the amount of securities that can be lent.

Securities are lent with the agreement that they will be returned in the future for exchange of the collateral. State Street Corporation indemnified the Workers' Compensation Fund by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. State Street Corporation's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding

adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During fiscal year 2023, no securities were lent and, accordingly, there were no significant violations of legal or contractual provisions, and no failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the Workers' Compensation Fund incurred no losses during fiscal year 2023 resulting from a default by either the borrowers or the securities lending agents.

#### **4. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. While the Workers' Compensation Fund does not have a formal policy relating to interest rate risk, the risk is managed within the Workers' Compensation Fund portfolio using effective duration, which is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of fixed income investments. As of June 30, 2023, the Workers' Compensation Fund portfolio durations were within the prescribed duration targets.

The following two schedules provide information about the interest rate risks associated with the Workers' Compensation Fund investments as of June 30, 2023. The schedules display various asset classes held by maturity in years, effective durations, and credit ratings. All debt securities are reported using the average life within the portfolio. The average life is a calculated estimate of the average time (in years) until maturity for these securities, taking into account possible prepayments of principal.

State of Washington

**Workers' Compensation Fund**  
**Schedule of Maturities and Effective Duration**  
**June 30, 2023**  
*(expressed in thousands)*

Investment Type	Total Fair Value	Maturity				Effective Duration (in years)*
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Corporate bonds	\$ 10,674,076	\$ 356,550	\$ 3,488,730	\$ 3,377,417	\$ 3,451,379	7.3
U.S. government and agency securities	2,700,917	338,485	1,175,090	28,925	1,158,417	8.5
Foreign government and agencies	1,207,839	76,177	491,049	400,551	240,062	6.1
Mortgage and other asset-backed securities	616,407	6,635	526,507	83,265	—	3.8
<b>Total Investments Categorized</b>	<b>15,199,239</b>	<b>\$ 777,847</b>	<b>\$ 5,681,376</b>	<b>\$ 3,890,158</b>	<b>\$ 4,849,858</b>	<b>7.3</b>

**Investments Not Required to be Categorized:**

Collective investment trusts	3,127,235
Cash and cash equivalents	567,344
Real estate	73,315
<b>Total investments not categorized</b>	<b>3,767,894</b>
<b>Total Investments</b>	<b>\$ 18,967,133</b>

\* Excludes cash and cash equivalents

Investments with multiple credit ratings are presented using the Moody's rating scale as follows:

**Workers' Compensation Fund**  
**Investment Credit Ratings**  
**June 30, 2023**  
*(expressed in thousands)*

Moody's Equivalent Credit Rating	Investment Type			Total Fair Value
	Mortgage and Other Asset-Backed Securities	Corporate Bonds	Foreign Government and Agencies	
Aaa	\$ 616,407	\$ 366,301	\$ 67,965	\$ 1,050,673
Aa1	—	200,197	202,742	402,939
Aa2	—	111,674	162,604	274,278
Aa3	—	893,701	142,624	1,036,325
A1	—	1,533,695	336,725	1,870,420
A2	—	1,641,556	77,270	1,718,826
A3	—	1,994,357	—	1,994,357
Baa1	—	1,987,375	—	1,987,375
Baa2	—	1,388,682	152,032	1,540,714
Baa3	—	380,755	23,364	404,119
Ba1 or lower	—	175,783	42,513	218,296
<b>Total</b>	<b>\$ 616,407</b>	<b>\$ 10,674,076</b>	<b>\$ 1,207,839</b>	<b>\$ 12,498,322</b>



## 5. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Workers' Compensation Fund investment policies limit the fixed income securities to investment grade or higher at the time of purchase. Investment grade securities are those fixed income securities with a Moody's rating of Aaa to Baa or a Standard and Poor's rating of AAA to BBB.

The rated debt investments of the Workers' Compensation Fund as of June 30, 2023, were rated by Moody's and/or an equivalent national rating organization.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Workers' Compensation Fund policy states that no corporate fixed income issues cost shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time. There was no concentration of credit risk as of June 30, 2023.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the Workers' Compensation Fund would not be able to recover the value of its deposits, investments, or collateral securities. The Workers' Compensation Fund does not have a policy relating to custodial credit risk. The WSIB mitigates custodial credit risk by having its investment securities (excluding cash, cash equivalents, and repurchase agreements held as securities lending collateral) registered and held in the name of the WSIB for the benefit of the Workers' Compensation Fund.

## 6. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Workers' Compensation Fund does not have a formal policy to limit foreign currency risk. At June 30, 2023, the only securities held by the Workers' Compensation Fund with foreign currency exposure were \$1.15 billion (excludes U.S. dollar denominated securities) invested in international commingled equity index funds.

The following schedule presents the exposure of the Workers' Compensation Fund to foreign currency risk. The schedule is stated in U.S. dollars.

### Workers' Compensation Fund

#### Foreign Currency Exposure by Country

June 30, 2023

(expressed in thousands)

Foreign Currency Denomination	Equity Securities
Australia-Dollar	\$ 60,278
Brazil-Real	18,778
Canada-Dollar	90,893
China-Yuan Renminbi	13,718
Denmark-Krone	23,505
E.M.U.-Euro	253,079
Hong Kong-Dollar	87,502
Japan-Yen	187,026
Mexico-Peso	9,322
New Taiwan-Dollar	55,946
Saudi Arabia-Riyal	14,120
Singapore-Dollar	10,499
South Africa-Rand	10,869
South Korea-Won	42,893
Sweden-Krona	28,004
Switzerland-Franc	72,890
United Kingdom-Pound	116,326
Other	53,824
<b>Total</b>	<b>\$ 1,149,472</b>

## 7. Derivative Instruments

To manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns, the Workers' Compensation Fund is authorized to utilize various derivative financial instruments including collateralized mortgage obligations, financial futures, forward contracts, interest rate and equity swaps, and options. Derivative instrument transactions involve, to varying degrees, market and credit risk. The Workers' Compensation Fund mitigates market risks arising from derivative instrument transactions by requiring collateral in cash and investments to be maintained equal to the securities' positions outstanding, thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative instrument transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Domestic and foreign passive equity index fund managers may also utilize various derivative instrument securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of



derivative instrument securities by passive equity index fund managers is unavailable.

## **D. INVESTMENTS - LOCAL GOVERNMENT INVESTMENT POOL**

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### **1. Summary of Investment Policies**

The Local Government Investment Pool (LGIP) is managed and operated by the Office of the State Treasurer (OST). The State Finance Committee is the administrator of the statute that created the pool and adopts appropriate rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually. Any proposed changes are reviewed by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

The State Treasurer and designated investment officers shall adhere to all restrictions on the investment of funds established by law and by policy.

The LGIP portfolio is invested in a manner that meets the requirements set forth by the Governmental Accounting Standards Board for the maturity, quality, diversification, and liquidity for external investment pools that elect to measure, for financial reporting purposes, all of its investments at amortized costs. The funds are limited to high quality obligations with regulated maximum and average maturities, the effect of which is to minimize both market and credit risk. The LGIP transacts with its participants at a stable net asset value per share of one dollar, which results in the amortized cost reported equaling the number of shares in the LGIP.

The OST prepares a stand-alone LGIP financial report. A copy of the report is available from the OST, PO Box 40200, Olympia, WA 98504-0200, online at: [LGIP Annual Comprehensive Financial Reports](#), or phone number (360) 902-9000. TTY users dial 711 to be connected to the state TTY operator.

**Investment Objectives.** In priority order, the objectives of the LGIP investment policy are safety, liquidity, and return on investment.

Safety of principal is the primary objective. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

At June 30, 2023, the only derivative instrument securities held directly by the Workers' Compensation Fund were collateralized mortgage obligations of \$213.6 million.

The investment portfolio is liquid to enable the State Treasurer to meet all cash requirements that might reasonably be anticipated.

The LGIP is structured with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the pool.

**Eligible Investments.** Eligible investments are only those securities and deposits authorized by statute (chapters 39.58 and 39.59 RCW, and RCW 43.84.080). Eligible investments include:

- Obligations of the U.S. government.
- Obligations of U.S. government agencies or of corporations wholly owned by the U.S. government.
- Obligations of supranational institutions provided that, at the time of investment, the institution has the U.S. government as its largest shareholder.
- Obligations of government-sponsored corporations that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Certificates of deposit or demand deposits with financial institutions qualified by the Washington Public Deposit Protection Commission.

**Investment Restrictions.** To provide for safety and liquidity of funds, the LGIP policy places the following restrictions on the investment portfolio:

- Investments are restricted to fixed rate securities that mature in 397 days or less, except securities utilized in repurchase agreements and U.S. government and supranational floating or variable rate securities which may have a maximum maturity of 762 days, provided they have reset dates within one year and that on any reset date can reasonably be expected to have a fair value that approximates their amortized cost.
- The weighted average maturity of the portfolio will not exceed 60 days.

- The weighted average life of the portfolio will not exceed 120 days.
- The purchase of investments in securities other than those issued by the U.S. government or its agencies will be limited.
- Cash generated through securities lending or reverse repurchase agreement transactions will not increase the dollar amount of specified investment types beyond stated limits.

**Participant Transactions.** The LGIP transacts with its participants at a stable net asset value per share of one dollar, the same method used for reporting. Participants of the LGIP may contribute and withdraw funds on a daily basis and must inform the OST of any contribution or withdrawal over one million dollars no later than 9:00 a.m. on the same day the transaction is made. Contributions or withdrawals for one million dollars or less can be requested at any time prior to 10:00 a.m. on the day of the transaction. However, participants may complete transactions greater than one million dollars when notification is made between 9:00 a.m. and 10:00 a.m., at the sole discretion of the OST. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

## 2. Valuation of Investments

Investments are stated at amortized cost which approximates fair value. For bank deposits and repurchase agreements, the cost-based measure equals their carrying amount.

Monthly, the fair value net asset value per share is calculated and compared to the amortized cost net asset value per share to verify that the LGIP's shadow price does not deviate by more than one half of 1 percent from the amortized cost of the portfolio.

## 3. Securities Lending

State statutes permit the LGIP to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The LGIP has contracted with Northern Trust as a lending agent and Northern Trust receives a share of income earned from this activity. The lending agent lends securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent. Cash collateral received from the lending of non-coupon-bearing securities shall not be valued at less than 102 percent of fair value, not to exceed par.

The cash is invested by the lending agent in accordance with investment guidelines approved by the LGIP. The securities held as collateral and the securities underlying the cash collateral are held by the LGIP's custodian. One option available to the lending agent is to invest cash collateral with the LGIP. Maturities of investments made with cash collateral are generally matched to maturities of securities loaned.

## State of Washington

During fiscal year 2023, the LGIP lent U.S. agency and U.S. treasury securities while other securities were received as collateral. At June 30, 2023, the fair value of securities on loan was \$831.8 million and the fair value of securities received for collateral was \$849.9 million.

The LGIP investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the LGIP. During fiscal year 2023, the LGIP had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the LGIP. Furthermore, contracts require the lending agent to indemnify the LGIP if the borrowers fail to return securities and if collateral is inadequate to replace the securities lent, or if the borrowers fail to pay the LGIP for income distribution by the securities' issuers while the securities are on loan.

The LGIP cannot pledge or sell collateral securities received unless the borrower defaults. The LGIP investment policy limits the amount of reverse repurchase agreements and securities lending to 30 percent of the total

portfolio. There were no violations of legal or contractual provisions and no losses resulting from a default of a borrower or lending agent during the fiscal year.

#### 4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. To mitigate the effect of interest rate risk, the LGIP portfolio is invested in high quality, highly liquid obligations with limited maximum and average maturities. The LGIP's policy establishes weighted average maturity and weighted average life limits not to exceed 60 and 120 days, respectively. As of June 30, 2023, the LGIP had a weighted average maturity of 34 days and a weighted average life of 91 days.

The following schedule presents the LGIP investments and related maturities as of June 30, 2023:

<b>Local Government Investment Pool (LGIP)</b>			
<b>Schedule of Maturities</b>			
<b>June 30, 2023</b>			
<i>(expressed in thousands)</i>			
<b>Investment Type</b>	<b>Amortized Cost</b>	<b>Maturity</b>	
		<b>Less than 1 Year</b>	<b>1-5 Years</b>
U.S. treasury securities	\$ 9,610,556	\$ 9,435,565	\$ 174,991
U.S. agency securities	5,683,043	4,817,079	865,964
Interest bearing bank accounts	3,926,065	3,926,065	—
Repurchase agreements	3,400,000	3,400,000	—
Supranational securities	395,301	395,301	—
Certificates of deposit	190,000	190,000	—
<b>Total Investments</b>	<b>\$ 23,204,965</b>	<b>\$ 22,164,010</b>	<b>\$ 1,040,955</b>

#### 5. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The LGIP investment policy limits the types of securities available for investment to obligations of the U.S. government or its agencies, obligations of supranational institutions, obligations of government-sponsored corporations, and deposits with qualified public depositories.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event a depository institution or counterparty fails, the LGIP will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The LGIP investment policy requires that securities purchased be held by the

master custodian, acting as an independent third party, in its safekeeping or trust department.

Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the LGIP's exposure to risk and ensure the safety of the investment. All securities utilized in repurchase agreements were rated Aaa by Moody's and AA+ by Standard & Poor's. The fair value of securities utilized in repurchase agreements must be at least 102 percent of the value of the repurchase agreement.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The LGIP mitigates concentration of credit risk by limiting the

purchase of securities of any one issuer, with the exception of U.S. treasury and U.S. agency securities, to no more than 5 percent of the portfolio.

As of June 30, 2023, U.S. treasury securities comprised 41.4 percent of the total portfolio. U.S. agency securities comprised 24.5 percent of the total portfolio, including Federal Farm Credit Bank (16.7 percent) and Federal Home Loan Bank (7.8 percent). Supranational securities comprised 1.7 percent of the total portfolio.

Repurchase agreements comprise 14.6 percent of the total portfolio as of June 30, 2023. The LGIP limits the securities utilized in repurchase agreements to U.S. treasury and U.S. agency securities. The LGIP requires delivery of all securities utilized in repurchase agreements and the securities are priced daily.

## **E. INVESTMENTS - HIGHER EDUCATION SPECIAL REVENUE, ENDOWMENT, AND STUDENT SERVICES FUNDS**

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### **1. Summary of Investment Policies**

The investments of the University of Washington represent 80 percent of the total investments in Higher Education Special Revenue, Endowment, and Student Services Funds.

The University of Washington's Board of Regents is vested by statute with responsibility for the University's properties and investments, and for establishing investment policy. The University of Washington Investment Management Company (UWINCO), led by the chief investment officer, carries out the day-to-day activities of the investment portfolios. The UWINCO Board, which consists of both Board of Regents' members and external investment professionals, serves as an advisory board to UWINCO.

The majority of the University's investments are insured, registered, and held by the University's custodial bank as an agent for the University. Investments not held by the custodian include venture capital, private equity, opportunistic investments, marketable alternatives, mortgages, real assets, and miscellaneous investments.

The University combines most short-term investment balances in the Invested Funds Pool. At June 30, 2023, the Short-term and Intermediate-term Invested Funds Pools totaled \$2.77 billion. The Invested Funds Long-term Pool owns units in the Consolidated Endowment Fund valued at \$1.08 billion on June 30, 2023. In addition, the Long-term Pool owns a passive global equity index valued at \$145.0 million as of June 30, 2023.

### **6. Repurchase Agreements**

The fair value plus accrued income of securities utilized in repurchase agreements must be 102 percent of the value of the repurchase agreement plus accrued interest per policy.

The securities utilized in repurchase agreements are limited to government securities, are priced daily, and are held by the LGIP's custodian in the state's name. As of June 30, 2023, repurchase agreements totaled \$3.40 billion.

By University policy, departments with qualifying funds in the Invested Funds Pool receive distributions based on their average balances and on the type of balance. Campus depositors received 0.75 percent in fiscal year 2023. University Advancement received 3.0 percent of the average balances in endowment operating and gift accounts in fiscal year 2023. The difference between the actual earnings of the Invested Funds Pool and the calculated distributions is used to support activities benefiting all University departments.

The majority of the endowed funds are invested in a pooled fund called the Consolidated Endowment Fund (CEF). Individual endowments purchase units in the pool on the basis of a per unit valuation of the CEF at fair value on the last business day of the calendar quarter. Income is distributed based on the number of units held. Chapter 24.55 RCW and the Uniform Prudent Management of Institutional Funds Act allow for total return expenditure in the CEF under comprehensive prudent standards.

Under the CEF spending policy approved by the Board of Regents, quarterly distributions to programs are based on an annual percentage rate of 3.6 percent applied to the five-year rolling average of the CEF's fair value. Additionally, the policy allows for an administrative fee of 0.9 percent to support campus-wide fundraising and stewardship activities and to offset the internal cost of managing endowment assets.

The University records its permanent endowments at the lower of original gift value or current fair value in the Restricted Nonexpendable Net Position category. Of the endowments recorded at current fair value at June 30, 2023, the net deficiency from the original gift value was \$5.5 million.

## State of Washington

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses on investments. The University realized net gains of \$113.2 million in fiscal year 2023 from the sale of investments.

The calculation of realized gains and losses is independent of the net appreciation of the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and are sold in the current year include the net appreciation (depreciation) of these investments reported in the prior year(s). The net appreciation (depreciation) in the fair value of investments during the year ended June 30, 2023, was \$351.0 million.

### 2. Valuation of Investments

The University reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The University holds significant amounts of investments that are measured at fair value on a recurring basis.

The following schedule presents the fair value of the University's investments by type at June 30, 2023:

#### University of Washington

##### Investments Measured at Fair Value

June 30, 2023

(expressed in thousands)

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Fixed Income Securities</b>				
U.S. treasury	\$ 1,633,297	\$ 6,974	\$ 1,626,323	\$ —
U.S. government agency	344,292	9,713	334,579	—
Mortgage-backed	209,132	—	209,132	—
Asset-backed	604,460	—	604,460	—
Corporate and other	316,793	17,009	299,784	—
<b>Total Fixed Income Securities</b>	<b>3,107,974</b>	<b>33,696</b>	<b>3,074,278</b>	<b>—</b>
<b>Equity Securities</b>				
Global equity investments	725,563	398,844	326,719	—
Real estate	18,519	14,810	—	3,709
Other	157,622	151,751	—	5,871
<b>Total Equity Securities</b>	<b>901,704</b>	<b>565,405</b>	<b>326,719</b>	<b>9,580</b>
<b>Externally Managed Trusts</b>	<b>131,385</b>	<b>—</b>	<b>—</b>	<b>131,385</b>
<b>Total Investments by Fair Value Level</b>	<b>4,141,063</b>	<b>\$ 599,101</b>	<b>\$ 3,400,997</b>	<b>\$ 140,965</b>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Global equity investments	2,022,467			
Absolute return strategy funds	875,128			
Private equity and venture capital funds	902,345			
Real asset funds	225,282			
Other	50,452			
<b>Total Investments Measured at the NAV</b>	<b>4,075,674</b>			
<b>Total Investments Measured at Fair Value</b>	<b>8,216,737</b>			
Cash equivalents at amortized cost	145,643			
<b>Total Investments</b>	<b>\$ 8,362,380</b>			

**Investments classified as level 1.** Fixed income and equity securities classified in level 1 of the fair value

hierarchy are valued using prices quoted in active markets for those securities.

## State of Washington

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**Investments classified as level 2.** Fixed income and equity securities classified in level 2 are valued using other observable inputs including quoted prices for similar securities and interest rates.

**Investments classified as level 3.** Private equity, real asset, and other investments classified in level 3 are valued using either discounted cash flow or market comparable techniques.

**Investments measured at net asset value.** The University's interests in certain non-readily marketable alternative investments, such as hedge funds and private equity limited partnerships, are stated at fair value based on net asset value (NAV) estimates used as a practical expedient and reported to the University by investment fund managers.

## State of Washington

The information related to investments measured at the NAV per share (or its equivalent) is presented in the following table:

### University of Washington

#### Investments Measured at the Net Asset Value

June 30, 2023

(expressed in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global equity investments	\$ 2,022,467	\$ 31,707	Monthly to annually	15-180 days
Absolute return strategy funds	875,128	—	Quarterly to annually	30-90 days
Private equity and venture capital funds	902,345	561,441	n/a	—
Real asset funds	225,282	70,335	n/a	—
Other	<u>50,452</u>	32,250	Quarterly to annually	30-95 days
<b>Total Investments Measured at the NAV</b>	<b><u>\$ 4,075,674</u></b>			

*Global Equity.* This investment category includes public equity investments in separately managed accounts, long-only commingled funds, unconstrained limited partnerships, and passive index funds. As of June 30, 2023, approximately 74 percent of the value of the investments in this category can be redeemed within 90 days, and approximately 89 percent can be redeemed within one year.

*Absolute Return.* This category includes investments in stable income and low-to-medium beta funds. Management of these funds seeks low correlation to broad equity markets by investing in assets that exhibit low volatility, deep discounts, and/or hedges against market downturns. As of June 30, 2023, approximately 93 percent of the value of the investments in this category can be redeemed within one year.

*Private Equity and Venture Capital.* This category includes buyout, venture, and special situations funds. These investments cannot be redeemed at the request of the University. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that underlying assets of the funds will be liquidated over the next one to ten years.

*Real Assets.* This category includes real estate, natural resources, and other hard assets. These investments cannot be redeemed at the request of the University. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that underlying assets of the funds will be liquidated over the next one to ten years.

*Other.* This category consists of opportunistic investments and includes various types of non-investment grade and non-rated credit plus nominal equity exposure. As of June

30, 2023, approximately 34 percent of the value of the investments in this category can be redeemed or anticipate distribution within one year. The remaining balance of these investments contains restrictions on redemption within one year or will be distributed as underlying investments are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 10 years.

### 3. Funding Commitments

The University enters into contracts with investment managers to fund alternative investments. As of June 30, 2023, the University had outstanding commitments to fund alternative investments in the amount of \$695.7 million. These commitments are expected to be called over a multi-year timeframe, generally two to five years depending on the type of fund. The University believes it has adequate liquidity and funding sources to meet these obligations.

### 4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income securities. The University manages interest rate risk through its investment policies and the investment guidelines established with each manager. Each fixed income manager is assigned a maximum boundary for duration as compared to the manager's relevant benchmark index. The goal is to allow ample freedom for the manager to perform while controlling the interest rate risk in the portfolio.

Effective duration is a commonly used measure of interest rate risk. The longer the duration, the more sensitive the portfolio is to changes in interest rates. The weighted



## State of Washington

average effective duration of the University's fixed income portfolio was 1.96 years at June 30, 2023.

### 5. Credit Risk

Fixed income securities are subject to credit risk, which is the risk that the issuer or other counterparty to a financial instrument will not fulfill its obligations, or that negative perceptions of the issuer's ability to make these payments will cause prices to decline. The University's investment policies limit fixed income exposure to investment grade assets. The investment policy for the Invested Funds' short-term pool requires each manager to maintain an average quality rating of AA as issued by a nationally recognized rating organization. The investment policy for the Invested Funds' intermediate-term pool requires each manager to maintain an average quality rating of A and to hold at least 25 percent of their portfolios in government and government agency issues. The investment policy for the CEF reflects its long-term nature by specifying average quality rating levels by individual manager, but still restricting investments to investment grade credits.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University does not

have a formal policy regarding custodial credit risk. However, all University investments in the CEF and the Invested Funds Pool are held in the name of the University and are not subject to custodial credit risk.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The CEF investment policy limits concentration by manager, country (other than U.S.), and market sector. The University further mitigates concentration of credit risk through the due diligence of each manager and careful monitoring of asset concentrations.

Duration is a calculation of the number of years required to recover the true cost of a bond. The duration presented below represents a broad average across all fixed income securities held in the CEF, Invested Funds Pool (IF or operating funds), and debt service reserve funds. The CEF and IF portfolios are managed to have a duration below their policy benchmarks to protect principal and provide liquidity to the overall portfolio.

The following schedule summarizes the composition of the fixed income securities along with credit quality and effective duration measures at June 30, 2023. The schedule excludes \$35.6 million of fixed income securities held by blended component units. These amounts make up 1.15 percent of the University's fixed income investments.

**University of Washington**  
**Invested Funds Pool and Consolidated Endowment Fund**  
**Fixed Income Credit Quality and Effective Duration**  
**June 30, 2023**  
*(expressed in thousands)*

Investment Type	U.S. Government	Investment Grade*	Non-Investment Grade	Not Rated	Total	Effective Duration (in years)
U.S. treasury securities	\$ 1,626,323	\$ —	\$ —	\$ —	\$ 1,626,323	1.86
U.S. government agency	337,789	—	—	—	337,789	4.88
Mortgage-backed	—	53,787	74,929	80,417	209,133	1.41
Asset-backed	4,725	493,355	15,239	91,140	604,459	0.86
Corporate and other	—	227,247	—	67,393	294,640	1.80
<b>Total</b>	<b>\$ 1,968,837</b>	<b>\$ 774,389</b>	<b>\$ 90,168</b>	<b>\$ 238,950</b>	<b>\$ 3,072,344</b>	<b>1.96</b>

\* Investment grade securities are those that are rated BBB and higher by Standard and Poor's or Baa and higher by Moody's.

### 6. Foreign Currency Risk

Foreign currency risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The University's investment policies

permit investments in international equity and other asset classes that can include foreign currency exposure. To manage foreign currency exposure, the University also enters into foreign currency forward contracts, futures contracts, and options. The University held non-U.S. denominated securities at June 30, 2023, of \$1.69 billion.



## State of Washington

The following schedule, stated in U.S. dollars, details the fair value of foreign denominated securities by currency type:

**University of Washington**  
**Consolidated Endowment Fund**  
**Foreign Currency Risk**  
**June 30, 2023**  
*(expressed in thousands)*

Foreign Currency	Amount
Australia-Dollar	\$ 46,221
Brazil-Real	54,818
Britain-Pound	131,615
Canada-Dollar	56,766
China-Renminbi	249,307
Denmark-Krone	16,942
E.M.U.-Euro	381,161
Hong Kong-Dollar	38,729
India-Rupee	147,387
Indonesia-Rupiah	16,088
Japan-Yen	171,251
Mexico-Peso	10,184
Norway-Krone	15,098
Singapore-Dollar	16,558
South Africa-Rand	18,354
South Korea-Won	49,467
Sweden-Krona	44,505
Switzerland-Franc	41,299
Taiwan-Dollar	34,648
Other	152,486
<b>Total</b>	<b>\$ 1,692,884</b>

### **F. INVESTMENTS - OFFICE OF THE STATE TREASURER CASH MANAGEMENT ACCOUNT**

#### **1. Summary of Investment Policies**

The Office of the State Treasurer (OST) operates the state's Cash Management Account for investing Treasury/Trust funds in excess of daily requirements. Investment income earned is allocated based on average daily cash balance. Pursuant to state law, all earnings on investments of Treasury/Trust funds are credited to the General Fund except as specifically provided in RCW 43.79A.040 and RCW 43.84.092. In fiscal year 2023, a portion of the investment income reported by the General Fund was earned by other funds.

The State Treasurer and designated investment officers shall adhere to all restrictions on the investment of funds established by law and by policy.

**Investment Objectives.** All Treasury/Trust funds will be invested in conformance with federal, state, and other legal

#### **7. Derivative Instruments**

The University's investment policies allow investing in various derivative instruments, including futures, swaps, and forwards, to manage exposures within or across the portfolio and to improve the portfolio's risk/return profile. Derivative instruments are recorded on the contract date and are carried at fair value using listed price quotations or amounts that approximate fair value.

As of June 30, 2023, the University had outstanding futures contracts with notional amounts totaling \$98.2 million and accumulated unrealized gains on these contracts totaled \$171 thousand. These accumulated unrealized gains are included in investments on the Statement of Net Position.

Credit exposure represents exposure to counterparties relating to financial instruments where gains exceed collateral held by the University or losses are less than the collateral posted by the University. There was no credit exposure as of June 30, 2023. The University had no hedging derivative instruments or derivative instruments for investment purposes as of June 30, 2023.

Details on foreign currency derivative instruments are disclosed under Foreign Currency Risk.

requirements. The primary objectives of the portfolio shall be safety and liquidity, with return on investment a secondary objective.

Investments shall be undertaken in a manner that seeks preservation of capital in the overall portfolio. Because the investment portfolio must remain liquid to enable the State Treasurer to meet all cash requirements that can reasonably be anticipated, investments will be managed to maintain cash balances needed to meet daily obligations of the state. After assuring needed levels of safety and liquidity, the investment portfolio will be structured to attain a market rate of return.

**Eligible Investments.** Eligible investments are only those securities and deposits authorized by statute (chapters 39.58, 43.250, and 43.84.080 RCW). Eligible investments include:

- Obligations of the U.S. government.

## State of Washington

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- Obligations of U.S. government agencies or of corporations wholly owned by the U.S. government.
- U.S. dollar denominated obligations of supranational institutions, provided that at the time of investment the institution has the U.S. government as its largest shareholder.
- Obligations of government-sponsored enterprises that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Commercial paper, provided that the OST adheres to policies and procedures of the Washington State Investment Board (WSIB) regarding commercial paper (RCW 43.84.080(5)).
- Corporate notes, provided that the OST adheres to the investment policies and procedures adopted by the WSIB (RCW 43.84.080(7)).
- General obligation municipal bonds that have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
- Investment deposits with financial institutions qualified by the Washington Public Deposit Protection Commission (RCW 39.58.010(9)) and deposits made pursuant to RCW 39.58.080.
- Local Government Investment Pool (LGIP).
- Obligations of the state of Washington or its political subdivisions.

**Investment Restrictions.** To provide for the safety and liquidity of Treasury/Trust funds, the Cash Management Account investment portfolio is subject to the minimum restrictions listed below. Certain investment instruments are subject to more restrictive limitations.

- The final maturity of any security will not exceed ten years.
- Purchase of collateralized mortgage obligations is not allowed.

- The allocation to investments subject to high price sensitivity or reduced marketability will not exceed 15 percent of the daily balance of the portfolio.

Additionally, investments in non-government securities, excluding collateral of repurchase agreements, must fall within prescribed limits.

**Limitations and Restrictions on LGIP Participant Withdrawals.** Participants of the LGIP may contribute and withdraw funds on a daily basis and must inform the OST of any contribution or withdrawal over one million dollars no later than 9:00 a.m. on the same day the transaction is made. Contributions or withdrawals for one million dollars or less can be requested at any time prior to 10:00 a.m. on the day of the transaction. However, participants may complete transactions greater than one million dollars when notification is made between 9:00 a.m. and 10:00 a.m., at the sole discretion of the OST. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

## 2. Valuation of Investments

The OST reports investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The following table presents fair value measurements as of June 30, 2023:

# State of Washington

Office of the State Treasurer  
 Cash Management Account  
 Investments Measured at Fair Value  
 June 30, 2023  
 (expressed in thousands)

Investments by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
<b>Debt securities</b>				
U.S. government securities	\$ 6,034,205	\$ —	\$ 6,034,205	\$ —
U.S. agency securities	4,619,418	—	4,619,418	—
Supranational securities	2,138,830	—	2,138,830	—
Corporate notes	668,314	—	668,314	—
<b>Total Investments Measured at Fair Value</b>	<b>\$ 13,460,767</b>	<b>\$ —</b>	<b>\$ 13,460,767</b>	<b>\$ —</b>

**Investments classified as level 2.** The debt securities classified as level 2 in the above table are valued using observable inputs including quoted prices for similar securities and interest rates.

### 3. Securities Lending

State statutes permit the OST to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST has contracted with Northern Trust as a lending agent and Northern Trust receives a share of income earned from this activity. The lending agent lends U.S. government, U.S. agency, and supranational securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent.

The cash is invested by the lending agent in repurchase agreements, deposit accounts, or money market instruments, in accordance with investment guidelines approved by the OST. The securities held as collateral and the securities underlying the cash collateral are held by the custodian. During fiscal year 2023, there was no cash collateral from securities lending.

Contracts require the lending agent to indemnify the OST if the borrowers fail to return securities and if the collateral is inadequate to replace the securities lent, or if the borrower fails to pay the OST for income distribution by the securities' issuers while the securities are on loan. The

OST cannot pledge or sell collateral securities received unless the borrower defaults. At June 30, 2023, the fair value of securities on loan totaled \$1.51 billion.

The OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During fiscal year 2023, the OST had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST.

There were no violations of legal or contractual provisions, and there were no losses resulting from a default of a borrower or lending agent during the fiscal year.

### 4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. The Treasury/Trust investments are separated into portfolios with objectives based primarily on liquidity needs.

The OST's investment policy limits the weighted average maturity of its investments to mitigate the effect of interest rate risk. Policy also directs due diligence to be exercised with timely reporting of material deviation from expectations and actions taken to control adverse developments as may be possible.

The following schedules present the OST investments and related maturities, and provide information about the associated interest rate risks as of June 30, 2023:

## State of Washington

**Cash Management Account**  
**Schedule of Maturities**  
**June 30, 2023**  
*(expressed in thousands)*

Investment Type	Total Fair Value	Maturity		
		Less than 1 Year	1-5 Years	6-10 Years
U.S. government securities	\$ 8,174,739	\$ 4,089,995	\$ 4,084,744	\$ —
U.S. agency securities	5,718,098	1,965,106	3,727,753	25,239
Supranational securities	2,286,971	894,213	1,392,758	—
Investments with LGIP	2,209,706	2,209,706	—	—
Interest bearing bank accounts	743,051	743,051	—	—
Corporate notes	668,314	215,878	452,436	—
Certificates of deposit	58,753	58,753	—	—
<b>Total Investments</b>	<b>\$ 19,859,632</b>	<b>\$ 10,176,702</b>	<b>\$ 9,657,691</b>	<b>\$ 25,239</b>

Credit ratings of investments are presented using the Standard and Poor's (S&P) rating scale as follows:

Office of the State Treasurer			
Cash Management Account			
Investment Credit Ratings			
June 30, 2023			
<i>(expressed in thousands)</i>			
S&P Credit Rating	Investment Type		
	Corporate Notes	Supranationals	Total Fair Value
<b>S&amp;P short-term credit rating</b>			
A-1+	—	148,141	148,141
<b>S&amp;P long-term credit rating</b>			
AAA	37,711	2,068,117	2,105,828
AA+	87,160	70,712	157,872
AA	141,072	—	141,072
AA-	64,475	—	64,475
A+	125,903	—	125,903
A	150,851	—	150,851
A-	72,766	—	72,766
Unrated*	33,426	—	33,426
<b>Total</b>	<b>\$ 668,314</b>	<b>\$ 2,286,971</b>	<b>\$ 2,955,285</b>

\*Investments are rated Aa2 by Moody's

### 5. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The OST limits credit risk by adhering to the OST investment policy which restricts the types of investments the OST can participate in to U.S. government and agency securities, U.S. dollar denominated obligations of supranational institutions, commercial paper, corporate notes, general obligation municipal bonds, and deposits with qualified public depositories. Investments in non-government securities may not exceed set percentages of the total daily portfolio size.

**Custodial Credit Risk.** The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The OST investment

policy requires that securities purchased by the office be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the OST's exposure to risk and ensure the safety of the investment.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. For non-governmental securities, the OST adheres to the WSIB policy on commercial paper and corporate notes investments which limits its exposure to concentration of credit risk by restricting the amount of investments to no more than 3 percent of the portfolio to any single issuer.

## 6. Repurchase Agreements

Repurchase agreements and securities accepted for repurchase agreements are subject to the following additional restrictions:

- Transactions will be conducted under the terms of a written master repurchase agreement and only with primary dealers, the state's bank of record, or master custodial bank.
- Purchased securities utilized in repurchase agreements will be limited to government securities. Repurchase agreements with any single primary dealer or financial institution will not exceed 20 percent of the portfolio. The maximum term of repurchase agreements will be 180 days. The share of the portfolio allocated to

repurchase agreements with maturities beyond 30 days will not exceed 30 percent of the total portfolio.

- Securities utilized in repurchase agreements with a maturity date longer than seven days are priced at least weekly and are held by the Treasury/Trust custodian in the state's name.
- The fair value, plus accrued income, of securities utilized in repurchase agreements will be priced at 102 percent of the value of the repurchase agreement, plus accrued income.

The OST invested in repurchase agreements during fiscal year 2023. There were no repurchase agreements as of June 30, 2023.

## Note 4

### Receivables and Unearned/Unavailable Revenues

#### A. GOVERNMENTAL FUNDS

##### Taxes Receivable

Taxes receivable at June 30, 2023, consisted of the following (expressed in thousands):

Taxes Receivable	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent	Nonmajor Governmental Funds	Total
Property	\$ 2,221,928	\$ —	\$ —	\$ —	\$ 2,221,928
Sales	1,768,244	—	—	11,177	1,779,421
Business and occupation	1,206,150	51,965	—	13,006	1,271,121
Estate	—	30,658	—	15,072	45,730
Fuel	—	—	—	133,836	133,836
Beer and wine	—	—	—	5,740	5,740
Cannabis	—	—	—	41,811	41,811
Real estate excise	34,837	5,828	—	10,449	51,114
Insurance Premium	97	—	—	—	97
Public utilities	47,092	13	—	2,331	49,436
Hazardous substance	—	—	—	26,448	26,448
Other	835,650	797	—	45,246	881,693
Subtotal	6,113,998	89,261	—	305,116	6,508,375
Less: Allowance for uncollectible receivables	599,242	3,333	—	4,138	606,713
<b>Total Taxes Receivable</b>	<b>\$ 5,514,756</b>	<b>\$ 85,928</b>	<b>\$ —</b>	<b>\$ 300,978</b>	<b>\$ 5,901,662</b>

##### Receivables

Receivables at June 30, 2023, consisted of the following (expressed in thousands):

Receivables	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent	Nonmajor Governmental Funds	Total
Public assistance <sup>(1)</sup>	\$ 408,221	\$ —	\$ —	\$ —	\$ 408,221
Accounts receivable	1,114,475	789,322	57,992	532,463	2,494,252
Interest	55,035	20,822	3,638	26,526	106,021
Loans <sup>(2)</sup>	3,600	73,360	—	803,463	880,423
Long-term contracts <sup>(3)</sup>	4,810	—	13,778	105,360	123,948
Leases receivable	279	361,379	—	21,689	383,347
Miscellaneous	1,486	851	—	941	3,278
Subtotal	1,587,906	1,245,734	75,408	1,490,442	4,399,490
Less: Allowance for uncollectible receivables	485,747	51,934	9	154,378	692,068
<b>Total Receivables</b>	<b>\$ 1,102,159</b>	<b>\$ 1,193,800</b>	<b>\$ 75,399</b>	<b>\$ 1,336,064</b>	<b>\$ 3,707,422</b>

## State of Washington

**Notes:**

- (1) Public assistance receivables mainly represent amounts owed to the state as part of the Support Enforcement Program at the Department of Social and Health Services for the amounts due from persons required to pay support for individuals currently on state assistance; these have a low realization expectation. Accordingly, the receivable is offset by a large allowance for uncollectible receivables.
- (2) Significant long-term portions of loans receivable include \$54.3 million in the Higher Education Special Revenue Fund for student loans and \$765.6 million in Nonmajor Governmental Funds for low income housing, public works, and economic development/revitalization loans.
- (3) Long-term contracts in Nonmajor Governmental Funds are for timber sales contracts.

### Unearned Revenue

Unearned revenue at June 30, 2023, consisted of the following (expressed in thousands):

Unearned Revenue	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent	Nonmajor Governmental Funds	Total
Other taxes	\$ 4.283	\$ —	\$ —	\$ —	\$ 4.283
Charges for services	195.089	236.842	—	33.139	465.070
Donable goods	—	—	—	5.614	5.614
Grants and donations <sup>(1)</sup>	1,140.943	8.435	—	8.408	1,157.786
Tolls	—	—	—	26.213	26.213
Transportation	—	—	—	11.449	11.449
Miscellaneous	1,328	9,871	—	10,026	21,225
<b>Total Unearned Revenue</b>	<b>\$ 1,341,643</b>	<b>\$ 255,148</b>	<b>\$ —</b>	<b>\$ 94,849</b>	<b>\$ 1,691,640</b>

**Notes:**

- (1) Unearned revenue from grants and donations includes \$1.01 billion in federal stimulus funds received from the U.S. Department of the Treasury under the American Rescue Plan, but not yet spent.

### Unavailable Revenue

Unavailable revenue at June 30, 2023, consisted of the following (expressed in thousands):

Unavailable Revenue	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent	Nonmajor Governmental Funds	Total
Property taxes	\$ 2,178.459	\$ —	\$ —	\$ —	\$ 2,178.459
Other taxes	1,569.855	31.909	—	23.636	1,625.400
Timber sales	4,810	—	13,778	105.360	123,948
Transportation	—	—	—	98	98
Charges for services	3,216	—	—	10.170	13.386
Miscellaneous	—	—	—	13.992	13.992
<b>Total Unavailable Revenue</b>	<b>\$ 3,756,340</b>	<b>\$ 31,909</b>	<b>\$ 13,778</b>	<b>\$ 153,256</b>	<b>\$ 3,955,283</b>

State of Washington

**B. PROPRIETARY FUNDS**

**Receivables**

Receivables at June 30, 2023, consisted of the following (expressed in thousands):

Receivables	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
Accounts receivable	\$ 1,183,296	\$ 2,015,937	\$ 542,706
Interest	131,969	—	1,050
Investment trades pending	—	—	—
Loans	—	—	281
Leases receivable	—	—	4,574
Miscellaneous	83	—	492
Subtotal	1,315,348	2,015,937	549,103
Less: Allowance for uncollectible receivables	266,137	689,368	21,966
<b>Total Receivables</b>	<b>\$ 1,049,211</b>	<b>\$ 1,326,569</b>	<b>\$ 527,137</b>

**Unearned Revenue**

Unearned revenue at June 30, 2023, consisted of the following (expressed in thousands):

Unearned Revenue	Business-Type Activities		
	Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
Charges for services	\$ —	\$ —	\$ 133,009
Premiums and assessments	2,047	—	—
Miscellaneous	3,603	11,179	291
<b>Total Unearned Revenue</b>	<b>\$ 5,650</b>	<b>\$ 11,179</b>	<b>\$ 133,300</b>

**Taxes Receivables**

Taxes receivables at June 30, 2023, consisted of \$2.1 million for petroleum products, net of allowance.

**C. FIDUCIARY FUNDS**

**Other Receivables**

Receivables at June 30, 2023, consisted of \$70.3 million for interest and other miscellaneous amounts.

**Unearned Revenue**

Unearned revenue at June 30, 2023, consisted of \$1.0 million for service credit restorations reported in Pension and Other Employee Benefit Plans.



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			Governmental Activities	
Health Insurance	Nonmajor Enterprise Funds	Total		Internal Service Funds
\$ 60,287	\$ 525,916	\$ 4,328,142	\$ 89,102	
1,344	2,690	137,053	18	
—	59	59	—	
—	—	281	116	
—	—	4,574	—	
—	—	575	95	
61,631	528,665	4,470,684	89,331	
192	4,880	982,543	3,375	
<u>\$ 61,439</u>	<u>\$ 523,785</u>	<u>\$ 3,488,141</u>	<u>\$ 85,956</u>	

			Governmental Activities	
Health Insurance	Nonmajor Enterprise Funds	Total		Internal Service Funds
\$ 1,867	\$ 1,209	\$ 136,085	\$ 8,605	
—	49,381	51,428	—	
—	2	15,075	260	
<u>\$ 1,867</u>	<u>\$ 50,592</u>	<u>\$ 202,588</u>	<u>\$ 8,865</u>	

## Note 5

### Interfund Balances and Transfers

#### A. INTERFUND BALANCES

Interfund balances as reported in the financial statements at June 30, 2023, consisted of the following (expressed in thousands):

Due To	Due From				
	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Workers' Compensation
General	\$ —	\$ 7,487	\$ —	\$ 1,106,252	\$ 305
Higher Education Special Revenue	173,257	—	866,078	20,310	1,483
Higher Education Endowment and Other Permanent Funds	—	—	—	55	—
Nonmajor Governmental Funds	88,571	749	2,216	377,039	24
Workers' Compensation	8	115	—	72	—
Unemployment Compensation	1,734	1,721	—	517	50
Higher Education Student Services	88	16,766	—	22	60
Health Insurance	18	—	—	—	—
Nonmajor Enterprise Funds	23,282	49	—	8,199	—
Internal Service Funds	47,710	5,298	—	36,785	5,893
<b>Totals</b>	<b>\$ 334,668</b>	<b>\$ 32,185</b>	<b>\$ 868,294</b>	<b>\$ 1,549,251</b>	<b>\$ 7,815</b>

Except as noted below, interfund balances are expected to be paid within one year from the date of the financial statements. These balances resulted from the time lag between the dates that (1) interfund goods and services were provided and when the payments occurred and (2) interfund transfers were accrued and when the liquidations occurred.

Interfund balances include: (1) \$135.3 million on a revolving loan from the Higher Education Special Revenue Fund to the Higher Education Student Services Fund, (2) \$6.7 million on a loan from the Higher Education Special Revenue Fund to the Higher Education Student Services Fund which is expected to be paid over the next nine years, and (3) \$10.6 million on a loan from the Higher Education Special Revenue Fund to the Higher Education Student Services Fund which is expected to be paid over the next 29 years.

In addition to the interfund balances noted in the schedule above, there are interfund balances of \$101.7 million within the state's Pension Trust Funds.

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Due From							
Unemployment Compensation	Higher Education Student Services	Health Insurance	Nonmajor Enterprise Funds	Internal Service Funds	Local Government Investment Pool	Totals	
\$ 10	\$ —	\$ —	\$ 80,111	\$ 138,162	\$ —	\$	\$ 1,332,327
—	220,836	176	141	21,713	—		1,303,994
—	—	—	—	—	—		55
2,907	3	49	357	6,513	89		478,517
—	—	—	—	60	—		255
—	—	—	25	84	—		4,131
—	—	—	—	80	—		17,016
—	—	—	—	1	—		19
—	3	—	36,768	817	20		69,138
—	74	357	715	8,904	—		105,736
<b>\$ 2,917</b>	<b>\$ 220,916</b>	<b>\$ 582</b>	<b>\$ 118,117</b>	<b>\$ 176,334</b>	<b>\$ 109</b>	<b>\$</b>	<b>\$ 3,311,188</b>

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**B. INTERFUND TRANSFERS**

Interfund transfers as reported in the financial statements for the year ended June 30, 2023, consisted of the following (expressed in thousands):

Transferred From	Transferred To				
	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent Funds	Nonmajor Governmental Funds	Workers' Compensation
General	\$ —	\$ 1,285	\$ 10,300	\$ 2,260,053	\$ —
Higher Education Special Revenue	129,439	—	93,387	197,340	—
Higher Education Endowment and Other Permanent Funds	—	282,084	—	30,772	—
Nonmajor Governmental Funds	432,231	59,134	1,959	3,651,888	—
Workers' Compensation	385	—	—	—	—
Unemployment Compensation	—	—	—	—	—
Higher Education Student Services	—	674,112	—	9,618	—
Health Insurance	29	—	—	1,486	—
Nonmajor Enterprise Funds	252,623	—	—	13,898	—
Internal Service Funds	385	25,436	—	173	—
<b>Totals</b>	<b>\$ 815,092</b>	<b>\$ 1,042,051</b>	<b>\$ 105,646</b>	<b>\$ 6,165,228</b>	<b>\$ —</b>

Except as noted below, transfers are used to (1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, (2) move receipts designated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (4) move profits from the Lottery Fund as required by law, and (5) transfer amounts to and from the General Fund as required by law.

On June 30, 2023, \$310.0 million was transferred from the General Fund Basic Account to the Budget Stabilization Account (BSA) in accordance with the provisions of the state Constitution. The state Constitution details a limited number of circumstances under which funds can be appropriated from the BSA, one of which is a favorable vote of at least three-fifths of the members of each house of the Legislature.

In addition to the transfers noted in the schedule above, there were transfers of \$97.0 million within the state's Pension Trust Funds.

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Transferred To											
Unemployment Compensation	Higher Education Student Services	Health Insurance	Nonmajor Enterprise Funds	Internal Service Funds	Totals						
\$	—	\$	—	\$	25	\$	215,924	\$	242,094	\$	2,729,681
	—	734,437	—	—	—	—	—	17,546	—	1,172,149	
	—	—	—	—	—	—	—	—	—	312,856	
	—	75	—	—	—	—	—	—	—	4,145,287	
	—	—	—	—	—	—	—	—	—	385	
	—	—	—	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	437	—	684,167	
	—	—	—	—	—	—	—	—	—	1,515	
	—	—	—	—	—	—	—	—	—	266,521	
	—	1,497	—	—	—	—	—	16	—	27,507	
\$	—	\$	736,009	\$	25	\$	215,924	\$	260,093	\$	9,340,068

## Note 6

### Capital Assets

Capital assets at June 30, 2023, are reported by the state of Washington within governmental activities and business-type activities, as applicable.

#### **A. GOVERNMENTAL CAPITAL ASSETS**

The following is a summary of governmental capital asset activity for the year ended June 30, 2023 (expressed in thousands):

<b>Capital Assets</b>	<b>Balances July 1, 2022*</b>	<b>Additions</b>	<b>Deletions/ Disposals</b>	<b>Balances June 30, 2023</b>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 3,057,586	\$ 75,991	\$ (54,497)	\$ 3,079,080
Transportation infrastructure	27,028,550	793,314	—	27,821,864
Intangible assets - indefinite lives	37,221	—	—	37,221
Art collections, library reserves, and museum and historical collections	159,085	2,867	(306)	161,646
Construction in progress	<u>1,829,818</u>	1,017,306	(647,903)	<u>2,199,221</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<u><b>32,112,260</b></u>			<u><b>33,299,032</b></u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	16,708,022	852,903	(60,988)	17,499,937
Accumulated depreciation	<u>(7,806,915)</u>	(511,291)	22,742	<u>(8,295,464)</u>
Net buildings	<u>8,901,107</u>			<u>9,204,473</u>
Other improvements	1,733,358	34,907	(445)	1,767,820
Accumulated depreciation	<u>(1,035,444)</u>	(45,169)	137	<u>(1,080,476)</u>
Net other improvements	<u>697,914</u>			<u>687,344</u>
Furnishings, equipment, and intangible assets	6,440,116	493,757	(430,498)	6,503,375
Accumulated depreciation	<u>(4,365,106)</u>	(334,143)	311,416	<u>(4,387,833)</u>
Net furnishings, equipment, and intangible assets	<u>2,075,010</u>			<u>2,115,542</u>
Infrastructure	1,458,871	30,757	(22,700)	1,466,928
Accumulated depreciation	<u>(806,143)</u>	(45,860)	2,871	<u>(849,132)</u>
Net infrastructure	<u>652,728</u>			<u>617,796</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u><b>12,326,759</b></u>			<u><b>12,625,155</b></u>
<b>Lease and Subscription Assets, Net (see Note 10)</b>	<u><b>1,502,460</b></u>	118,385	(28,010)	<u><b>1,592,835</b></u>
<b>Governmental Activities Capital Assets, Net</b>	<u><b>\$ 45,941,479</b></u>			<u><b>\$ 47,517,022</b></u>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as well as leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in capital assets of \$217.3 million and an increase in accumulated amortization/depreciation of \$2.6 million.

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**B. BUSINESS-TYPE CAPITAL ASSETS**

The following is a summary of business-type capital asset activity for the year ended June 30, 2023 (expressed in thousands):

<b>Capital Assets</b>	<b>Balances July 1, 2022*</b>	<b>Additions</b>	<b>Deletions/ Disposals</b>	<b>Balances June 30, 2023</b>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 74,748	\$ —	\$ (27)	\$ 74,721
Intangible assets - indefinite lives	4,580	—	—	4,580
Art collections	40	128	—	168
Construction in progress	<u>234,509</u>	120,478	(180,467)	<u>174,520</u>
<b>Total Capital Assets, Not Being Depreciated</b>	<u><b>313,877</b></u>			<u><b>253,989</b></u>
<b>Capital Assets, Being Depreciated:</b>				
Buildings	4,818,328	58,366	(102,013)	4,774,681
Accumulated depreciation	<u>(1,997,791)</u>	(151,414)	12,824	<u>(2,136,381)</u>
Net buildings	<u>2,820,537</u>			<u>2,638,300</u>
Other improvements	156,994	10,042	—	167,036
Accumulated depreciation	<u>(82,896)</u>	(7,148)	—	<u>(90,044)</u>
Net other improvements	<u>74,098</u>			<u>76,992</u>
Furnishings, equipment, and intangible assets	978,247	190,103	(21,311)	1,147,039
Accumulated depreciation	<u>(783,066)</u>	(91,242)	31,080	<u>(843,228)</u>
Net furnishings, equipment, and intangible assets	<u>195,181</u>			<u>303,811</u>
Infrastructure	64,593	1,280	(2,270)	63,603
Accumulated depreciation	<u>(37,877)</u>	(2,040)	1,628	<u>(38,289)</u>
Net infrastructure	<u>26,716</u>			<u>25,314</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u><b>3,116,532</b></u>			<u><b>3,044,417</b></u>
<b>Lease and Subscription Assets, Net (see Note 10)</b>	<u><b>269,177</b></u>	42,565	(1,483)	<u><b>310,259</b></u>
<b>Business-Type Activities Capital Assets, Net</b>	<u><b>\$ 3,699,586</b></u>			<u><b>\$ 3,608,665</b></u>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as well as leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in capital assets of \$34.2 million and an increase in accumulated amortization/depreciation of \$6.9 million.

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**C. DEPRECIATION AND AMORTIZATION**

Depreciation/amortization expense for the year ended June 30, 2023, was charged by the primary government as follows (expressed in thousands):

	Lease Assets	Subscription Assets	Remaining Capital Assets, being depreciated
<b>Governmental Activities:</b>			
General government	\$ 43,903	\$ 34,810	\$ 92,581
Education - elementary and secondary (K-12)	124	190	3,975
Education - higher education	45,527	23,626	574,862
Human services	85,358	17,115	57,568
Adult corrections	8,286	2,704	46,674
Natural resources and recreation	6,116	1,477	53,859
Transportation	11,126	3,310	106,944
<b>Total Depreciation/Amortization Expense - Governmental Activities *</b>	<b>\$ 200,440</b>	<b>\$ 83,232</b>	<b>\$ 936,463</b>
<b>Business-Type Activities:</b>			
Workers' compensation	\$ 8,817	\$ 2,769	\$ 2,027
Unemployment compensation	—	—	—
Higher education student services	38,369	11,485	243,712
Health Insurance	850	—	46
Other	1,733	1,335	6,059
<b>Total Depreciation/Amortization Expense - Business-Type Activities</b>	<b>\$ 49,769</b>	<b>\$ 15,589</b>	<b>\$ 251,844</b>

\*Includes internal service fund depreciation/amortization expense that was allocated to governmental activities as a component of net internal service fund activity in the amounts of \$23.7 million for lease assets, \$24.0 million for subscription assets, and \$95.9 million for other capital assets being depreciated/amortized



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**D. CONSTRUCTION IN PROGRESS**

Major construction commitments of the state at June 30, 2023, are as follows (expressed in thousands):

Agency / Project Commitments	Construction in Progress June 30, 2023	Continued Remaining Project Commitments
<b>Office of the Secretary of State:</b>		
Library-Archives building	\$ 7,576	\$ 153,704
<b>Office of Financial Management:</b>		
One Washington	70,101	106,157
<b>Department of Retirement Systems:</b>		
CORE: Pension Administration Modernization	3,000	63,000
<b>Department of Enterprise Services:</b>		
Legislative Campus modernization and other projects	37,128	222,107
<b>Liquor and Cannabis Board:</b>		
Systems modernization project	15,503	2,912
<b>Department of Labor and Industries:</b>		
Division of Occupational Safety and Health Lab and Training Facility	52,114	2,476
<b>Military Department:</b>		
Thurston County and Anacortes Readiness Centers, and other projects	25,641	9,954
<b>Department of Social and Health Services:</b>		
Residential, rehabilitation, and other facilities	69,959	72,675
State hospitals / treatment centers	132,701	97,973
<b>Department of Children, Youth, and Families:</b>		
Green Hill school recreation center replacement, Echo Glen housing unit, and other projects	32,550	13,494
<b>Department of Corrections:</b>		
Correctional center units security and safety improvements	16,532	8,527
Other projects	1,087	8,288
<b>Center for Deaf and Hard of Hearing Youth:</b>		
Academic and physical education facility	7,162	50,201
<b>Department of Transportation:</b>		
Olympic and Dayton Ave Regional Headquarter building projects	106,820	480
State ferry vessels and terminals	506,464	34,658
Transportation infrastructure	—	5,550,851
Other projects	3,133	3,260
<b>State Parks and Recreation Commission:</b>		
Schafer State Park campground relocation and other projects	11,977	1,891

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Agency / Project Commitments	Construction in Progress June 30, 2023	Concluded Remaining Project Commitments
<b>Department of Fish and Wildlife:</b>		
Deschutes watershed and Wooten wildlife area projects	\$ 15,603	\$ 34,481
Samish, Naselle, and Wallace River hatcheries and other hatchery projects	32,672	36,055
Other projects	19,297	41,047
<b>Employment Security Department:</b>		
Internal Accounting Financial System, WorkSource Integrated Technology, Long-Term Services and Support System and other projects	5,288	38,025
<b>University of Washington:</b>		
Interdisciplinary Education & Research building, water infiltration repairs, Behavioral Health teaching facility, Haring Center renovation, campus building stabilization, UW Bothell STEM building and other projects	578,501	186,632
Intramural Activities (IMA) locker rooms/pool upgrades and other projects	28,119	8,462
UW Medical Center expansion, upgrades, and renovation projects	45,952	24,482
Other projects	4,594	6,486
<b>Washington State University:</b>		
Rogers interior renovations and other housing and dining projects	385	237
Taylor Sports Complex and Golf Team Clubhouse	481	13
Vancouver Life Sciences building, Spokane Biomedical and Health Sciences building, Johnson Hall replacement and other facility projects	82,330	17,979
Other projects	20,480	4,283
<b>Eastern Washington University:</b>		
Science Center renovation, energy plant, and other projects	52,903	87,334
<b>Central Washington University:</b>		
Health Education building and other projects	72,120	—
<b>Western Washington University:</b>		
Electrical Engineering and Computer Science Building and other projects	20,977	67,690
<b>Community and Technical Colleges:</b>		
Bellevue Center for Transdisciplinary Learning and other projects	1,575	39,362
Columbia Basin student recreation center	32,799	—
Everett Learning Resource Center and other projects	47,294	7,306
Grays Harbor Student Services Instructional building	34,866	—
Pierce College buildings, and other projects	23,591	55,016
Seattle Library renovation, Automotive Technology building renovation, and other projects	64,675	8,032
Spokane Fine Applied Arts and MOSS buildings, and other projects	27,213	22,714
Tacoma Center for Innovative Learning and Engagement and other projects	2,710	46,178
Other community college projects	34,868	20,038
<b>Other Agency Projects:</b>	25,000	14,075
<b>Total Construction in Progress</b>	<u>\$ 2,373,741</u>	<u>\$ 7,168,535</u>

## Note 7

### Long-Term Liabilities

#### **A. BONDS AND NOTES PAYABLE**

Bonds payable at June 30, 2023, include general obligation bonds, revenue bonds, and notes payable. They are reported by the state of Washington within governmental activities and business-type activities, as applicable.

The state Constitution and enabling statutes authorize the incurrence of state general obligation debt, to which the state's full faith, credit, and taxing power are pledged, either by the Legislature or by a body designated by statute (presently the State Finance Committee).

Authorization arises in the following situations:

- From an affirmative vote of 60 percent of the members of each house of the Legislature without voter approval, in which case the amount of such debt is generally subject to the constitutional debt limitation described below.
- When authorized by law for a distinct work or object and approved by a majority of the voters voting thereon at a general election or a special election called for that purpose, in which case the amount of the debt so approved is not subject to the constitutional debt limitations described below.
- By the State Finance Committee without limitation as to amount, and without approval of the Legislature or approval of the voters.

The State Finance Committee debt authorization does not require voter approval; however, it is limited to providing for: (1) meeting temporary deficiencies of the state treasury if such debt is discharged within 12 months of the date of incurrence and is incurred only to provide for appropriations already made by the Legislature; or (2) refunding of outstanding obligations of the state.

#### **Legal Debt Limitation**

The state Constitution limits the amount of state debt that may be incurred by restricting the amount of general state revenues which may be allocated to pay principal and interest on debt subject to these limitations. In November 2012, voters passed a constitutional amendment specifying that maximum annual payments of principal and interest on all debt subject to the limit may not exceed a percentage

of the average of the prior six years' general state revenues; this percentage currently stands at 8.25 percent and will decline to 8.00 percent by July 1, 2034. This limitation restricts the incurrence of new debt and not the amount of debt service that may be paid by the state in future years. The state Constitution requires the State Treasurer to certify the debt service limitation for each fiscal year. In accordance with these provisions, the debt service limitation for fiscal year 2023 is \$1.99 billion.

This computation excludes specific bond issues and types that are not secured by general state revenues. Of the \$20.94 billion general obligation bond debt principal outstanding at June 30, 2023, \$13.71 billion is subject to the limitation.

Based on the debt limitation calculation, the debt service requirements as of June 30, 2023, did not exceed the authorized debt service limitation.

For further information on the debt limit, refer to the Report on the State of Washington's Debt Limitation available from the Office of the State Treasurer at: [Report on the State of Washington's Debt Limitation](#) or to Schedule 11 in the Statistical Section of this report.

#### **Authorized But Unissued**

The state had a total of \$16.39 billion in general obligation bonds authorized but unissued as of June 30, 2023, for the purpose of capital construction, higher education, transportation, and various other projects throughout the state.

#### **Interest Rates**

Interest rates on fixed rate general obligation bonds range from 0.21 to 5.70 percent. Interest rates on revenue bonds range from 0.19 to 8.00 percent.

#### **Debt Service Requirements to Maturity**

##### **General Obligations Bonds**

General obligation bonds have been authorized and issued primarily to provide funds for the following purposes:

- Acquisition and construction of state and common school capital facilities.

## State of Washington

- Transportation construction and improvement projects.
  - Assistance to local governments for public works capital projects.
  - Refunding of general obligation bonds outstanding.
- Outstanding general obligation bonds are presented in the Washington State Treasurer's Annual Report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98504-0200, phone number (360) 902-9000 or TTY 711, or by visiting their website at: [Annual Reports](#).

Total debt service requirements to maturity for general obligation bonds as of June 30, 2023, are as follows (expressed in thousands):

General Obligation Bonds	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 1,145,959	\$ 1,026,521	\$ —	\$ —	\$ 1,145,959	\$ 1,026,521
2025	1,134,375	996,226	—	—	1,134,375	996,226
2026	1,149,111	942,946	—	—	1,149,111	942,946
2027	1,149,834	890,670	—	—	1,149,834	890,670
2028	1,143,256	840,302	—	—	1,143,256	840,302
2029-2033	5,642,453	3,217,077	—	—	5,642,453	3,217,077
2034-2038	4,560,680	1,840,376	—	—	4,560,680	1,840,376
2039-2043	3,586,685	802,130	—	—	3,586,685	802,130
2044-2048	1,425,665	154,010	—	—	1,425,665	154,010
<b>Total Debt Service Requirements</b>	<b>\$ 20,938,018</b>	<b>\$ 10,710,258</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 20,938,018</b>	<b>\$ 10,710,258</b>

### Revenue Bonds

Revenue bonds are authorized under current state statutes which provide for the issuance of bonds that are not supported, or not intended to be supported, by the full faith and credit of the state.

indirect cost recovery, sales and services revenue, and investment income. General revenue bonds outstanding as of June 30, 2023, include \$859.2 million in governmental activities and \$1.83 billion in business-type activities.

### General Revenue

The University of Washington and Washington State University issue general revenue bonds that are payable from general revenues, including student tuition, grant

### Pledged Revenue

The remainder of the state's revenue bonds pledge income derived from acquired or constructed assets for retirement of the debt and payment of the related interest.

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Total debt service requirements for revenue bonds to maturity as of June 30, 2023, are as follows (expressed in thousands):

Revenue Bonds	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 164,140	\$ 63,711	\$ 170,966	\$ 90,559	\$ 335,106	\$ 154,270
2025	142,558	56,082	95,238	87,005	237,796	143,087
2026	51,900	51,759	98,455	83,447	150,355	135,206
2027	55,629	49,590	101,905	79,509	157,534	129,099
2028	56,823	47,270	101,936	75,444	158,759	122,714
2029-2033	301,267	200,588	509,441	317,637	810,708	518,225
2034-2038	322,135	132,178	502,452	216,024	824,587	348,202
2039-2043	247,523	66,479	459,747	102,897	707,270	169,376
2044-2048	171,289	33,699	170,715	33,430	342,004	67,129
2049-2053	64,364	7,378	15,130	941	79,494	8,319
<b>Total Debt Service Requirements</b>	<b>\$ 1,577,628</b>	<b>\$ 708,734</b>	<b>\$ 2,225,985</b>	<b>\$ 1,086,893</b>	<b>\$ 3,803,613</b>	<b>\$ 1,795,627</b>

## State of Washington

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Governmental activities include revenue bonds outstanding at June 30, 2023, of \$33.3 million issued by the Tobacco Settlement Authority (TSA), which is a blended component unit of the state. In November 2002, the TSA issued \$517.9 million in bonds and transferred \$450.0 million to the state to be used for increased health care, long-term care, and other programs.

These bonds do not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. The bonds are obligations of the TSA and are secured solely by the TSA's right to receive 29.2 percent of the state's tobacco settlement revenues, restricted investments of the TSA, undistributed TSA bond proceeds, and the earnings thereon held under the indenture authorizing the bonds. Total principal and interest remaining on the bonds is \$40.4 million, payable through 2033. For the current year, both pledged revenue and debt service were \$31.2 million.

Governmental activities include grant anticipation revenue bonds outstanding at June 30, 2023, of \$185.0 million issued for the Washington State Department of Transportation. The bonds were issued to finance a portion of the cost of constructing the State Route 520 Floating Bridge and Eastside Project.

These bonds do not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. The bonds are payable solely from Federal-Aid Highway Program funds, including federal reimbursements of debt service on the bonds and federal reimbursements to the state for projects or portions of projects not financed with bond proceeds. Total principal and interest remaining on the bonds is \$194.2 million, payable through 2024. For the current year, both pledged revenue and debt service were \$99.4 million.

Governmental activities include the Transportation Infrastructure Finance and Innovation Act Bond (TIFIA Bond) outstanding at June 30, 2023, of \$280.1 million. The bonds were issued to finance a portion of the State Route 520 Corridor Program.

The TIFIA Bond is payable solely from toll revenues and does not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing

power for payment of this bond. Total principal and interest remaining on the bond is \$466.3 million, payable through 2051. For the current year, both pledged revenue and debt service were \$12.7 million.

Governmental activities include revenue bonds outstanding at June 30, 2023, of \$24.8 million issued by TOP, which is a blended component unit of the state. The bonds, issued in 2004, are payable solely from the trust estate pledged under the indenture, including rental payments. The bonds were used to construct an office building in Tumwater, Washington which the state occupied beginning in fiscal year 2006.

The bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on the bonds is \$28.2 million, payable through 2029. For the current year, both pledged revenue and debt service were \$4.4 million.

Governmental activities include revenue bonds outstanding at June 30, 2023, of \$195.3 million issued by FYI Properties, a blended component unit of the state. The bonds, issued in 2009, are payable solely from the trust estate pledged under the indenture, including rental payments. The bonds were used to construct an office building in Olympia, Washington which the state occupied beginning in fiscal year 2012.

The bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on the bonds is \$287.8 million, payable through 2039. For the current year, both pledged revenue and debt service were \$18.1 million.

The state's colleges and universities may issue bonds for the purpose of housing, dining, parking, and student facilities construction. These bonds are reported within business-type activities and are secured by a pledge of specific revenues. These bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds.

The state colleges and universities may also enter into financing agreements, not offered for public sale, directly with investors or lenders.

## State of Washington

Total pledged specific revenues for the state's colleges and universities to repay the principal and interest of revenue bonds as of June 30, 2023, are as follows (expressed in thousands):

Source of Revenue Pledged	Housing and Dining Revenues (Net of Operating	Student Facilities Fees and Earnings on	Bookstore Revenues
Current revenue pledged	\$ 38,281	\$ 18,102	\$ —
Current year debt service	22,914	10,506	202
Total future revenues pledged *	431,219	128,412	2,225
Description of debt	Housing and dining bonds issued in 2010-2020	Student facilities bonds issued in 2013-2022	Bookstore bonds issued in 2013
Purpose of debt	Construction and renovation of student housing and dining facilities	Construction and renovation of student activity and sports facilities	Bookstore remodel
Term of commitment	2026-2049	2028-2047	2034
Percentage of debt service to pledged revenues (current year)	59.86 %	58.04 %	— %

\* Total future principal and interest payments.

### Other Notes Payable

Total debt service requirements for other notes payable to maturity as of June 30, 2023, are as follows (expressed in thousands):

Notes Payable	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 961	\$ 34	\$ —	\$ —	\$ 961	\$ 34
2025	129	—	—	—	129	—
2026	115	—	—	—	115	—
<b>Total</b>	<b>\$ 1,205</b>	<b>\$ 34</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,205</b>	<b>\$ 34</b>

### B. CERTIFICATES OF PARTICIPATION

Certificates of participation at June 30, 2023, are reported by the state of Washington within governmental activities and business-type activities, as applicable.

Current state law authorizes the state to enter into long-term financing contracts for the acquisition of real or personal property and for the issuance of certificates of participation in the contracts. These certificates of

participation do not fall under the general obligation debt limitations and are generally payable only from annual appropriations by the Legislature.

Other specific provisions could also affect the state's obligation under certain agreements. The certificates of participation are recorded for financial reporting purposes if the possibility of the state not meeting the terms of the agreements is considered remote.

Total debt service requirements for certificates of participation to maturity as of June 30, 2023, are as follows (expressed in thousands):

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Certificates of Participation	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 140,053	\$ 46,111	\$ 6,123	\$ 2,016	\$ 146,176	\$ 48,127
2025	52,053	20,444	17,220	6,763	69,273	27,207
2026	50,243	17,869	16,621	5,912	66,864	23,781
2027	44,974	15,404	14,878	5,096	59,852	20,500
2028	36,454	13,461	12,060	4,453	48,514	17,914
2029-2033	123,110	46,478	40,727	15,376	163,837	61,854
2034-2038	93,852	22,041	31,048	7,291	124,900	29,332
2039-2043	34,231	5,672	11,324	1,876	45,555	7,548
2044-2048	4,235	286	1,402	94	5,637	380
<b>Total Debt Service Requirements</b>	<b>\$ 579,205</b>	<b>\$ 187,766</b>	<b>\$ 151,403</b>	<b>\$ 48,877</b>	<b>\$ 730,608</b>	<b>\$ 236,643</b>

### C. DEBT REFUNDINGS

When advantageous and permitted by statute and bond covenants, the State Finance Committee authorizes the refunding of outstanding bonds and certificates of participation. Colleges and universities may also refund revenue bonds.

When the state refunds outstanding bonds, the net proceeds of each refunding issue are used to purchase U.S. government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds.

As a result, the refunded bonds are considered defeased and the liability is removed from the government-wide statement of net position.

#### Current Year Defeasances

##### Bonds

##### Governmental Activities

On May 10, 2023, the state issued \$828.7 million in various purpose general obligation refunding bonds with an average interest rate of 5.00 percent to refund \$936.0 million of various purpose general obligation bonds with an average interest rate of 4.48 percent. The refunding resulted in \$127.2 million gross debt service savings over the next 15 years and an economic gain of \$105.6 million.

Also on May 10, 2023, the state issued \$514.4 million in motor vehicle fuel tax general obligation refunding bonds with an average interest rate of 5.00 percent to refund \$586.9 million of motor vehicle fuel tax general obligation

bonds with an average interest rate of 4.23 percent. The refunding resulted in \$75.8 million gross debt service savings over the next 20 years and an economic gain of \$55.1 million.

##### Certificates of Participation

On June 7, 2023, the state issued \$1.1 million in refunding certificates of participation with an average interest rate of 5.00 percent to refund \$1.3 million of certificates of participation with an average interest rate of 4.41 percent. The refunding resulted in a \$92 thousand gross debt service savings over the next 10 years and a net present value savings of \$83 thousand.

#### Current Year In-Substance Defeasances

##### Bonds

##### Governmental Activities

For the fiscal year ended June 30, 2023, the state deposited \$3.2 million of existing resources into an irrevocable escrow account for the defeasance of debt service coming due in future fiscal years.

##### Business-Type Activities

For the fiscal year ended June 30, 2023, the state deposited \$10.3 million of existing resources into an irrevocable escrow account for the defeasance of debt service coming due in future fiscal years.

#### Prior Year Defeasances

In prior years, the state defeased certain general obligation bonds, revenue bonds, and certificates of participation by placing the proceeds of new bonds and certificates of



## State of Washington

participation in an irrevocable trust to provide for all future debt service payments on the prior bonds and certificates of participation.

Accordingly, the trust account assets and the liability for the defeased bonds and certificates of participation are not included in the state's financial statements.

### General Obligation Bond Debt

On June 30, 2023, \$1.52 billion of general obligation bond debt outstanding is considered defeased.

### D. CLAIMS AND JUDGMENTS

Claims and judgments are materially related to three activities: workers' compensation, risk management, and health insurance. Workers' compensation and health insurance are business-type activities, and risk management is a governmental activity. A description of the risks to which the state is exposed by these activities and the ways in which the state handles the risks are presented in Note 1.E.

### Workers' Compensation

At June 30, 2023, \$53.80 billion of unpaid claims and claim adjustment expenses are presented at their net present and settlement value of \$39.67 billion. These claims are

### Revenue Bond Debt

On June 30, 2023, \$112.7 million of revenue bond debt outstanding is considered defeased.

### Certificates of Participation Debt

On June 30, 2023, \$1.4 million of certificates of participation debt outstanding is considered defeased.

discounted at assumed interest rates of 1.5 percent for non-pension and cost of living adjustments, 5.6 percent for all self-insured pension annuities, and 4.0 percent for state fund pension annuities to arrive at a settlement value.

The claims and claim adjustment liabilities of \$39.67 billion as of June 30, 2023, include \$23.46 billion for supplemental pension cost of living adjustments (COLAs) that by statute are not to be fully funded. These COLA payments are funded on a pay-as-you-go basis.

The remaining claims liabilities of \$16.21 billion are fully funded by long-term investments, net of obligations under securities lending agreements.

Changes in the balances of workers' compensation claims liabilities during fiscal years 2022 and 2023 were as follows (expressed in thousands):

Workers' Compensation Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2022	\$ 34,582,309	6,763,887	(2,643,440)	\$ 38,702,756
2023	\$ 38,702,756	3,768,468	(2,799,764)	\$ 39,671,460

### Risk Management

The Risk Management Fund administers tort and sundry claims filed against Washington state agencies, except the University of Washington. The fund reports a tort liability when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for tort claims that have been incurred but not reported. It also includes an actuarial estimate of loss adjustment expenses for tort defense.

Because actual liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, it should be recognized that future loss emergence will likely deviate, perhaps materially, from the actuarial

estimates. Liabilities are re-evaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The state is a defendant in a significant number of lawsuits pertaining to general and automobile liability matters.

As of June 30, 2023, outstanding and actuarially determined claims against the state and its agencies, with the exception of the University of Washington, including actuarially projected defense costs were \$1.52 billion for which the state has recorded a liability. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined liabilities.

State of Washington

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Changes in the balances of risk management claims liabilities during fiscal years 2022 and 2023 were as follows (expressed in thousands):

Risk Management Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Tort Defense Payments	Balances End of Fiscal Year
2022	\$ 1,194,462	867,469	(481,502)	(24,331)	\$ 1,556,098
2023	\$ 1,556,098	178,467	(183,706)	(32,697)	\$ 1,518,162

**Health Insurance**

The Health Insurance Fund establishes a liability when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on various complex factors, the process used in

computing claims liabilities does not always result in an exact amount.

Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

At June 30, 2023, health insurance claims liabilities totaling \$179.0 million are fully funded with cash and investments, net of obligations under securities lending agreements.

Changes in the balances of health insurance claims liabilities during fiscal years 2022 and 2023 were as follows (expressed in thousands):

Health Insurance Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2022	\$ 174,541	2,438,098	(2,371,405)	\$ 241,234
2023	\$ 241,234	2,590,412	(2,652,661)	\$ 178,985

**E. POLLUTION REMEDIATION**

The state reports pollution remediation obligations in accordance with GASB Statement No. 49. The liability reported involves estimates of financial responsibility and amounts recoverable as well as remediation costs.

The liability could change over time as new information becomes available and as a result of changes in remediation costs, technology, and regulations governing remediation efforts. Additionally, the responsibilities and liabilities discussed in this disclosure are intended to refer to obligations solely in the accounting context. This disclosure does not constitute an admission of any legal responsibility or liability. Further, it does not establish or affect the rights or obligations of any person under the law,

nor does this disclosure impose upon the state any new mandatory duties or obligations.

The state and its agencies are participating as potentially responsible parties in numerous pollution remediation projects under the provisions of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA, generally referred to as Superfund) and the state Model Toxics Control Act.

There are 38 projects in progress for which the state has recorded a liability of \$159.4 million.

The state has also voluntarily agreed to conduct certain remediation activities to the extent of funding paid to the state by third parties for such purposes. At June 30, 2023,

the state has recorded a liability of \$139.6 million for remaining project commitments.

Overall, the state has recorded a pollution remediation liability of \$298.9 million, measured at its estimated amount, using the expected cash flow technique. The overall estimate is based on professional judgment, experience, and historical cost data. For some projects, the state can reasonably estimate the range of expected outlays early in the process because the site situation is common or similar to other sites with which the state has experience. In other cases, the estimates are limited to an amount specified in a settlement agreement, consent decree, or contract for remediation services.

#### **F. ASSET RETIREMENT OBLIGATIONS**

The state reports asset retirement obligations in accordance with GASB Statement No. 83. The liability reported is based on the best estimate, using all available evidence, of the current value of outlays expected to be incurred.

The state and its agencies have identified several legally enforceable liabilities associated with the retirement of tangible capital assets due to requirements included in state laws and contracts. The types of assets include nuclear radiation plants, communication towers, and medical equipment such as cyclotrons, magnetic resonance imaging machines, and tandem accelerators. The estimated remaining useful lives of the tangible capital assets range from 1-15 years.

The state has recorded an asset retirement obligation of \$31.2 million, measured at its current value. The overall estimate is based on professional judgment, experience, and historical cost data.

The liability could change over time as new information becomes available as a result of changes in technology,

#### **G. LONG-TERM LIABILITY ACTIVITY**

The pollution remediation activity at some sites for which the state would otherwise have a reportable obligation is at a point where certain costs are not reasonably estimable. For example, a site assessment, remedial investigation, or feasibility study is in progress and the cleanup methodology has not yet been determined; consequently, associated future costs cannot be estimated.

The state's reported liability does not include remediation costs for future activities where costs are not yet reasonably estimable.

legal or regulatory requirements, and types of equipment, facilities, or services that will be used to meet the obligation to retire the tangible capital assets. Additionally, the responsibilities and liabilities discussed in this disclosure are referenced solely in the accounting context for purposes of this disclosure.

This disclosure does not constitute an admission of any legal responsibility or liability. Further, it does not establish or affect the rights or obligations of any person under the law, nor does this disclosure impose upon the state any new mandatory duties or obligations.

Some tangible capital assets have been identified as having a legally enforceable liability associated with the retirement of a tangible capital asset, but the liability is not yet reasonably estimable. Some examples include dams, sewer lagoons, waste ponds, and state owned communication towers. Estimates are not currently available as the state has no past experience decommissioning these types of assets, or the assets are maintained indefinitely so an estimated remaining useful life is unknown. Once the liability is reasonably estimable, the state will record a liability for the obligation.

Long-term liability activity at June 30, 2023, is reported by the state of Washington within governmental activities and business-type activities, as applicable.

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Long-term liability activity for governmental activities for fiscal year 2023 is as follows (expressed in thousands):

Governmental Activities:	Beginning Balance July 1, 2022*	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
GO Bonds Payable:					
General obligation (GO) bonds	\$ 20,519,125	\$ 2,870,180	\$ 2,615,515	\$ 20,773,790	\$ 1,118,730
GO - zero coupon bonds (principal)	191,300	—	27,072	164,228	27,229
Subtotal - GO bonds payable	20,710,425	2,870,180	2,642,587	20,938,018	1,145,959
Accreted interest - GO - zero coupon bonds	312,355	—	20,095	292,260	50,006
Revenue bonds payable	1,749,031	5,841	177,244	1,577,628	164,140
Plus: Unamortized premiums on bonds sold	2,970,379	421,796	240,605	3,151,570	—
Less: Deferred issuance discounts	(58)	—	—	(58)	—
<b>Total Bonds Payable</b>	<b>25,742,132</b>	<b>3,297,817</b>	<b>3,080,531</b>	<b>25,959,418</b>	<b>1,360,105</b>
<b>Other Liabilities:</b>					
Certificates of participation	629,793	46,067	96,655	579,205	140,053
Plus: Unamortized premiums on COPs sold	19,026	2,982	4,183	17,825	—
Claims and judgments payable	1,976,599	252,597	168,702	2,060,494	562,288
Installment contracts	906	—	138	768	137
Right-to-use lease liabilities	1,419,211	151,619	177,188	1,393,642	182,566
Subscription liabilities	130,317	217,094	74,069	273,342	93,867
Notes payable	1,801	339	935	1,205	961
Compensated absences	862,205	610,605	566,107	906,703	152,224
Net pension liability	834,391	1,824,898	1,336,437	1,322,852	—
Total OPEB liability	5,556,460	1,432,588	3,376,542	3,612,506	91,174
Pollution remediation obligations	230,095	79,343	10,492	298,946	—
Unclaimed property refunds	123,520	27,533	1,735	149,318	3,567
Asset retirement obligations	30,522	649	—	31,171	—
Other	408,091	150,427	108,742	449,776	52,812
<b>Total Other Liabilities</b>	<b>12,222,937</b>	<b>4,796,741</b>	<b>5,921,925</b>	<b>11,097,753</b>	<b>1,279,649</b>
<b>Total Long-Term Debt</b>	<b>\$ 37,965,069</b>	<b>\$ 8,094,558</b>	<b>\$ 9,002,456</b>	<b>\$ 37,057,171</b>	<b>\$ 2,639,754</b>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in right-to-use lease liabilities of \$5.6 million and an increase in subscription liabilities of \$130.3 million.

For governmental activities, certificates of participation are being repaid approximately 43.09 percent from the Higher Education Special Revenue Fund, 30.01 percent from the General Fund, and the balance from various other governmental funds. The claims and judgments liability will be liquidated approximately 73.68 percent by the Risk Management Fund, 11.17 percent by the Higher Education Revolving Fund (both are nonmajor internal service funds), and the balance by various other governmental funds. The right-to-use lease liability will be liquidated approximately 66.64 percent by the General Fund, 14.18 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The subscription liabilities will be liquidated approximately 41.90 percent by the General Fund, 32.38 percent by the Human Services Special Revenue Fund (a nonmajor governmental fund), and the balance by various other governmental funds. The

compensated absences liability will be liquidated approximately 45.24 percent by the General Fund, 33.03 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The net pension liability will be liquidated approximately 49.41 percent by the General Fund, 33.06 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The other post employment benefits liability will be liquidated approximately 49.43 percent by the General Fund, 30.12 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The pollution remediation liability will be liquidated approximately 72.73 percent by the Wildlife and Natural Resources Fund (a nonmajor governmental fund), and the balance by various other governmental funds. The unclaimed property refunds will be liquidated against the future unclaimed property deposited to the General Fund.

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Installment contract obligations, notes payable, asset retirement obligations, and other liabilities will be repaid from various other governmental funds.

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Long-term liability activity for business-type activities for fiscal year 2023 is as follows (expressed in thousands):

Business-Type Activities	Beginning Balance July 1, 2022*	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
<b>Long-Term Debt:</b>					
Revenue bonds payable	\$ 2,288,134	\$ —	\$ 62,149	\$ 2,225,985	\$ 170,966
Plus: Unamortized premiums on bonds sold	172,422	2,323	19,355	155,390	—
<b>Total Bonds Payable</b>	<b>2,460,556</b>	<b>2,323</b>	<b>81,504</b>	<b>2,381,375</b>	<b>170,966</b>
<b>Other Liabilities:</b>					
Certificates of participation	158,413	76	7,086	151,403	6,123
Plus: Unamortized premiums on COPs sold	24,972	—	1,414	23,558	—
Claims and judgments payable	39,125,110	2,915,703	1,796,939	40,243,874	2,859,565
Installment contracts	2,168	—	710	1,458	723
Lottery prize annuities payable	110,713	8,077	18,184	100,606	12,335
Tuition benefits payable	1,150,999	72,395	81,394	1,142,000	103,000
Right-to-use lease liabilities	256,894	100,993	67,373	290,514	38,936
Subscription liabilities	22,794	19,948	6,473	36,269	13,744
Notes payable	985	—	985	—	—
Compensated absences	126,299	57,649	50,486	133,462	93,653
Net pension liability	121,778	237,616	163,854	195,540	—
Total OPEB liability	910,880	299,230	577,211	632,899	15,973
Other	231,059	17,398	89,840	158,617	1,302
<b>Total Other Liabilities</b>	<b>42,243,064</b>	<b>3,729,085</b>	<b>2,861,949</b>	<b>43,110,200</b>	<b>3,145,354</b>
<b>Total Long-Term Debt</b>	<b>\$ 44,703,620</b>	<b>\$ 3,731,408</b>	<b>\$ 2,943,453</b>	<b>\$ 45,491,575</b>	<b>\$ 3,316,320</b>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in right-to-use lease liabilities of \$3.4 million and an increase in subscription liabilities of \$22.8 million.

## Note 8

### No Commitment Debt

The Washington State Housing Finance Commission, Washington Higher Education Facilities Authority, Washington Health Care Facilities Authority, and Washington Economic Development Finance Authority (financing authorities) were created by the Legislature.

For financial reporting purposes, they are discretely presented as component units. These financing authorities issue bonds and other debt for the purpose of

making loans to qualified borrowers for capital acquisitions, construction, and related improvements.

The debt does not constitute either a legal or moral obligation of the state for these financing authorities, nor does the state or these financing authorities pledge their full faith and credit for the payment of such debt.

Debt service is payable solely from payments made by the borrowers pursuant to loan agreements. Due to their no commitment nature, the debt issued by these financing authorities is excluded from the state's financial statements.

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The schedule below presents the June 30, 2023, balances for the “No Commitment” debt of the state’s financing authorities (expressed in thousands):

<b>Financing Authorities</b>	<b>Principal Balance</b>
Washington State Housing Finance Commission	\$ 7,132,884
Washington Health Care Facilities Authority	5,118,964
Washington Higher Education Facilities Authority	708,385
Washington Economic Development Finance Authority	<u>1,018,460</u>
<b>Total No Commitment Debt</b>	<u>\$ 13,978,693</u>

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## Note 9 Conduit Debt

### Local Option Capital Asset Lending Program

On September 1, 1998, the state lease-purchase program was extended to local governments seeking low cost financing of essential equipment and, in the year 2000, for real estate. The Local Option Capital Assets Lending (LOCAL) program allows local governments to pool their financing requests together with Washington state agencies in Certificates of Participation (COPs). Refer to Note 7.B for the state’s COP disclosure.

These COPs do not constitute a debt or pledge of the full faith and credit of the state; rather, local governments pledge their full faith and credit in a general obligation pledge.

In the event that any local government fails to make a payment, the state is obligated to withhold an amount sufficient to make such payment from the local government’s share, if any, of state revenues or other amounts authorized or required by law to be distributed by the state to such local government, if otherwise legally permissible.

Upon failure of any local government to make a payment, the state is further obligated, to the extent of legally available appropriated funds, to make such payment on behalf of such local government. The local government remains obligated to make all COP payments and reimburse the state for any conditional payments.

As of June 30, 2023, outstanding COP notes totaled \$136.2 million for 137 local governments participating in the LOCAL program. The state estimates that the LOCAL program liability, if any, would be immaterial to its overall financial condition.

## Note 10 Leases and Subscription-Based Information Technology Arrangements

### A. LESSEE AND SBITA ACTIVITY

The state leases land, facilities, office equipment, and other assets under a variety of long-term, non-cancelable lease agreements. The state also has noncancelable subscription-based information

technology arrangements (SBITAs) for the right to use information technology hardware and software.

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Lease and subscription assets at June 30, 2023, are reported by the state of Washington within

governmental activities and business-type activities, as applicable.



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**Lease and Subscription Assets**

The following is a summary of governmental right-to-use lease and subscription asset activity for the year ended June 30, 2023 (expressed in thousands):

<b>Governmental Activities</b>	<b>Balances</b> <b>July 1, 2022*</b>	<b>Additions</b>	<b>Deletions/</b>	<b>Balances</b> <b>June 30, 2023</b>
Land lease assets	\$ 425,544	\$ 4	\$ (9,666)	\$ 425,882
Accumulated amortization	<u>(22,665)</u>	(9,880)	—	<u>(32,545)</u>
Net land lease assets	<u>402,879</u>			<u>383,337</u>
Building lease assets	1,441,711	169,346	(114,999)	1,496,058
Accumulated amortization	<u>(520,629)</u>	(182,290)	97,187	<u>(605,732)</u>
Net building lease assets	<u>921,072</u>			<u>890,316</u>
Equipment and other lease assets	44,411	522	(811)	44,122
Accumulated amortization	<u>(18,678)</u>	(8,270)	229	<u>(26,619)</u>
Net equipment and other lease assets	<u>25,733</u>			<u>17,453</u>
Subscription assets	162,609	222,185	(224)	384,560
Accumulated amortization	<u>(9,833)</u>	(82,222)	224	<u>(92,831)</u>
Net subscription assets	<u>152,776</u>			<u>301,729</u>
<b>Governmental Activities Lease and Subscription Assets, Net</b>	<u><b>\$ 1,502,460</b></u>			<u><b>\$ 1,592,835</b></u>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in capital assets of \$156.6 million and a decrease in accumulated amortization/depreciation of \$1.7 million.

The following is a summary of business-type right-to-use lease and subscription asset activity for the year ended June 30, 2023 (expressed in thousands):

<b>Business-Type Activities</b>	<b>Balances</b> <b>July 1, 2022*</b>	<b>Additions</b>	<b>Deletions/</b>	<b>Balances</b> <b>June 30, 2023</b>
Building lease assets	\$ 299,069	\$ 30,880	\$ (22,514)	\$ 306,435
Accumulated amortization	<u>(88,664)</u>	(22,260)	22,155	<u>(88,769)</u>
Net building lease assets	<u>210,405</u>			<u>207,566</u>
Equipment and other lease assets	67,490	47,290	—	114,780
Accumulated amortization	<u>(32,895)</u>	(17,409)	—	<u>(50,304)</u>
Net equipment and other lease assets	<u>34,595</u>			<u>64,476</u>
Subscription assets	21,654	29,652	—	51,306
Accumulated amortization	<u>(7,487)</u>	(15,589)	(124)	<u>(23,200)</u>
Net subscription assets	<u>14,167</u>			<u>28,106</u>
<b>Business-Type Activities Lease and Subscription Assets, Net</b>	<u><b>\$ 269,177</b></u>			<u><b>\$ 310,259</b></u>

\*The beginning balances reflect prior period adjustments due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and leases that should have been previously recorded under GASB Statement No. 87, *Leases*, which resulted in an increase in capital assets of \$24.2 million and an increase in accumulated amortization/depreciation of \$6.0 million.

## State of Washington

### Lease and Subscription Liabilities

The following schedule presents future annual lease payments for governmental and business-type activities as of June 30, 2023 (expressed in thousands):

Right-to-Use Lease Agreements	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 182,566	\$ 28,258	\$ 38,936	\$ 5,715	\$ 221,502	\$ 33,973
2025	151,201	27,580	51,229	4,779	202,430	32,359
2026	113,066	26,730	35,789	4,094	148,855	30,824
2027	88,034	24,937	33,127	3,534	121,161	28,471
2028	66,948	23,705	31,362	2,998	98,310	26,703
2029-2033	180,589	114,073	51,190	10,241	231,779	124,314
2034-2038	89,109	111,789	35,301	4,748	124,410	116,537
2039-2043	78,331	108,810	13,580	1,028	91,911	109,838
2044-2048	55,786	84,915	—	—	55,786	84,915
2049-2053	85,891	65,673	—	—	85,891	65,673
2054-2058	129,485	45,757	—	—	129,485	45,757
Thereafter	172,636	17,250	—	—	172,636	17,250
<b>Total</b>	<b>\$ 1,393,642</b>	<b>\$ 679,477</b>	<b>\$ 290,514</b>	<b>\$ 37,137</b>	<b>\$ 1,684,156</b>	<b>\$ 716,614</b>

The following schedule presents future annual SBITA payments for governmental and business-type activities as of June 30, 2023 (expressed in thousands):

Subscription-Based IT Arrangements (SBITAs)	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
<b>By Fiscal Year:</b>						
2024	\$ 93,867	\$ 8,586	\$ 13,744	\$ 622	\$ 107,611	\$ 9,208
2025	67,525	1,609	10,672	498	78,197	2,107
2026	50,963	918	7,270	297	58,233	1,215
2027	42,136	462	1,628	147	43,764	609
2028	16,010	142	1,325	104	17,335	246
2029-2033	2,841	59	1,630	169	4,471	228
<b>Total</b>	<b>\$ 273,342</b>	<b>\$ 11,776</b>	<b>\$ 36,269</b>	<b>\$ 1,837</b>	<b>\$ 309,611</b>	<b>\$ 13,613</b>

Variable payments, other than those payments that depend on an index or rate or are fixed in substance, and other payments that are not known or certain to be exercised are excluded from the measurement of the lease and subscription liabilities. During the fiscal year ending June 30, 2023, the state of Washington, recognized \$99.3 million for variable and other lease payments not included in the measurement of the lease liability and \$35.8 million for variable and other SBITA payments not included in the measurement of the subscription liability.

As of June 30, 2023, the state of Washington has four leases for facilities that have not yet commenced with

lease payments due on an undiscounted basis of \$153.7 million. These leases will commence in fiscal years 2024 and 2026, with lease terms ranging between 5 and 40 years.

As of June 30, 2023, the state of Washington has eight SBITAs that have not yet commenced with payments due on an undiscounted basis of \$106.6 million. These SBITAs will commence in fiscal years 2024 and 2025, with subscription terms ranging between three and seven years.

## **B. LESSOR ACTIVITY**

The state leases state-owned land, buildings, and communication towers to preserve land and generate revenue for public services. In addition, the state subleases office building space. The state of Washington records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the state's incremental borrowing rate.

During the fiscal year ending June 30, 2023, the amount recognized as lease revenue and lease interest was \$51.5 million and \$13.9 million, respectively.

Variable lease receipts, other than those that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease receivable. During the fiscal year ended June 30, 2023, the state of Washington, recognized revenue of \$35.8 million for variable lease and other payments not included in the measurement of the lease receivable.

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## **Note 11**

### **Public-Private and Public-Public Partnerships**

On January 9, 2017, the State Parks and Recreation Commission entered into an agreement with Daniels Real Estate, to design and construct improvements to the existing facility and operate and maintain the St. Edward's lodge for 62 years, setting and retaining lodge fees. In addition, Daniels Real Estate transferred land to the state in 2017, increasing the size of the lodge grounds. The construction was completed in 2018. The state has recognized capital assets for the land and building improvements and a deferred inflow of resources equal to the initial value of the capital assets. As of June 30, 2023, the land is valued at its historical cost of \$1.5 million, the carrying value of the building improvements is \$47.2 million, and the related deferred inflow of resources is \$48.9 million.

On November 14, 2016, the Washington State Department of Transportation (WSDOT) entered into an agreement with King County to design, construct, operate, and maintain a passenger-only ferry terminal for 75 years at the Seattle Multimodal Terminal on the state's tidelands. The terminal's construction was completed in 2019. King County will set and retain fares and advertising revenue. The state has recognized a receivable for future payments from King County for the tidelands lease discounted by an interest rate of 1.51 percent and a related deferred inflow of resources. As of June 30, 2023, the receivable is \$349 thousand and

the deferred inflow of resources is \$347 thousand. The ownership of the building will transfer to WSDOT at the end of the agreement, at which time the building is not expected to have any remaining value.

On July 1, 2021, Washington State University (WSU) entered into a 1,055-month agreement with CP Sagamore University Crossing, LLC to construct and manage student-oriented apartment complexes on the Pullman campus, known as University Crossing. The operator will set and retain fees. Construction was completed in 2023. As of June 30, 2023, the value of the receivable is \$2.7 million for the future annual fixed payments the operator is required to make, discounted by an interest rate of 3.50 percent. The value of the related deferred inflow of resources as of June 30, 2023, is \$2.4 million. The ownership of the building will transfer to WSU at the end of the agreement, at which time the building is not expected to have any remaining value.

On June 1, 2023, WSU entered into a 713-month agreement with Vineyard Apartments, LLC to build and manage student housing complexes on the Tri-Cities campus. The operator will set and retain fees. Construction was completed in 2018. As of June 30, 2023, the value of the receivable is \$1.8 million for the future monthly fixed payments made by the operator, discounted by an interest rate of 4.44 percent. The value of the deferred inflow of resources as of June 30, 2023, is \$1.8 million. The ownership of the building will transfer to WSU at the end of the agreement, at which time the building is not expected to have any remaining value.

## Note 12

### Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources reported on the Statement of Net Position for governmental and business-type activities as of June 30, 2023, consisted of the following (expressed in thousands):

	Primary Government			Discrete Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Deferred Outflows of Resources:</b>				
Refundings of debt	\$ 2,704	\$ 25,031	\$ 27,735	\$ 11,805
Pensions	3,064,201	415,430	3,479,631	7,835
Other postemployment benefits	586,644	231,995	818,639	920
Asset retirement obligations	11,772	—	11,772	—
Hedging derivatives	232	—	232	—
<b>Total Deferred Outflows of Resources</b>	<b>\$ 3,665,553</b>	<b>\$ 672,456</b>	<b>\$ 4,338,009</b>	<b>\$ 20,560</b>
<b>Deferred Inflows of Resources:</b>				
Refundings of debt	\$ 183	\$ 128	\$ 311	\$ —
Pensions	3,085,070	351,709	3,436,779	6,595
Other postemployment benefits	3,002,635	499,516	3,502,151	3,402
Irrevocable split interest agreements	18,465	—	18,465	—
Right-to-use lease agreements	360,324	90,022	450,346	24,143
Public-private and public-public partnerships	49,242	—	49,242	—
Hedging derivatives	52	—	52	9,613
Other purposes	—	—	—	24,849
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,515,971</b>	<b>\$ 941,375</b>	<b>\$ 7,457,346</b>	<b>\$ 68,602</b>

Of the \$3.06 billion of deferred outflows of resources related to pensions reported in governmental activities, \$113.6 million is reported in the internal service funds.

Of the remaining \$601.4 million of deferred outflows of resources reported in governmental activities, \$35.9 million is reported in the internal service funds. This amount is comprised of \$33.6 million related to other postemployment benefits and \$2.3 million related to debt refunding.

Of the \$3.09 billion of deferred inflows of resources related to pensions reported in governmental activities, \$106.7 million is reported in the internal service funds.

Of the remaining \$3.43 billion of deferred inflows of resources reported in governmental activities, \$125.5 million is reported in the internal service funds. This amount is comprised of \$125.4 million related to other

postemployment benefits and \$67 thousand related to debt refunding.

For both the governmental activities and business-type activities, pension and other postemployment benefits make up a significant portion of the deferred inflows of resources and the deferred outflows of resources. For more details on pension and other postemployment benefits, including deferred inflows of resources and deferred outflows of resources, refer to Note 15 and Note 16, respectively.

Under the modified accrual basis of accounting, governmental funds reported \$3.96 billion in unavailable revenue as deferred inflows of resources, consisting primarily of taxes received more than 30 days after the close of the current fiscal year. For more details about the unavailable revenue, refer to Note 4.

## Note 13

### Governmental Fund Balances

#### A. GOVERNMENTAL FUNDS

The state's governmental fund balances are reported according to the relative constraints that control how amounts can be spent. Classifications include nonspendable, restricted, committed, and assigned, which are further described in Note 1.D.10.

A summary of governmental fund balances at June 30, 2023, is as follows (expressed in thousands):

Fund Balances	General	Higher Education Special Revenue	Higher Education Endowment and Other Permanent	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>					
Permanent funds	\$ —	\$ —	\$ 3,234,347	\$ 221,845	\$ 3,456,192
Consumable inventories and prepaids	18,929	51,634	—	67,086	137,649
Other receivables – long-term	41,539	—	—	—	41,539
<b>Total Nonspendable Fund Balance</b>	<b>\$ 60,468</b>	<b>\$ 51,634</b>	<b>\$ 3,234,347</b>	<b>\$ 288,931</b>	<b>\$ 3,635,380</b>
<b>Restricted for: *</b>					
Higher education	\$ —	\$ 40,076	\$ 2,065,726	\$ —	\$ 2,105,802
Education	—	—	18,495	59,997	78,492
Transportation	—	—	—	2,068,085	2,068,085
Other purposes	30	—	—	3,707	3,737
Human services	—	—	—	767,967	767,967
Wildlife and natural resources	4,872	—	1	1,358,318	1,363,191
Local grants and loans	34,847	—	—	41	34,888
School construction	38	—	—	370,607	370,645
Budget stabilization	652,375	—	—	—	652,375
Debt service	—	—	—	46,016	46,016
Pollution remediation	—	—	—	52,649	52,649
Operations and maintenance	—	—	—	11,856	11,856
Repair and replacement	—	—	—	40,561	40,561
Revenue stabilization	—	—	—	28,353	28,353
Deferred sales tax	—	—	—	9,000	9,000
Third tier debt service	—	—	—	3,182	3,182
Fourth tier debt service	—	—	—	1,968	1,968
<b>Total Restricted Fund Balance</b>	<b>\$ 692,162</b>	<b>\$ 40,076</b>	<b>\$ 2,084,222</b>	<b>\$ 4,822,307</b>	<b>\$ 7,638,767</b>
<b>Committed for:</b>					
Higher education	\$ 310,446	\$ 5,670,645	\$ —	\$ 23,562	\$ 6,004,653
Education	885	—	—	10,065	10,950
Transportation	—	—	—	1,122,765	1,122,765
Other purposes	175,612	—	—	673,604	849,216
Human services	2,592,597	—	—	1,531,479	4,124,076
Wildlife and natural resources	49,346	—	—	1,766,462	1,815,808
Local grants and loans	236,341	—	—	800,854	1,037,195
State facilities	—	—	—	38,228	38,228
Debt service	—	—	—	343,797	343,797
<b>Total Committed Fund Balance</b>	<b>\$ 3,365,227</b>	<b>\$ 5,670,645</b>	<b>\$ —</b>	<b>\$ 6,310,816</b>	<b>\$ 15,346,688</b>
<b>Assigned for:</b>					
Working capital	\$ 1,862,952	\$ 109,939	\$ —	\$ —	\$ 1,972,891
<b>Total Assigned Fund Balance</b>	<b>\$ 1,862,952</b>	<b>\$ 109,939</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,972,891</b>

\*Net position restricted as a result of enabling legislation totaled \$7.2 million.

**B. BUDGET STABILIZATION ACCOUNT**

In accordance with Article 7, Section 12 of the Washington state Constitution, the state maintains the Budget Stabilization Account (“Rainy Day Fund”). The Budget Stabilization Account is reported in the General Fund.

By June 30 of each fiscal year, an amount equal to 1 percent of the general state revenues for that fiscal year is transferred to the Budget Stabilization Account.

The Budget Stabilization Account balance can only be used as follows: (a) if the Governor declares a state of emergency resulting from a catastrophic event that necessitates government action to protect life or public safety, then for that fiscal year money may be withdrawn and appropriated from the Budget Stabilization Account, via separate legislation setting forth the nature of the emergency and containing an appropriation limited to the above-authorized purposes as contained in the declaration, by a favorable vote of a majority of the members elected to each house of the Legislature; (b) if

the employment growth forecast for any fiscal year is estimated to be less than 1 percent, then for that fiscal year money may be withdrawn and appropriated from the Budget Stabilization Account by the favorable vote of a majority of the members elected to each house of the Legislature; (c) any amount may be withdrawn and appropriated from the Budget Stabilization Account at any time by the favorable vote of at least three-fifths of the members of each house of the Legislature.

When the balance in the Budget Stabilization Account, including investment earnings, equals more than 10 percent of the estimated general state revenues in that fiscal year, the Legislature by the favorable vote of a majority of the members elected to each house of the Legislature may withdraw and appropriate the balance to the extent that the balance exceeds 10 percent of the estimated general state revenues. These appropriations may be made solely for deposit to the Education Construction Fund.

At June 30, 2023, the Budget Stabilization Account had restricted fund balance of \$652.4 million.

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## Note 14

### Deficit Net Position

**Risk Management Fund**

The Risk Management Fund, an internal service fund, had a deficit net position of \$1.56 billion at June 30, 2023. The Risk Management Fund is used to administer the Self-Insurance Liability Program (SILP). The SILP was initiated in 1990 and is intended to provide funds for the payment of all tort claims and defense expenses. The program investigates, processes, and adjudicates tort and sundry claims filed against Washington state agencies, with the

exception of the University of Washington and the Department of Transportation Ferries Division.

The Risk Management Fund is supported by premium assessments to state agencies. The state is restricted by law from accumulating funds in the SILP in excess of 50 percent of total outstanding and actuarially determined claims. As a consequence, when outstanding and incurred but not reported claims are actuarially determined and accrued, the result is a deficit net position.

The following schedule details the change in net position for the Risk Management Fund during the fiscal year ended June 30, 2023 (expressed in thousands):

Risk Management Fund	Net Position
<b>Net Position - Beginning</b>	\$ (1,787,082)
Change in Net Position	<u>222,284</u>
<b>Net Position - Ending</b>	<u><u>\$ (1,564,798)</u></u>

## State of Washington

### Lottery Fund

The Lottery Fund, an enterprise fund, had a deficit net position of \$26.8 million at June 30, 2023. The Lottery Fund is primarily used to record lottery ticket revenues and to account for activities such as administrative and operating expenses of the Lottery Commission and the distribution of revenues.

The Lottery Fund is supported by operating revenue which is comprised of sales from Draw and Scratch games, as well as administration fees charged to retailers. Operating expenses include cost of sales and administrative expenses.

The Lottery Fund is statutorily required to distribute the majority of its net income to fund education.

The implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions* required the assignment of the state's proportionate share of these liabilities to each fund. Recording these unfunded liabilities resulted in deficit net position.

The following schedule details the change in net position for the Lottery Fund during the fiscal year ended June 30, 2023 (expressed in thousands):

Lottery Fund	Net Position
Net Position - Beginning	\$ (22,232)
Change in Net Position	<u>(4,578)</u>
Net Position - Ending	<u>\$ (26,810)</u>

## Note 15

### Retirement Plans

#### A. GENERAL

Washington's pension plans were created by statutes rather than through trust documents. They are administered in a way equivalent to pension trust arrangements as defined by the Governmental Accounting Standards Board (GASB).

In accordance with GASB Statement No. 68, the state has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

The state Legislature establishes and amends laws pertaining to the creation and administration of all state public retirement systems. Additionally, the state Legislature authorizes state agency participation in plans other than those administered by the state.

**Basis of Accounting.** Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed;

investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of all plans, and additions to/deductions from all plan fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans.

The following table represents the aggregate pension amounts for all plans for the state as an employer, for fiscal year 2023 (expressed in thousands):

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 1,518,392
Pension assets	\$ (5,581,494)
Deferred outflows of resources on pensions	\$ 3,479,633
Deferred inflows of resources on pensions	\$ 3,436,780
Pension expense/expenditures	<u>\$ (142,997)</u>

**Investments.** The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension



funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes.

Further information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in Note 3.B.

**Department of Retirement Systems.** As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems covering eligible employees of the state and local governments. The Governor appoints the director of the DRS.

The DRS administered systems are comprised of 12 defined benefit pension plans and 3 defined benefit/defined contribution plans as follows:

- Public Employees' Retirement System (PERS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- Teachers' Retirement System (TRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- School Employees' Retirement System (SERS)
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- Law Enforcement Officers' and Firefighters' Retirement System (LEOFF)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
- Public Safety Employees' Retirement System (PSERS)
  - Plan 2 - defined benefit
- Washington State Patrol Retirement System (WSPRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit

- Judicial Retirement System (JRS)
  - Defined benefit plan
- Judges' Retirement Fund (JRF)
  - Defined benefit plan

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, SERS, LEOFF, PSERS, and WSPRS systems and plans is funded by an employer rate of 0.18 percent of employee salaries. Administration of the JRS and JRF plans is funded by means of legislative appropriations.

Pursuant to RCW 41.50.770, the state offers its employees and employees of political subdivisions that elect to participate a deferred compensation program in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable financial emergency. This deferred compensation plan is administered by the DRS.

The DRS prepares a stand-alone financial report that is compliant with the requirements of GASB Statement No. 67. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, WA 98504-8380 or online at: [DRS Annual Financial Reports](#).

**State Board for Volunteer Firefighters' and Reserve Officers.** As established in chapter 41.24 RCW, the State Board for Volunteer Firefighters' and Reserve Officers administers the Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund (VFFRPF), a defined benefit plan. Administration of the VFFRPF is funded through legislative appropriation.

**Administrative Office of the Courts.** As established in chapter 2.14 RCW, the Administrative Office of the Courts administers the Judicial Retirement Account (JRA), a defined contribution plan. Administration of JRA is funded through member fees.

**Higher Education.** As established in chapter 28B.10 RCW, eligible higher education state employees may participate in higher education retirement plans. These plans include a defined contribution plan administered by a third party with a supplemental defined benefit



component (funded on a pay-as-you-go basis) which is administered by the state.

The state has elected to use the current fiscal year end as the measurement date for reporting net pension

## **B. STATE PARTICIPATION IN PLANS**

### **~~ADMINISTERED BY DDC~~**

#### **1. DRS Plans - Employer Disclosures**

The state is not an employer in SERS Plan 2/3 nor LEOFF Plan 1.

#### **Plan Descriptions**

**Public Employees' Retirement System.** The Legislature established the Public Employees' Retirement System (PERS) in 1947. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the Legislature. Membership in the system includes: elected officials; state employees; employees of the Supreme Court, Court of Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college, and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

PERS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by February 28, 2002, for state and higher education employees, or August 31, 2002, for local government

employees, are Plan 2 members unless they exercised an option to transfer their membership to PERS Plan 3.

employees, are Plan 2 members unless they exercised an option to transfer their membership to PERS Plan 3.

PERS participants joining the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees, have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to PERS Plan 2.

Refer to Note 15.E for a description of the defined contribution component of PERS Plan 3.

**Teachers' Retirement System.** The Legislature established the Teachers' Retirement System (TRS) in 1938. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the Legislature. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative, or supervisory capacity. TRS is comprised principally of non-state agency employees.

TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

TRS members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan

3. TRS members joining the system on or after July 1, 1996, are members of TRS Plan 3.

Legislation passed in 2007 gives TRS members, hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of TRS Plan 2 or Plan 3. At the end of 90 days, any member who has not made a choice becomes a member of Plan 2.

Refer to Note 15.E for a description of the defined contribution component of TRS Plan 3.

**Law Enforcement Officers' and Firefighters'.** The Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) was established in 1970 by the Legislature. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees with the exception of Department of Fish and Wildlife enforcement officers who were included effective July 27, 2003.

LEOFF is a cost-sharing, multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after October 1, 1977, are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

**Public Safety Employees' Retirement System.** The Public Safety Employees' Retirement System (PSERS) was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions are established in chapter 41.37 RCW and may be amended only by the Legislature. PSERS membership includes full-time employees meeting specific eligibility criteria that are employed by Department of Corrections; Department of Natural Resources; Gambling Commission; Liquor and Cannabis Board; Parks and Recreation Commission; Washington State Patrol; Washington state counties; corrections departments of Washington state cities except for Seattle, Tacoma, and

Spokane; or correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS is a cost-sharing, multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

**Washington State Patrol Retirement System.** The Washington State Patrol Retirement System (WSPRS) was established by the Legislature in 1947. WSPRS benefits are established in chapter 43.43 RCW and may be amended only by the Legislature. Any commissioned employee of the Washington State Patrol is eligible to participate.

WSPRS is a single-employer, defined benefit retirement system. WSPRS members who joined the system by December 31, 2002, are Plan 1 members. Plan 1 is closed to new entrants. Those who joined on or after January 1, 2003, are Plan 2 members. For financial reporting and investment purposes, however, both plans are accounted for in the same pension fund.

Effective June 7, 2012, those WSPRS members who have service credit within PERS Plan 2 have options to transfer their service credit earned as commercial vehicle enforcement officers or as communications officers into the WSPRS, provided the member pays the full actuarial cost of the transfer.

At retirement, these members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits.

For membership information refer to the table presented in Note 15.B.3.

**Judicial Retirement System.** The Judicial Retirement System (JRS) was established by the Legislature in 1971. The JRS retirement benefit provisions are established in chapter 2.10 RCW and may be amended only by the Legislature. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971.

The JRS is a single-employer, defined benefit retirement system. There are no active members remaining in the Judicial Retirement System.

For membership information refer to the table presented in Note 15.B.3.

**Judges' Retirement Fund.** The Judges' Retirement Fund (JRF) was created by the Legislature on March 22, 1937, to provide retirement benefits to judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts of the state of Washington. Judges' retirement benefit provisions are established in chapter 2.12 RCW and may be amended only by the Legislature.

The JRF is a single-employer, defined benefit retirement system. There are currently no active members in this plan.

For membership information refer to the table presented in Note 15.B.3.

### **Benefits Provided**

**PERS.** PERS plans provide retirement, disability, and death benefits to eligible members.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, capped at 60 percent. The AFC is the average of the member's 24 highest consecutive service months.

PERS Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Plan 1 members may elect to receive an optional cost of living allowance (COLA) that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. There is no cap on years of service credit and a COLA is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. PERS Plan 2 members have the option to retire early with reduced benefits.

PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after

five years of service, if 12 months of that service are earned after age 44. The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. There is no cap on years of service credit. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months. PERS Plan 3 members have the option to retire early with reduced benefits.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

**TRS.** TRS plans provide retirement, disability, and death benefits to eligible members.

TRS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

TRS Plan 1 members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. A COLA is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. TRS Plan 2 members have the option to retire early with reduced benefits.

TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. Plan 3 provides the same COLA as Plan 2. The AFC is the average of

the member's 60 highest paid consecutive months. TRS Plan 3 members have the option to retire early with reduced benefits.

TRS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, with reduced benefits.

**PERS and TRS Judicial Benefit Multiplier:** The Judicial Benefit Multiplier (JBM) Program gave eligible justices and judges an option to increase the benefit multiplier used in their retirement benefit calculation for their judicial service periods of employment. Beginning January 1, 2007, any justice or judge who was in a judicial position at that time could choose to join JBM. Any justice or judge elected or appointed to office on or after January 1, 2007, who elects to join DRS membership will also be mandated into JBM. If they have already established membership in PERS Plan 1 or TRS Plan 1 they will rejoin that plan, but if they have never had membership they will be enrolled as a member of both PERS Plan 2 and JBM.

**LEOFF.** LEOFF plans provide retirement, disability, and death benefits to eligible members.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service, calculated as a percent of final average salary (FAS), is as follows:

Years of Service	Percent of FAS
20+	2.0%
10-19	1.5%
5-9	1.0%

Other benefits include a cost of living adjustment (COLA).

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for retirement at the age of 53 with at least five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service. FAS is based on the highest consecutive 60 months.

A COLA is granted based on the Consumer Price Index, capped at 3 percent annually. LEOFF Plan 2 members have the option to retire early with reduced benefits.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, generally with reduced benefits.

**PSERS.** PSERS provides retirement, disability, and death benefits to eligible members.

PSERS members are vested after an employee completes five years of eligible service. PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service, or at age 53 with 20 years of service. A cost of living allowance is granted based on the Consumer Price Index, capped at 3 percent annually. The AFC is the average of the member's 60 highest paid consecutive months. PSERS members have the option to retire early with reduced benefits.

PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, generally with reduced benefits.

**WSPRS.** WSPRS plans provide retirement, disability, and death benefits to eligible members.

WSPRS members are vested after the completion of five years of eligible service. Active members are eligible for retirement at the age of 55 with no minimum required service credit, or at any age with 25 years of service credit, and must retire at age 65. This mandatory requirement does not apply to the Chief of the Washington State Patrol. Inactive members can retire at age 60 or at age 55 with a reduced benefit to account for the receipt of benefits over a longer period of time.

The monthly benefit is 2 percent of the average final salary (AFS) per year of service, capped at 75 percent. A cost of living allowance is granted based on the Consumer Price Index, capped at 3 percent annually.

WSPRS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, generally with reduced benefits.

**JRS.** The JRS provides retirement, disability, and death benefits to eligible members.

JRS members are eligible for retirement at the age of 60 with 15 years of service; or are age 60 or older, left office involuntarily with 12 years of service credit, and at least 15 years have passed since the beginning of the initial term. The system was closed to new entrants on July 1, 1988, with new judges joining PERS.

The benefit per year of service, calculated as a percent of final average salary (FAS), is shown in the table below. This benefit is capped at 75 percent of FAS, exclusive of cost-of-living increases.

Years of Service	Percent of FAS
15+	3.50%
10-14	3.00%

**JRF.** The JRF provides disability and retirement benefits to eligible members. The system was closed to new entrants on August 8, 1971, with new judges joining the JRS.

Members are eligible to receive a full retirement allowance at age 70 with 10 years of credited service, or at any age with 18 years of credited service. Members are eligible to receive a partial retirement allowance after 12 years of credited service as a judge.

**Contributions**

**PERS, TRS, PSERS, WSPRS:** Defined benefit retirement benefits are financed from a combination of investment earnings and employer and/or employee contributions.

PERS Plan 1 and TRS Plan 1 member contribution rates are established in statute. PERS Plan 2/3 and TRS Plans 2/3 employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund Plan 2 and the defined benefit portion of Plan 3. PSERS Plans 2 and WSPRS Plan 1/2 employer and employee contribution rates are also developed by the OSA to fully fund the plans.

Each biennium, the state Pension Funding Council adopts employer contribution rates for PERS Plan 1 and 3 and for TRS Plan 1 and 3; employee and employer contribution rates for PERS Plan 2, TRS Plan 2, and PSERS Plan 2; and employee and state contribution rates for WSPRS Plans 1 and 2.

The methods used to determine contribution requirements are established under statute and are subject to change by the Legislature.

PERS and TRS JBM members and employers pay increased contributions that, along with investment earnings, fund the increased retirement benefits of those justices and judges who participate in the program.

Upon separation from covered employment, members can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit.

Required contribution rates for fiscal year 2023 are presented in the table in Note 15.B.3.

**LEOFF:** LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through legislative appropriations.

Employer and employee contribution rates are developed by the Office of the State Actuary (OSA) to fully fund the plans. Starting on July 1, 2000, LEOFF Plan 1 employers and employees are not required to contribute as long as the plan remains fully funded. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The methods used to determine contribution requirements are established under state statute.

Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. For fiscal year 2023, the state contributed \$88.0 million to LEOFF Plan 2.

Required contribution rates for fiscal year 2023 are presented in the table in Note 15.B.3.

The state is not an employer for LEOFF Plan 1; however, the state is a nonemployer contributing entity for LEOFF Plan 1. For LEOFF Plan 2, the state is both an employer and a nonemployer contributing entity.



Refer to Note 15.B.2 for nonemployer contributing entity disclosures.

**JRS and JRF:** The JRS and JRF have no active members; therefore, no employer or employee contributions are required. The state guarantees the solvency of the JRS and JRF on a pay-as-you-go basis from a combination of investment earnings and funding from the state.

Past contributions were made based on rates set in statute. By statute, JRF employees were required to contribute 6.5 percent of covered payroll with an equal amount contributed by the state. JRS employees were required to contribute 7.5 percent of covered payroll with an equal amount contributed by the state.

Each biennium, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet the benefit payment requirements. For fiscal year 2023 the state contributed \$300 thousand for JRF and \$6.7 million for JRS.

**Actuarial Assumptions**

**PERS, TRS, LEOFF, PSERS, and WSPRS:** The total pension liability was determined by an actuarial valuation as of June 30, 2021, with the results rolled forward to the June 30, 2022, measurement date using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75 %
Salary increases	3.25 %
Investment rate of return	7.00 %

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates which vary by member status (e.g. active, retiree, or survivor), as the base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the 2013-2018 Demographic Experience Study Report and the 2021

Economic Experience Study. Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report.

The 7.00 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, but including inflation) are developed for each major asset class by the Washington State Investment Board (WSIB). Refer to the 2021 Report on Financial Condition and Economic Experience Study located on the OSA website for additional information and background on the development of the long-term rate of return assumption.

The WSIB's Capital Market Assumptions (CMAs) contain the following three pieces of information for each class of assets the WSIB currently invests in:

- Expected annual return.
- Standard deviation of the annual return.
- Correlations between the annual returns of each asset class with every other asset class.

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns over various time horizons.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20 %	1.5 %
Tangible assets	7 %	4.7 %
Real estate	18 %	5.4 %
Global equity	32 %	5.9 %
Private equity	23 %	8.9 %
<b>Total</b>	<b>100 %</b>	

The inflation component used to create the above table is 2.20 percent, and represents the WSIB's most recent long-term estimate of broad economic inflation.

**JRS and JRF:** JRS and JRF are excluded from the actuarial valuations performed by OSA due to their small, closed populations and the plans have no remaining active members.

Mortality rates for JRS and JRF are consistent with those used for members of PERS. Members of JRF do not

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receive a COLA and the JRS COLA assumption is based on a national, instead of local, CPI measure. A 2.75 percent national annual inflation is assumed for the JRS COLA.

### Discount rate

**PERS, TRS, LEOFF, PSERS, and WSPRS:** The discount rate used to measure the total pension liability was 7.00 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on the assumptions in OSA's Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.00 percent on pension plan investments was applied to determine the total pension liability.

PERS Plan 2/3, PSERS Plan 2, and SERS Plan 2/3 employers' rates include a component for the PERS Plan 1 liability. TRS Plan 2/3 rates include a component for TRS Plan 1 liability.

**JRS and JRF:** Contributions are made to ensure cash is available to make benefit payments. Since these plans are operated on a pay-as-you-go basis, the discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 3.54 percent for the June 30, 2022, measurement date.

Refer to the table in Note 15.B.3 for the change in net pension liability.

### Pension Expense

The state recognized the following pension expense for the year ended June 30, 2023 (expressed in thousands):

<b>Pension Expense</b>	
<b>Plans</b>	
PERS Plan 1	\$ 508,782
PERS Plan 2/3	(614,398)
TRS Plan 1	14,104
TRS Plan 2/3	(438)
LEOFF Plan 2	2,438
PSERS Plan 2	13,089
WSPRS	(24,001)
JRS	(3,510)
JRF	81

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**Collective Net Pension Liability/(Asset)**

**PERS, TRS, LEOFF and PSERS:** The following presents the state's proportionate share of the collective net pension liability/(asset), the state's proportionate share percentage, and the change in proportionate share as of June 30, 2023 (expressed in thousands):

	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3	LEOFF Plan 2	PSERS Plan 2
Proportionate share of the collective net pension liability/(asset)	\$ 1,174,475	\$(1,891,211)	\$ 24,942	\$ (2,577)	\$ (20,285)	\$ (46,868)
State's proportion	42.18%	50.99%	1.31%	1.31%	0.75%	65.55%
Increase/(decrease)	-1.17%	-0.26%	—%	0.03%	-0.05%	-1.03%

**Net Pension Liability/(Asset)**

**WSPRS, JRS, and JRF:** The following presents the state's net pension liability/(asset) as of June 30, 2023 (expressed in thousands):

	WSPRS	JRS	JRF
Proportionate share of the collective net pension liability/(asset)	\$ (52,937)	\$ 51,257	\$ (92)

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate**

**PERS, TRS, LEOFF, PSERS, and WSPRS:** The following presents the net pension liability/(asset) of the state as an employer, calculated using the discount rate of 7.00 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (expressed in thousands):

Plans	Net Pension Liability/(Asset)		
	1% Decrease	Current Discount Rate	1% Increase
PERS Plan 1	\$ 1,569,082	\$ 1,174,475	\$ 830,075
PERS Plan 2/3	2,227,148	(1,891,211)	(5,274,703)
TRS Plan 1	33,868	24,942	17,139
TRS Plan 2/3	46,695	(2,577)	(42,635)
LEOFF Plan 2	(934)	(20,285)	(36,122)
PSERS Plan 2	111,633	(46,868)	(171,961)
WSPRS	189,750	(52,937)	(249,387)

**JRS and JRF:** The following presents the net pension liability/(asset) of the state as an employer, calculated using the discount rate of 3.54 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current rate (expressed in thousands):

Plans	Net Pension Liability/(Asset)		
	1% Decrease	Current Discount Rate	1% Increase
JRS	\$ 55,781	\$ 51,257	\$ 47,282
JRF	(56)	(92)	(126)





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**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**PERS, TRS, LEOFF, PSERS, WSPRS, JRS, and JRF:** For the year ended June 30, 2023, the state reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

PERS Plan 1	Deferred Outflows of Resources	Deferred Inflows of Resources	PERS Plan 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ —	Difference between expected and actual experience	\$ 468,598	\$ 42,812
Changes of assumptions	—	—	Changes of assumptions	1,054,089	275,998
Net difference between projected and actual earnings on pension	—	194,646	Net difference between projected and actual earnings on pension	—	1,398,186
Change in proportion	—	—	Change in proportion	20,749	—
State contributions subsequent to the measurement date	292,716	—	State contributions subsequent to the measurement date	450,468	—
<b>Total</b>	<b>\$ 292,716</b>	<b>\$ 194,646</b>	<b>Total</b>	<b>\$ 1,993,904</b>	<b>\$ 1,716,996</b>

TRS Plan 1	Deferred Outflows of Resources	Deferred Inflows of Resources	TRS Plan 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ —	Difference between expected and actual experience	\$ 12,842	\$ 259
Changes of assumptions	—	—	Changes of assumptions	14,520	1,579
Net difference between projected and actual earnings on pension	—	4,470	Net difference between projected and actual earnings on pension	—	13,632
Change in proportion	—	—	Change in proportion	1,908	110
State contributions subsequent to the measurement date	7,818	—	State contributions subsequent to the measurement date	9,649	—
<b>Total</b>	<b>\$ 7,818</b>	<b>\$ 4,470</b>	<b>Total</b>	<b>\$ 38,919</b>	<b>\$ 15,580</b>

LEOFF Plan 2	Deferred Outflows of Resources	Deferred Inflows of Resources	PSERS Plan 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,820	\$ 188	Difference between expected and actual experience	\$ 24,348	\$ 516
Changes of assumptions	5,139	1,766	Changes of assumptions	34,408	13,747
Net difference between projected and actual earnings on pension	—	6,794	Net difference between projected and actual earnings on pension	—	32,869
Change in proportion	147	109	Change in proportion	1,765	228
State contributions subsequent to the measurement date	1,674	—	State contributions subsequent to the measurement date	33,507	—
<b>Total</b>	<b>\$ 11,780</b>	<b>\$ 8,857</b>	<b>Total</b>	<b>\$ 94,028</b>	<b>\$ 47,360</b>

WSPRS Plan 1/2	Deferred Outflows of Resources	Deferred Inflows of Resources	JRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 31,131	\$ 1,507	Difference between expected and actual experience	\$ —	\$ —
Changes of assumptions	80,795	2,611	Changes of assumptions	—	—
Net difference between projected and actual earnings on pension	—	84,054	Net difference between projected and actual earnings on pension	254	—
Change in proportion	—	—	Change in proportion	—	—
State contributions subsequent to the measurement date	20,863	—	State contributions subsequent to the measurement date	6,700	—
<b>Total</b>	<b>\$ 132,789</b>	<b>\$ 88,172</b>	<b>Total</b>	<b>\$ 6,954</b>	<b>\$ —</b>

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JRF	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Net difference between projected and actual earnings on pension	37	—
Change in proportion	—	—
State contributions subsequent to the measurement date	300	—
<b>Total</b>	<b>\$ 337</b>	<b>\$ —</b>

The amounts reported in the tables above as deferred outflows of resources related to pensions resulting from state contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in the fiscal years ended June 30 (expressed in thousands):

PERS Plan 1		PERS Plan 2/3		TRS Plan 1		TRS Plan 2/3	
2024	\$ (82,370)	2024	\$ (423,719)	2024	\$ (1,895)	2024	\$ (2,359)
2025	\$ (74,813)	2025	\$ (378,602)	2025	\$ (1,723)	2025	\$ (1,785)
2026	\$ (93,851)	2026	\$ (462,707)	2026	\$ (2,167)	2026	\$ (2,991)
2027	\$ 56,388	2027	\$ 643,039	2027	\$ 1,315	2027	\$ 7,877
2028	\$ —	2028	\$ 226,608	2028	\$ —	2028	\$ 3,309
Thereafter	\$ —	Thereafter	\$ 221,821	Thereafter	\$ —	Thereafter	\$ 9,639

LEOFF Plan 2		PSERS Plan 2		WSPRS Plan 1/2		JRS	
2024	\$ (2,128)	2024	\$ (10,501)	2024	\$ (12,172)	2024	\$ 100
2025	\$ (1,844)	2025	\$ (9,133)	2025	\$ (7,863)	2025	\$ 77
2026	\$ (2,456)	2026	\$ (11,914)	2026	\$ (17,095)	2026	\$ 49
2027	\$ 2,935	2027	\$ 16,101	2027	\$ 47,403	2027	\$ 28
2028	\$ 841	2028	\$ 4,355	2028	\$ 13,481	2028	\$ —
Thereafter	\$ 3,901	Thereafter	\$ 24,253	Thereafter	\$ —	Thereafter	\$ —

JRF	
2024	\$ 14
2025	\$ 11
2026	\$ 8
2027	\$ 4
2028	\$ —
Thereafter	\$ —

**2. DRS Plans - Nonemployer Contributing Entity Disclosures**

For fiscal year 2023, the state was considered a nonemployer contributing entity in special funding situations for two DRS-administered pension plans, LEOFF Plan 1 and LEOFF Plan 2. State contributions are required by statute to be made directly to these plans to fund pensions. Note 15.B.1 provides the detailed descriptions of these plans, their benefit terms, contribution requirements, significant assumptions used to measure pension liability and mortality, and the discount rate.

**Basis for Nonemployer Contributing Entity Contributions.** LEOFF Plan 1 has a net pension asset as of the June 30, 2022, measurement date. If needed, RCW 41.26.080 would require employer and employee contributions of 6 percent, and the remaining liabilities funded by the state pursuant to chapter 41.45 RCW. For fiscal year 2022, the nonemployer contributing entity's proportionate share of the net pension asset was considered substantial at 87.12 percent based on historical contributions to the plan.

LEOFF Plan 2 has a net pension asset as of the June 30, 2022, measurement date. In this plan, the state is an employer and a nonemployer contributing entity. RCW 41.26.725 limits the employee contributions to 50 percent, employer contributions to 30 percent, and the state contribution to 20 percent of the cost of benefits. In no instance shall the state contribution exceed four percent of payroll. For fiscal year 2022, the nonemployer contributing entity's proportionate share of the net pension asset was considered substantial at 39.31 percent based on total plan contributions received in fiscal year 2022.

**Collective Net Pension Liability/(Asset).** The following presents the proportionate share of the collective net pension liability/(asset), the proportionate share percentage, and the change in proportionate share of the state as a nonemployer contributing entity as of June 30, 2023 (expressed in thousands).

	LEOFF Plan 1	LEOFF Plan 2
Proportionate share of the collective net pension liability/(asset)	\$ (2,499,136)	\$ (1,068,387)
State's proportion	87.12%	39.31%
Increase/(decrease)	—%	0.10%

The proportion of the state nonemployer contributions related to LEOFF Plan 1 was based on historical contributions from the state and employers plus fiscal year 2022 retirement benefit payments. The proportion of the state nonemployer contributions related to LEOFF Plan 2 was based on the state's contributions to the pension plan relative to the total state contributions and all participating employers.

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate.** The following presents the net pension liability/(asset) of the nonemployer contributing entity calculated using the discount rate of 7.00 percent, as well as what the nonemployer contributing entity's net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (expressed in thousands):

LEOFF Plan 1	
Nonemployer Contributing Entity Proportionate Share of Net Pension Liability/(Asset)	
1% decrease	\$ (2,190,083)
Current discount rate	\$ (2,499,136)
1% increase	\$ (2,767,132)

LEOFF Plan 2	
Nonemployer Contributing Entity Proportionate Share of Net Pension Liability/(Asset)	
1% decrease	\$ (49,198)
Current discount rate	\$ (1,068,387)
1% increase	\$ (1,902,507)

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.** For the year ended June 30, 2023, the state as a nonemployer contributing entity recognized \$(114.6) million pension expense for LEOFF Plan 1 and \$128.4 million pension expense for LEOFF Plan 2.

At June 30, 2023, the state as a nonemployer contributing entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

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LEOFF Plan 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ —
Changes of assumptions	—	—
Net difference between projected and actual earnings on	—	312,051
Change in proportion	—	—
State contributions subsequent to the measurement date	1	—
<b>Total</b>	<b>\$ 1</b>	<b>\$ 312,051</b>

LEOFF Plan 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 253,867	\$ 9,913
Changes of assumptions	270,653	93,027
Net difference between projected and actual earnings on	—	357,738
Change in proportion and difference between state contributions and proportionate	7,732	5,750
State contributions subsequent to the measurement date	88,177	—
<b>Total</b>	<b>\$ 620,429</b>	<b>\$ 466,428</b>

The amounts reported in the tables above as deferred outflows of resources related to pensions resulting from state contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the fiscal years ended June 30 (expressed in thousands):

LEOFF Plan 1	
2024	\$ (132,163)
2025	\$ (119,665)
2026	\$ (149,627)
2027	\$ 89,404
2028	\$ —
Thereafter	\$ —

LEOFF Plan 2	
2024	\$ (112,072)
2025	\$ (97,109)
2026	\$ (129,330)
2027	\$ 154,591
2028	\$ 44,269
Thereafter	\$ 205,475

3. Tables for Plans Administered by the Department of Retirement Systems

TABLE 1: Single Employer Plan Membership

Membership of the single employer plans administered by the Department of Retirement Systems consisted of the following at June 30, 2022, the date of the latest actuarial valuation for all plans:

Plans	Number of Participating Members			
	Inactive Members (or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled to But Not Yet Receiving Benefits	Active Members	Total Members
WSPRS 1	1,309	69	242	1,620
WSPRS 2	5	103	674	782
JRS	75	—	—	75
JRF	9	—	—	9
<b>Total</b>	<b>1,398</b>	<b>172</b>	<b>916</b>	<b>2,486</b>

State of Washington

**TABLE 2: Change in Net Pension Liability/(Asset)**

The following table presents the change in net pension liability/(asset) of the single employer plans administered by the Department of Retirement Systems at June 30, 2021, the date of the latest actuarial valuation for all plans, with the results rolled forward to the June 30, 2022, measurement date (expressed in thousands):

Change in Net Pension Liability/(Asset)	WSPRS	JRS	JRF
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 23,826	\$ —	\$ —
Interest	109,690	1,447	28
Changes of benefit terms	—	—	—
Differences between expected and actual experience	27,795	1,942	156
Changes of assumptions	98,031	(6,860)	(93)
Benefit payments, including refunds of member contributions	(80,893)	(7,053)	(247)
<b>Net Change in Total Pension Liability</b>	<b>178,449</b>	<b>(10,524)</b>	<b>(156)</b>
<b>Total Pension Liability--Beginning</b>	<b>1,498,199</b>	<b>70,493</b>	<b>1,404</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 1,676,648</b>	<b>\$ 59,969</b>	<b>\$ 1,248</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions--employer	\$ 19,284	\$ 7,100	\$ 300
Contributions--employee	11,872	—	—
Net investment income	3,811	49	6
Benefit payments, including refunds of member contributions	(80,893)	(7,053)	(247)
Administrative expense	(49)	(4)	—
Other	696	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(45,279)</b>	<b>92</b>	<b>59</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>1,774,864</b>	<b>8,620</b>	<b>1,281</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 1,729,585</b>	<b>\$ 8,712</b>	<b>\$ 1,340</b>
<b>Plan's Net Pension Liability/(Asset)--Beginning</b>	<b>\$ (276,665)</b>	<b>\$ 61,873</b>	<b>\$ 123</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ (52,937)</b>	<b>\$ 51,257</b>	<b>\$ (92)</b>

State of Washington

**TABLE 3: Required Contribution Rates**

Required contribution rates (expressed as a percentage of current year covered payroll) for all retirement plans administered by the Department of Retirement Systems at the close of fiscal year 2023 were as follows:

Required Contribution Rates	Employer			Employee		
	Plan 1	Plan 2	Plan 3 <sup>1</sup>	Plan 1	Plan 2	Plan 3
<b>PERS</b>						
<b>Employees Not Participating in JBM</b>						
State agencies: local governmental units	6.26 %	6.26 %	6.26 %	6.00 %	6.26 %	varies <sup>2</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
PERS Plan 1 UAL <sup>3</sup>	3.85 %	3.85 %	3.85 %			
<b>Total</b>	<b>10.39 %</b>	<b>10.39 %</b>	<b>10.39 %</b>			
State govt elected officials	9.54 %	6.36 %	6.36 %	7.50 %	6.36 %	varies <sup>2</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
PERS Plan 1 UAL <sup>3</sup>	5.78 %	3.85 %	3.85 %			
<b>Total</b>	<b>15.50 %</b>	<b>10.39 %</b>	<b>10.39 %</b>			
<b>Employees Participating in JBM</b>						
State agencies	8.86 %	8.86 %	8.86 %	9.76 %	13.40 %	7.50% <sup>4</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
PERS Plan 1 UAL <sup>3</sup>	3.85 %	3.85 %	3.85 %			
<b>Total</b>	<b>12.89 %</b>	<b>12.89 %</b>	<b>12.89 %</b>			
Local governmental units	6.26 %	6.26 %	6.26 %	12.76 %	15.90 %	7.50% <sup>4</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
PERS Plan 1 UAL <sup>3</sup>	3.85 %	3.85 %	3.85 %			
<b>Total</b>	<b>10.39 %</b>	<b>10.39 %</b>	<b>10.39 %</b>			
<b>TRS</b>						
<b>Employees Not Participating in JBM</b>						
State agencies: local governmental units	8.05 %	8.05 %	8.05 %	6.00 %	8.05 %	varies <sup>2</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
TRS Plan 1 UAL <sup>5</sup>	6.46 %	6.46 %	6.46 %			
<b>Total</b>	<b>14.69 %</b>	<b>14.69 %</b>	<b>14.69 %</b>			
State govt elected officials	8.05 %	8.05 %	8.05 %	7.50 %	8.05 %	varies <sup>2</sup>
Administrative fee	0.18 %	0.18 %	0.18 %			
TRS Plan 1 UAL <sup>5</sup>	6.46 %	6.46 %	6.46 %			
<b>Total</b>	<b>14.69 %</b>	<b>14.69 %</b>	<b>14.69 %</b>			
<b>Employees Participating in JBM</b>						
State agencies	8.05 %	N/A	N/A	9.76 %	N/A	N/A
Administrative fee	0.18 %	N/A	N/A			
TRS Plan 1 UAL <sup>5</sup>	6.46 %	N/A	N/A			
<b>Total</b>	<b>14.69 %</b>					
<b>LEOFF</b>						
Ports and universities	N/A	8.53 %	N/A	N/A	8.53 %	N/A
Administrative fee	0.18 %	0.18 %	N/A			
<b>Total</b>	<b>0.18 %</b>	<b>8.71 %</b>				
Local governmental units	N/A	5.12 %	N/A	N/A	8.53 %	N/A
Administrative fee	0.18 %	0.18 %	N/A			
<b>Total</b>	<b>0.18 %</b>	<b>5.30 %</b>				
State of Washington	N/A	3.41 %	N/A	N/A	N/A	N/A
<b>WSPRS</b>						
State agencies	17.66 %	17.66 %	N/A	8.61 %	8.61 %	N/A
Administrative fee	0.18 %	0.18 %	N/A			
<b>Total</b>	<b>17.84 %</b>	<b>17.84 %</b>				
<b>PSERS</b>						
State agencies: local governmental units	N/A	6.60 %	N/A	N/A	6.60 %	N/A
Administrative fee	N/A	0.18 %	N/A			
PERS Plan 1 UAL <sup>3</sup>	N/A	3.85 %	N/A			
<b>Total</b>		<b>10.63 %</b>				

1. Plan 3 defined benefit portion only

2. Variable from 5% to 15% based on rate selected by the member

3. Portion of the employer contribution rates of PERS and PSERS plans to fund the Unfunded Actuarial Accrued Liability (UAL) of PERS plan 1

4. Minimum rate

5. Portion of the employer contribution rate of TRS plans to fund the UAL of TRS plan 1

N/A indicates data not applicable.

**C. PLAN ADMINISTERED BY THE STATE  
BOARD FOR VOLUNTEER FIREFIGHTERS  
AND RESERVE OFFICERS**

**Volunteer Firefighters’ and Reserve Officers’  
Relief and Pension Fund**

**Plan Description.** The Volunteer Firefighters’ Relief Act was created by the Legislature in 1935, and the pension portion of the act was added in 1945. As established in chapter 41.24 RCW, the Volunteer Firefighters’ and Reserve Officers’ Relief and Pension Fund (VFFRPF) is a cost-sharing, multiple-employer defined benefit plan and is administered by the State Board for Volunteer Firefighters and Reserve Officers. The board is appointed by the Governor and is comprised of five members of fire departments covered by chapter 41.24 RCW. Administration costs of the VFFRPF are funded through legislative appropriation.

As of June 30, 2023, there were approximately 362 municipalities contributing to the plan.

**Plan Members.** Membership in the VFFRPF requires volunteer firefighter service with a fire department of an electing municipality of Washington state, emergency work as an emergency medical technician with an emergency medical service district, or work as a commissioned reserve law enforcement officer.

At June 30, 2020, VFFRPF membership consisted of the following:

<b>Plan Membership</b>	
Inactive plan members or beneficiaries currently receiving benefits	4,669
Inactive plan members entitled to but not yet receiving benefits	6,148
<b>Active plan members*</b>	<b>8,244</b>
<b>Total membership</b>	<b>19,061</b>

*\*Does not include 1,661 active plan members who have chosen not to join the pension plan.*

**Benefits Provided.** VFFRPF provides retirement, disability, and death benefits to eligible members. Benefits are established in chapter 41.24 RCW which may be amended only by the Legislature.

Since retirement benefits cover volunteer service, benefits are paid based on years of service, not salary. Municipalities consist of fire departments, emergency medical service districts, and law enforcement agencies.



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Normal retirement is available at the age of 65 with at least ten years of membership service. The monthly plan benefit formula is \$50 plus \$10 times the number of years the member made pension contributions times a membership service percentage. The maximum monthly pension benefit is \$300. Reduced pensions are available for members beginning at the age of 60 with at least 10 years of service.

Members are vested after ten years of service. VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination.

Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of \$214 thousand. Funeral and burial expenses are also paid in a lump sum of \$2 thousand for members on active duty. Members receiving disability benefits at the time of death shall be paid \$500.

Effective June 7, 2012, at any time prior to retirement or at the time of retirement, a member of the VFFRPF may purchase retirement pension coverage for years of eligible service prior to the member's enrollment in the system or for years of service credit lost due to the withdrawal of the member's pension fee contributions. A member choosing to purchase such retirement pension coverage must contribute to the system an amount equal to the actuarial value of the resulting benefit increase.

There were no material changes in VFFRPF benefit provisions for the fiscal year ended June 30, 2023.

**Contributions.** VFFRPF retirement benefits are financed from a combination of investment earnings, member contributions, municipality contributions, and state contributions. In accordance with chapter 41.24 RCW, the state contribution is set at 40 percent of the fire insurance premium tax. The state is considered a nonemployer contributing entity; however, this is not considered a special funding situation. For fiscal year 2023, the fire insurance premium tax contribution was \$4.1 million.

The municipality rate for emergency medical service districts (EMSD) and law enforcement agencies is set each year by the State Board for Volunteer Firefighters and Reserve Officers, based on the actual cost of participation as determined by the Office of the State Actuary (OSA). All other contribution rates are set by

the Legislature. Municipalities may opt to pay the member's fee on their behalf.

The contribution rates set for calendar year 2023 were the following:

	Firefighters		EMSD & Reserve Officers	
Member fee	\$	30	\$	30
Municipality fee		30		105
<b>Total fee</b>	<b>\$</b>	<b>60</b>	<b>\$</b>	<b>135</b>

**Investments.** The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

The VFFRPF invests in a global equity Collective Investment Trust Fund operated by a trust company that groups assets contributed into a commingled investment fund. In addition, the VFFRPF invests in the Daily Valued Bond Fund managed by the WSIB.

Further information about the VFFRPF investment balances is included in the plan specific sections of the WSIB financial statements and can be found at: [Annual Reports](#).

The Office of the State Treasurer (OST) manages a small portion of the assets for the VFFRPF. By statute, balances in the accounts in the state treasury and in the custody of the treasurer may be pooled for banking and investment purposes.

The overall objective of the OST investment policy is to construct, from eligible investments, an investment portfolio that is optimal or efficient. An optimal or efficient portfolio is one that provides the greatest expected return for a given expected level of risk, or the lowest expected risk for a given expected return. Eligible investments are only those securities and deposits authorized by statute.

Further information about the investment of pension funds by the OST, their valuation, classifications, concentrations, and maturities can be found in Note 3.F.

**Rate of Return.** The money-weighted rates of return are provided by the WSIB and OST. For the year ended

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June 30, 2023, the annual money-weighted rate of return on VFFRPF investments, net of pension plan investment expense, was 12.1 percent. This money-weighted rate of return expresses investment performance, net of pension plan investment expense, and reflects both the size and timing of external cash flows.

**Pension Liability/(Asset).** The components of the net pension liability of the participating VFFRPF municipalities at June 30, 2023, were as follows (dollars expressed in thousands):

<b>Pension Liability</b>	
Total pension liability	\$ 257,222
Plan fiduciary net position	<u>237,291</u>
Participating municipality net pension liability/(asset)	<u>\$ 19,931</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>92.25%</u>

**Actuarial Assumptions.** The VFFRPF has a long-term expected rate of return of 6.00 percent. For further details, see the *2022 VFF Economic Experience Study*.

Inflation	2.25 %
Salary increases	N/A
<u>Investment rate of return</u>	<u>6.00 %</u>

The mortality assumptions used for this plan are consistent with assumptions used for the Public Employees' Retirement System.

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of the 2021 Pension Experience Study, the 2021 Report on Financial Condition and Economic Experience Study, and the 2018 Relief Experience Study.

The OSA selected a 6.00 percent long-term expected rate of return on the WSIB pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the WSIB.

In fiscal year 2022, WSIB established a new set of CMAs as well as a new target asset allocation for VFFRPF. Collectively, this represents the expected asset performance and their weighting.

Best estimates of arithmetic real rates of return for each asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global/Public Equity	70%	8.1%
Fixed income	<u>30%</u>	3.5%
<b>Total</b>	<b>100%</b>	

The inflation component used to create the above table is 2.25 percent, and represents the WSIB's most recent long-term estimate of broad economic inflation.

For additional information and background on the OSA's development of the long-term rate of return assumptions, refer to the 2021 Report on Financial Condition and Economic Experience Study located on the OSA website. The selection of this assumption and economic experience studies are further detailed in the Department of Retirement Systems (DRS) Annual Comprehensive Financial Report's actuarial certification letter found on the DRS website.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.00 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Based on the assumptions in OSA's Actuarial Certification Letter, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 6.00 percent on plan investments was applied to determine the total pension liability.

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate.** The following presents the net pension liability/(asset) of the municipalities calculated using the discount rate of 6.00 percent, as well as what the municipalities' net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.00 percent) or 1 percentage point higher (7.00 percent) than the current rate (expressed in thousands):

<b>Municipalities' Net Pension Liability/(Asset)</b>	
1% decrease	\$ 50,913
Current discount rate	\$ 19,931
1% increase	<u>\$ (5,459)</u>

**D. HIGHER EDUCATION RETIREMENT  
PLAN SUPPLEMENTAL DEFINED BENEFIT**

**DI.AMC**

**Plan Description.** Higher Education Retirement Plans are privately administered single-employer defined contribution plans with a supplemental defined benefit plan component which guarantees a minimum retirement benefit based upon a one-time calculation at each employee's retirement date. State institutions of higher education make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals. RCW 41.50.075, effective fiscal year 2021, created separate Supplemental Retirement Plan (SRP) funds by institution that met the definition of a trust or equivalent arrangements. As a result, fiscal year 2021 was the first year these plans were reported under GASB Statement No. 67/68. Prior to this, the SRP's were reported under GASB Statement No. 73.

The state and regional universities, the state college, the state community and technical colleges, and the Student Achievement Council each participate in a separate plan. As authorized by chapter 28B.10 RCW, the plans cover faculty and other positions as designated by each participating employer.

RCW 28B.10.400, et seq. assigns the authority to establish and amend benefit provisions to the board of regents of the state universities, the boards of trustees of the regional universities and the state college, the State Board for Community and Technical Colleges, and the Student Achievement Council.

The Higher Education Defined Contribution Retirement Plans are described in Note 15.E.

**Benefits Provided.** The Higher Education Supplemental Retirement Plans (SRP) provide retirement, disability, and death benefits to eligible members.

As of July 1, 2011, all Higher Education SRPs were closed to new entrants.

Members are eligible to receive benefits under this plan at age 62 with 10 years of service. The supplemental benefit is a lifetime benefit equal to the amount a member's goal income exceeds their assumed income. The goal income is equal to 2 percent of the member's highest two-year average annual salary

multiplied by the number of years of service. Benefit service is capped at 25 years. The member's assumed income is an annuity benefit the retired member would receive had they invested their contribution equally between a fixed income and a variable income annuity investment. Plan members have the option to retire early with reduced benefits.

**Actuarial Assumptions.** For the total pension liability (TPL), we relied on a valuation date of January 1, 2023, and projected the TPL to the measurement date of June 30, 2023.

The total salary growth, based on the August 2021 Higher Education SRP Experience Study, ranged from 3.50 to 4.00 percent.

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates which vary by member status (e.g. active, retiree, or survivor), as the base table. The Office of the State Actuary (OSA) applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Most actuarial assumptions used in the January 1, 2023, valuation were based on the results of the August 2021 Higher Education SRP Experience Study. Additional assumptions related to salary growth were based on feedback from financial administrators of the Higher Education SRPs.

**Material assumption changes.** Changes in methods and assumptions that occurred between the measurement of the June 30, 2022, TPL and the June 30, 2023, TPL:

- The valuation date was changed from June 30 to January 1. This corresponds with the new data file being provided with participant information as of January 1, 2023.
- Annuity conversion assumptions were updated for the Teachers Insurance and Annuity Association (TIAA) investments based on input from TIAA and OSA's professional judgment. TIAA contributions

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and investment earnings annuity conversion changed from contributions made pre-2002/post-2001 converted at 6.00 percent/3.25 percent to contributions pre-2006/post-2005 converted at 7.00 percent/4.00 percent.

Additionally, OSA recently completed an experience study which modified multiple assumptions to estimate future plan experience.

**Discount Rate.** The discount rate used to measure the TPL was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 7.00 percent for the June 30, 2023, measurement date.

**Pension Expense.** The Pension Expense is the summation of a number of components, including benefits earned during the fiscal year and interest on the TPL. These numbers are sensitive to assumption changes and plan experience and can be volatile from year to year.

For the year ended June 30, 2023, the Higher Education SRPs reported the following for pension expense (expressed in thousands):

Pension Expense	
Plans	
University of Washington (UW)	\$ (39,810)
Washington State University (WSU)	(7,586)
Eastern Washington University (EWU)	(629)
Central Washington University (CWU)	105
The Evergreen State College (TESC)	(567)
Western Washington University (WWU)	(1,302)
State Board for Community and Technical Colleges (SBCTC)	(3,130)
<b>Total</b>	<b>\$ (52,919)</b>

**Plan Membership.** Membership of the Higher Education SRPs consisted of the following at June 30, 2023, the date of the latest actuarial valuation for all plans:

Number of Participating Members				
Plans	Inactive Members (or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled to But Not Yet Receiving Benefits	Active Members	Total Members
University of Washington (UW)	1,289	341	4,117	5,747
Washington State University (WSU)	479	166	1,073	1,718
Eastern Washington University (EWU)	70	33	217	320
Central Washington University (CWU)	70	14	63	147
The Evergreen State College (TESC)	33	15	113	161
Western Washington University (WWU)	84	50	402	536
State Board for Community and Technical Colleges (SBCTC)	407	393	4,071	4,871
<b>Total</b>	<b>2,432</b>	<b>1,012</b>	<b>10,056</b>	<b>13,500</b>

**Change in Net Pension Liability/(Asset).** The following table presents the change in net pension liability/(asset) of Higher Education SRPs at June 30, 2023 (expressed in thousands):

Change in Net Pension Liability/(Asset)	UW	WSU	EWU	CWU	TESC	WWU	SBCTC
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 5,068	\$ 857	\$ 210	\$ 24	\$ 72	\$ 327	\$ 1,985
Interest	22,106	3,916	920	373	349	1,454	7,167
Changes of benefit terms	—	—	—	—	—	—	—
Differences between expected and actual experience	(31,360)	(669)	(2,820)	(181)	(1,152)	(3,236)	(5,760)
Changes of assumptions	(26,643)	(4,222)	(1,040)	(273)	(361)	(2,251)	(11,407)
Benefit payments	(10,989)	(3,228)	(366)	(493)	(155)	(594)	(3,008)

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<b>Net Change in Total Pension Liability</b>	(41,818)	(3,345)	(3,096)	(550)	(1,245)	(4,300)	(11,024)
<b>Total Pension Liability--Beginning</b>	316,127	56,679	13,119	5,545	4,994	20,743	101,882
<b>Total Pension Liability--Ending</b>	\$ 274,309	\$ 53,334	\$ 10,023	\$ 4,995	\$ 3,748	\$ 16,443	\$ 90,859
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions--Employer	\$ 8,358	\$ 1,040	\$ 172	\$ 178	\$ 46	\$ 234	\$ 862
Contributions--Member	—	—	—	—	—	—	—
Net Investment Income	7,189	1,358	269	271	102	395	2,361
Benefit Payments, Including Refunds of Member Contributions	—	—	—	—	—	—	—
Administrative Expense	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	15,547	2,398	441	449	148	630	3,223
<b>Plan Fiduciary Net Position--Beginning</b>	96,989	18,643	3,720	3,751	1,421	5,488	33,145
<b>Plan Fiduciary Net Position--Ending</b>	\$ 112,536	\$ 21,041	\$ 4,161	\$ 4,200	\$ 1,569	\$ 6,117	\$ 36,368
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 161,773	\$ 32,292	\$ 5,862	\$ 795	\$ 2,180	\$ 10,326	\$ 54,491

Note: Figures may not total due to rounding.

**Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate.** The following table presents the net pension liability/(asset), calculated using the discount rate of 7.00 percent, as well as what the employers' net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate (expressed in thousands):

Plans	Net Pension Liability/(Asset)		
	1% Decrease	Current Discount Rate	1% Increase
University of Washington (UW)	\$ 192,736	\$ 161,773	\$ 135,272
Washington State University (WSU)	37,566	32,292	27,743
Eastern Washington University (EWU)	6,966	5,862	4,917
Central Washington University (CWU)	1,178	795	459
The Evergreen State College (TESC)	2,568	2,180	1,845
Western Washington University (WWU)	12,124	10,326	8,783
State Board for Community and Technical Colleges (SBCTC)	64,572	54,491	45,842
<b>Total</b>	<b>\$ 317,710</b>	<b>\$ 267,719</b>	<b>\$ 224,861</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2023, the Higher Education SRPs reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

University of Washington (UW)	Deferred Outflows of	Deferred Inflows of	Washington State University (WSU)	Deferred Outflows of	Deferred Inflows of
Difference between expected and actual experience	\$ 100,648	\$ 259,025	Difference between expected and actual experience	\$ 10,002	\$ 27,896
Changes of assumptions	95,609	158,992	Changes of assumptions	11,973	21,938
Difference between projected and actual	4,094	7,092	Difference between projected and actual	791	1,405
<b>Total</b>	<b>\$ 200,351</b>	<b>\$ 425,109</b>	<b>Total</b>	<b>\$ 22,766</b>	<b>\$ 51,239</b>

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Eastern Washington University (EWU)	Deferred Outflows of	Deferred Inflows of	Central Washington University (CWU)	Deferred Outflows of	Deferred Inflows of
Difference between expected and actual experience	\$ 2,867	\$ 6,404	Difference between expected and actual experience	\$ —	\$ 52
Changes of assumptions	2,155	4,872	Changes of assumptions	—	78
Difference between projected and actual	158	283	Difference between projected and actual	159	283
<b>Total</b>	<b>\$ 5,180</b>	<b>\$ 11,559</b>	<b>Total</b>	<b>\$ 159</b>	<b>\$ 413</b>

The Evergreen State College (TESC)	Deferred Outflows of	Deferred Inflows of	Western Washington University (WWU)	Deferred Outflows of	Deferred Inflows of
Difference between expected and actual experience	\$ 790	\$ 2,596	Difference between expected and actual experience	\$ 4,922	\$ 11,496
Changes of assumptions	753	1,535	Changes of assumptions	3,664	6,622
Difference between projected and actual	61	110	Difference between projected and actual	234	420
<b>Total</b>	<b>\$ 1,604</b>	<b>\$ 4,241</b>	<b>Total</b>	<b>\$ 8,821</b>	<b>\$ 18,537</b>

State Board for Community and Technical Colleges (SBCTC)	Deferred Outflows of	Deferred Inflows of
Difference between expected and actual experience	\$ 21,378	\$ 26,607
Changes of assumptions	18,280	41,924
Difference between projected and actual	1,419	2,591
<b>Total</b>	<b>\$ 41,077</b>	<b>\$ 71,122</b>

Note: Figures may not total due to rounding.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the fiscal years ended June 30 (expressed in thousands):

University of Washington (UW)		Washington State University (WSU)		Eastern Washington University (EWU)		Central Washington University (CWU)	
2024	\$ (59,906)	2024	\$ (8,317)	2024	\$ (1,127)	2024	\$ (218)
2025	\$ (46,326)	2025	\$ (7,622)	2025	\$ (1,581)	2025	\$ (88)
2026	\$ (37,008)	2026	\$ (8,409)	2026	\$ (2,078)	2026	\$ 53
2027	\$ (71,315)	2027	\$ (4,756)	2027	\$ (1,005)	2027	\$ (1)
2028	\$ (8,332)	2028	\$ 631	2028	\$ (588)	2028	\$ —
Thereafter	\$ (1,871)	Thereafter	\$ —	Thereafter	\$ —	Thereafter	\$ —

The Evergreen State College (TESC)		Western Washington University (WWU)		State Board for Community and Technical Colleges (SBCTC)	
2024	\$ (780)	2024	\$ (1,918)	2024	\$ (8,284)
2025	\$ (808)	2025	\$ (1,908)	2025	\$ (5,812)
2026	\$ (818)	2026	\$ (2,993)	2026	\$ (5,199)
2027	\$ (146)	2027	\$ (2,261)	2027	\$ (10,285)
2028	\$ (85)	2028	\$ (461)	2028	\$ 856
Thereafter	\$ —	Thereafter	\$ (175)	Thereafter	\$ (1,321)

**E. DEFINED CONTRIBUTION PLANS**

**Public Employees' Retirement System Plan 3**

The Public Employees' Retirement System (PERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department



of Retirement Systems (DRS). Refer to Note 15.B for PERS plan descriptions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent on employee contributions and investment earnings on those contributions. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the retirement strategy fund that assumes the member will retire at age 65.

Members in PERS Plan 3 are immediately vested in the defined contribution portion of their plan and can elect to withdraw total employee contributions, adjusted by earnings and losses from investments of those contributions, upon separation from PERS-covered employment.

### **Teachers' Retirement System Plan 3**

The Teachers' Retirement System (TRS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS). Refer to Note 15.B for TRS plan descriptions.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

TRS Plan 3 defined contribution retirement benefits are dependent on employee contributions and investment earnings on those contributions. Members may elect to

self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, TRS Plan 3 contributions are invested in the retirement strategy fund that assumes the member will retire at age 65.

Members in TRS Plan 3 are immediately vested in the defined contribution portion of their plan, and can elect to withdraw total employee contributions, adjusted by earnings and losses from investments of those contributions, upon separation from TRS-covered employment.

### **Judicial Retirement Account**

The Judicial Retirement Account (JRA) Plan was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state Administrative Office of the Courts (AOC), under the direction of the Board for Judicial Administration. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts, and who are members of PERS for their services as a judge. Vesting is full and immediate. At June 30, 2023, there were no active members, 72 inactive members, and 19 members receiving monthly benefits in JRA. The state, through the AOC, is the sole participating employer.

Beginning January 1, 2007, any justice or judge who was in a judicial position at that time and who chose to join the Judicial Benefit Multiplier (JBM) Program could no longer participate in JRA. Any justice or judge elected or appointed to office on or after January 1, 2007, who elects to join DRS membership will also be mandated into JBM. If they have already established membership in PERS Plan 1 or TRS Plan 1 they will rejoin that plan, but if they have never had membership, they will be enrolled as a member of both PERS Plan 2 and JBM.

JRA Plan members are required to contribute 2.5 percent of covered salary. The state, as employer, contributes an equal amount on a monthly basis. The employer and employee obligations to contribute are established per chapter 2.14 RCW. Plan provisions and contribution requirements are established in state statute and may be amended only by the Legislature.

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. The administrator of

JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death is to be paid to the member's estate or such person or persons, trust or

organization, as the member has nominated by written designation.

For fiscal year 2023, there were no contributions made to employee accounts.

The administrator of JRA has entered an agreement with the DRS for accounting and reporting services, and the Washington State Investment Board (WSIB) for investment services. Under this agreement, the DRS is responsible for all record keeping, accounting, and reporting of member accounts and the WSIB is granted the full power to establish investment policy, develop participant investment options, and manage the investment funds for the JRA Plan, consistent with the provisions of RCW 2.14.080 and 43.84.150.

#### **Higher Education Retirement Plans**

The Higher Education Retirement Plans are privately administered defined contribution plans with a supplemental defined benefit plan component. The state and regional universities, the state college, the state

community and technical colleges, and the Student Achievement Council each participate in a plan. As authorized by chapter 28B.10 RCW, the plans cover faculty and other positions as designated by each participating employer.

Contributions to the plans are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have, at all times, a 100 percent vested interest in their accumulations.

RCW 28B.10.400, et seq. assigns the authority to establish and amend benefit provisions to the board of regents of the state universities, the boards of trustees of the regional universities and the state college, the State Board for Community and Technical Colleges, and the Student Achievement Council.

Employee contribution rates, based on age, range from 3.28 percent to 9.12 percent of salary. The employers match the employee contributions. The employer and employee obligations to contribute are established per chapter 28B.10 RCW.

For fiscal year 2023, employer and employee contributions were \$256.5 million and \$259.1 million, respectively, for a total of \$515.6 million.



## Note 16

### Other Postemployment Benefits

#### General Information

In addition to pension benefits as described in Note 15, the state, through the Health Care Authority (HCA), administers a single-employer defined benefit other postemployment benefit (OPEB) plan.

**Plan Description.** Per RCW 41.05.065, the Public Employees' Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability.

The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers, and plan members, and the historical pattern of practice with regard to the sharing of benefit costs. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. Nevertheless, the actuarial assumptions used in valuations presented in this note assume that this substantive plan will be carried forward into the future.

The PEBB OPEB plan is funded on a pay-as-you-go basis and is reported in governmental funds using the modified accrual basis and the current financial resources measurement focus. For all proprietary and fiduciary funds, the OPEB plan is reported using the economic resources measurement focus and the accrual basis of accounting. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

**Employees Covered by Benefit Terms.** Employers participating in the PEBB plan for the state include general government agencies, higher education institutions, and component units. Additionally, there are 8 of the state's K-12 schools and educational service districts (ESDs), and 274 political subdivisions and tribal governments not

included in the state's financial reporting that participate in the PEBB plan.

Membership in the PEBB plan for the state consisted of the following:

Summary of Plan Participants As of June 30, 2022	
Active employees*	128,393
Retirees receiving benefits**	37,135
Retirees not receiving benefits***	N/A
<b>Total active employees and retirees</b>	<b>165,528</b>

\*Reflects active employees eligible for PEBB program participation as of June 30, 2022.

\*\*Headcounts exclude spouses of retirees that are participating in a PEBB program as a dependent.

\*\*\*HCA doesn't have data on this group and OSA doesn't have the methodology to reasonably estimate it. As a result, we are unable to provide an estimate for fiscal year 2023.

The PEBB retiree OPEB plan is available to employees who elect at the time they retire to continue coverage and pay the administratively established premiums under the provisions of the retirement system to which they belong. Retirees' access to the PEBB plan depends on the retirement eligibility of their respective retirement system. PEBB members are covered in the following retirement systems: Public Employees' Retirement System, Public Safety Employees' Retirement System, Teachers' Retirement System, Service Employees' Retirement System, Washington State Patrol Retirement System, Higher Education Retirement Plans, Judicial Retirement System, and Law Enforcement Officers' and Firefighters' Retirement System Plan 2. However, not all employers who participate in these plans offer PEBB to retirees.

**Benefits Provided.** Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium.

In calendar year 2022, the average weighted implicit subsidy was valued at \$392 per adult unit per month. In calendar year 2023, the average weighted implicit subsidy is projected to be \$421 per adult unit per month.

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Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The final amount is approved by the state Legislature. In calendar year 2023, the explicit subsidy was up to \$183 per member per month, and it will remain \$183 per member per month in calendar year 2024.

**Contribution Information.** Administrative costs as well as implicit and explicit subsidies are funded by required contributions (RCW 41.05.050) from participating employers. The subsidies provide monetary assistance for medical benefits.

Contributions are set each biennium as part of the budget process. The benefits are funded on a pay-as-you-go basis.

The estimated monthly cost for PEBB benefits for the reporting period for each active employee (average across all plans and tiers) is as follows (expressed in dollars):

<b>Required Premium*</b>	
Medical	\$ 1,251
Dental	81
Life	4
Long-term disability	<u>2</u>
<b>Total</b>	<b>\$ 1,338</b>
Employer contribution	\$ 1,156
Employee contribution	<u>182</u>
<b>Total</b>	<b>\$ 1,338</b>

\*Per FY2022 PEBB Financial Projection Model version 7.0. Per capita cost based on subscribers, includes non-Medicare risk pool only. Figures based on calendar year 2023 which includes projected claims cost at the time of this reporting.

Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used.

For information on the results of an actuarial valuation of the employer provided subsidies associated with the PEBB plan, refer to the Office of the State Actuary's (OSA) website: [OSA Additional Services](#). Please note that the results from OSA's report will not precisely match this publication due to the exclusion of a component unit that

reports on a cash basis, and inclusion of a component unit not included in OSA's valuation report.

**Actuarial Assumptions.** The total OPEB liability was determined using the following methodologies:

<b>Actuarial valuation date</b>	6/30/2022
<b>Actuarial measurement date</b>	6/30/2022
<b>Actuarial cost method</b>	Entry Age
<b>Amortization method</b>	The recognition period for the experience and assumption changes is 9 years. This is equal to the average expected remaining service lives of all active and inactive members
<b>Asset valuation method</b>	N/A - No Assets

Projections of benefits for financial reporting purposes are based on the terms of the substantive plan (i.e., the plan as understood by the employer and the plan members), and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members (active employees and retirees) to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Inflation rate</b>	2.35%
<b>Projected salary changes</b>	3.25% plus service-based salary increases
<b>Health care trend rates</b>	Initial trend rate ranges from 2-11%, reaching an ultimate rate of approximately 3.8% in 2080.
<b>Post-retirement participation percentage</b>	60%
<b>Percentage with spouse coverage</b>	45%

In projecting the growth of the explicit subsidy, after 2023 when the cap is \$183, it is assumed to grow at the health care trend rates. The Legislature determines the value of the cap and no future increases are guaranteed; however, based on historical growth patterns, future increases to the cap are assumed.

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term

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MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

Most demographic actuarial assumptions, including mortality and when members are expected to terminate and retire, were based on the results of the 2023 Demographic Experience Study Report. The post-retirement participation percentage and percentage with spouse coverage, were reviewed in 2017. Economic assumptions, including inflation and salary increases, were based on the results of the 2021 Economic Experience Study.

**Discount Rate.** Since OPEB benefits are funded on a pay-as-you-go basis, the discount rate used to measure the total OPEB liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index, or 2.16 percent for the June 30, 2021, measurement date and 3.54 percent for the June 30, 2022, measurement date.

Additional detail on assumptions and methods can be found on OSA's website.

**Total OPEB Liability.** As of June 30, 2023, the state reported a total OPEB liability of \$4.25 billion.

### Changes in Total OPEB Liability

The following table presents the change in the total OPEB liability as of the June 30, 2023, reporting date (expressed in thousands):

Changes in Total OPEB Liability	State	Component Units	Total
<b>Total OPEB Liability - Beginning</b>	\$ 6,467,795	\$ 5,256	\$ 6,473,051
<b>Changes for the year:</b>			
Service cost	313,201	346	313,547
Interest	145,321	151	145,472
Difference between expected and actual experience*	(143,915)	(85)	(144,000)
Changes in assumptions*	(2,429,899)	(1,468)	(2,431,367)
Changes in proportion	(57)	55	(2)
Benefit payments	(106,768)	(112)	(106,880)
<b>Net Changes in Total OPEB Liability</b>	<b>(2,222,117)</b>	<b>(1,113)</b>	<b>(2,223,230)</b>
<b>Total OPEB liability - Ending</b>	<b>\$ 4,245,678</b>	<b>\$ 4,143</b>	<b>\$ 4,249,821</b>

\*The recognition period for these changes is nine years. This is equal to the average expected remaining service lives of all active and inactive members.

The decrease in the total OPEB liability is due to changes in assumptions resulting primarily from a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index discount rate.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.** The following presents the total OPEB liability of the state as an employer calculated using the discount rate of 3.54 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current rate (expressed in thousands):

	State	Component Units	Total
1% decrease	\$ 4,974,898	\$ 4,894	\$ 4,979,792
Current discount rate	\$ 4,245,678	\$ 4,143	\$ 4,249,821
1% increase	\$ 3,658,895	\$ 3,545	\$ 3,662,440

**Sensitivity of Total OPEB Liability to Changes in the Health Care Cost Trend Rates.** The following represents the total OPEB liability of the state as an employer, calculated using the health care trend rates of 2-11 percent reaching an ultimate range of approximately 3.80 percent, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10 percent) or 1 percentage point higher (3-12 percent) than the current rate (expressed in thousands):

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	State	Component Units	Total
1% decrease	\$ 3,594,748	\$ 3,461	\$ 3,598,209
Current health care cost trend rate	\$ 4,245,678	\$ 4,143	\$ 4,249,821
1% increase	\$ 5,078,434	\$ 5,033	\$ 5,083,467

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.**

For the year ending June 30, 2023, the state recognized OPEB expense of \$561 thousand.

On June 30, 2023, the state reported deferred outflows of resources and deferred inflows of resources related to OPEB for the state, including component units, from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,921	\$ 149,689
Changes of assumptions	348,303	3,080,822
Transactions subsequent to the measurement date	107,218	—
Changes in proportion	275,398	275,419
<b>Total</b>	<b>\$ 819,840</b>	<b>\$ 3,505,930</b>

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Deferred outflows of resources and deferred inflows of resources related to OPEB for component units as of the June 30, 2023, reporting date were as follows (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 414	\$ 303
Changes of assumptions	322	2,850
Transactions subsequent to the measurement date	64	—
Changes in proportion	121	247
<b>Total</b>	<b>\$ 921</b>	<b>\$ 3,400</b>

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB for the state will be recognized in OPEB expense in the fiscal years ended June 30 (expressed in thousands):

Subsequent Years	
2024	\$ (458,411)
2025	\$ (458,411)
2026	\$ (458,411)
2027	\$ (358,142)
2028	\$ (225,826)
Thereafter	\$ (834,107)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB for component units will be recognized in OPEB expense in the fiscal years ended June 30 (expressed in thousands):

Subsequent Years	
2024	\$ (348)
2025	\$ (348)
2026	\$ (348)
2027	\$ (284)
2028	\$ (203)
Thereafter	\$ (1,012)

## Note 17 Derivative Instruments

### Hedging Derivative Instruments

In addition to investment derivative instruments as described in Note 3, the state, through the Washington

State Department of Transportation Ferries Division (WSF), entered into commodity swap agreements to hedge a portion of WSF diesel fuel costs.

The following table presents the hedging derivative instruments as of June 30, 2023 (expressed in thousands):

	Changes in Fair Value		Fair Value at June 30, 2023		Notional Amount (in Gallons)
	Classification	Amount	Classification	Amount	
<b>Governmental Activities</b>					
Cash flow hedges:					
Commodity swaps	Deferred Inflow	\$ 9,085	Accounts Payable	\$ 180	7,560

The commodity swaps noted above were reviewed for hedge accounting and were deemed effective using the regression analysis method.

### Objective

The objective for the hedge transaction is to minimize the volatility of fuel cost and increase the likelihood that actual net fuel cost will remain below the budgeted cost.

To accomplish this, a strategy of active hedging has been implemented by WSF to control the uncertain costs of fuel and allow for more accurate budget estimates.

### Significant Terms

The significant terms of WSF active hedges during fiscal year 2023 are presented in the following table:

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Type	Counterparty	Contract Price per Gallon	Variable Rate Received	Trade Date	Settlement Period	Monthly Notional Amount (in Gallons)
Commodity Swap	Cargill	1.92	NYMEX ULSD Heating Oil	8/19/2021	7/2022 - 6/2023	252,000
Commodity Swap	Cargill	2.67	NYMEX ULSD Heating Oil	2/23/2023	3/2023 - 6/2023	168,000
Commodity Swap	Cargill	2.66	NYMEX ULSD Heating Oil	3/8/2023	5/2023 - 6/2023	294,000
Commodity Swap	Cargill	2.48	NYMEX ULSD Heating Oil	4/20/2023	7/2023 - 3/2024	252,000
Commodity Swap	BofA - Merrill Lynch	2.03	NYMEX ULSD Heating Oil	11/30/2021	7/2022 - 6/2023	252,000
Commodity Swap	BofA - Merrill Lynch	2.78	NYMEX ULSD Heating Oil	12/6/2022	1/2023 - 6/2023	252,000
Commodity Swap	BofA - Merrill Lynch	2.57	NYMEX ULSD Heating Oil	3/14/2023	7/2023 - 12/2023	252,000
Commodity Swap	BofA - Merrill Lynch	2.31	NYMEX ULSD Heating Oil	5/2/2023	7/2023 - 6/2024	252,000

The hedging strategy consists of a reference to futures contracts of New York Mercantile Exchange (NYMEX) Ultra Low Sulfur Diesel (ULSD) Heating Oil. This commodity remains highly correlated to the diesel fuel type being used by WSF. These fuel hedges require no initial cash investment and provide monthly settlements.

The monthly settlements are based on the daily prices of the respective commodities whereby WSF will either receive a payment or make a payment to the counterparty, depending on the average monthly prices of the commodities in relation to the contract prices.

### Fair Value

The state reports its hedging derivative instruments at fair value as either accounts payable - liability (negative fair value amount) or as other receivables - asset (positive fair value amount). The fair value represents the current price to settle swap assets or liabilities in the market place if a swap were to be terminated. The changes in fair value for hedging derivative instruments represent the unrealized gain or loss on the contracts and are reported as deferred inflows of resources or deferred outflows of resources, respectively. At fiscal year end, the state reports the fair value and changes in fair value related to hedging derivative instruments on the Balance Sheet for Nonmajor Governmental Funds and the Government-wide Statement of Net Position.

### Risks

The following risks are generally associated with commodity swap agreements:

**Basis Risk.** Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates.

Statistically, the relationship between heating oil prices and diesel fuel prices has been quite stable over the past five years with a 98 percent correlation. This means that the heating oil futures price explains 98 percent of the variance in the price that WSF pays for its diesel fuel, making it highly reliable. In order to mitigate basis risk, WSF continually monitors the relationship between futures prices and the price of diesel fuel delivered.

**Termination Risk.** Termination risk is the risk that there will be a mandatory early termination of the commodity swap that would result in WSF either paying or receiving a termination payment. Mandatory terminations generally result when a counterparty suffers degraded credit quality or fails to perform. Upon termination, payment may be required by either party, reflecting fair value at the time of termination.

**Credit Risk.** Credit risk is the risk that the counterparty fails to make the required payments or otherwise comply with the terms of the swap agreement. WSF is exposed to credit risk in the amount of the derivative instrument's fair value. When the fair value of any derivative instrument has a positive fair value, then WSF is exposed to the actual risk that the counterparty will not fulfill its obligation. To mitigate credit risk, WSF monitors the credit ratings of the counterparties. At June 30, 2023, credit ratings of the state's counterparty were as follows:

Counterparty	Moody's	Standard & Poor's	Fitch
Cargill	A2	A	A
Bank of America Merrill Lynch International Limited	-	A+	AA



## Note 18

### Tax Abatements

During fiscal year 2023, the state of Washington provided material tax abatements through six programs, three of which are only available to businesses in the aerospace industry.

#### Data Center Server Equipment and Power Infrastructure Tax Exemption

Per Revised Code of Washington (RCW) 82.08.986, 82.08.9861, 82.12.986, and 82.12.9861, the purchase or use of server equipment and power infrastructure in data centers within the state of Washington, along with certain related labor and services charges, may be exempt from sales and use tax to encourage immediate investments in technology facilities. The Department of Revenue (DOR) will issue an exemption certificate, which the buyer must present to the seller at the time of the sale in order to make eligible tax-exempt purchases. All previously exempted sales and use tax are immediately due and payable for a qualifying business that does not meet the following requirements.

Within six years of the date that the exemption certificate is issued, the certificate holder must establish that net employment at the computer data center has increased by a minimum of 35 family wage positions or 3 family wage employment positions for each 20,000 square feet or less of space. Family wage employment positions are new permanent employment positions requiring 40 hours of weekly work, or their equivalent, at the eligible computer data center. For exemption certificates issued before June 9, 2022, family wage employment positions must receive a wage equivalent to or greater than 150 percent of the per capita personal income of the county in which the project is located. For exemption certificates issued on or after June 9, 2022, family wage employment positions must receive a wage equivalent to or greater than 125 percent of the per capita personal income of the county in which the project is located.

For exemption certificates issued on or after June 9, 2022, within three years after being placed in service, the qualifying business operating a newly constructed data center must certify to the department that it has attained certification under one or more of the approved sustainable design or green building standards.

#### High-Technology Business Tax Deferral Program

Chapter 82.63 RCW provides a deferral and ultimate waiver of sales and use tax to encourage the creation of high-wage, high-skilled jobs in the state of Washington. The deferral applies to sales and use tax arising from the construction or expansion of a qualified research and development facility or a pilot scale manufacturing facility used in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology.

Businesses must apply for a deferral certificate prior to being issued a building permit for the project(s) or before taking possession of machinery and equipment. Eligible projects will receive a sales and use tax deferral certificate issued by DOR, which allows vendors and contractors to sell to the approved business without charging sales tax. An annual survey must be filed by May 31 of the year in which the project is certified and for the following seven years. If the investment project is used for any other purpose at any time during the calendar year in which the investment is certified as operationally complete, or during the next seven calendar years, a portion of the deferred taxes must be repaid immediately. The portion due is determined by a sliding scale ranging from 100 percent recapture in the year the project is operationally complete to 12.5 percent recapture in year eight.

#### Multi-Unit Urban Housing Tax Exemption

RCW 84.14.020 allows for a property tax exemption to improve residential opportunities, including affordable housing opportunities, in urban centers. In order to qualify for the exemption, the new or rehabilitated multiple-housing unit must be located in a targeted residential area designated by the city or county, provide for a minimum of 50 percent of the space for permanent residential occupancy, meet all construction and development regulations, and be completed within three years of the application approval date, with the option to extend the completion timeline an additional 24 months or five years for applications submitted prior to February 15, 2020. To qualify as a rehabilitated unit, the property must also fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995.

The property owner must apply for the exemption certificate with the city or county where the property is located before beginning construction. If the application is approved, the exemption certificate will be issued after

the owner certifies all requirements have been met upon completion of the project. Each tax exemption certificate recipient must submit an annual report to the city or county. If a portion of the property no longer meets the exemption requirements, the tax exemption is canceled and a lien will be placed on the land for the additional real property tax on the value of the non-qualifying improvements plus a 20 percent penalty and interest.

### **Aerospace Incentives**

The state of Washington provides tax abatement programs to the aerospace industry to encourage the industry's continued presence in the state.

*Product Development Expenditures Credit.* RCW 82.04.4461 allows a business and occupation (B&O) tax credit equal to 1.5 percent of expenditures on aerospace product development performed within Washington. A business claiming the credit must file an annual tax performance report with DOR.

*Business Facilities Credit.* Per RCW 82.04.4463, manufacturers and processors for hire of commercial airplanes or their component parts and aerospace tooling manufacturers are eligible for a B&O tax credit equal to the property and leasehold taxes paid on certain buildings, land, and the increased value from certain building renovations or expansions, as well as a portion of property taxes paid on certain machinery and equipment. The credit for machinery and equipment is equal to the amount of property taxes paid on the machinery and equipment multiplied by a fraction as prescribed in the RCW. Eligibility for the credit requires the building, land, and/or machinery and equipment be used exclusively in manufacturing commercial airplanes or their components or in manufacturing tooling specifically designed for use in manufacturing commercial airplanes or their components. A business claiming the credit must file an annual tax performance report with DOR.

In addition, non-manufacturers engaged in the business of aerospace product development and certificated Federal Aviation Regulation repair stations making retail sales are eligible for a B&O tax credit equal to property and leasehold taxes on certain buildings, land, and the increased value of renovated buildings, and qualifying computer equipment and peripherals under RCW 82.04.4463. Eligibility for the credit requires the building, land, and/or computer equipment and peripherals be used exclusively in aerospace product development or in providing aerospace services. A business claiming the credit must file an annual tax performance report with DOR.

*Computer Hardware, Software, and Peripherals Exemption.* The purchase and use of computer hardware, software, or peripherals, including installation charges, is exempt from sales and use tax per RCW 82.08.975 and 82.12.975 if the item is used primarily in developing, designing, and engineering aerospace products. The purchaser must present a Buyers' Retail Sales Tax Exemption Certificate to the seller at the time of purchase.

The following table shows the amount of taxes abated during fiscal year 2023 (expressed in thousands):



State of Washington

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Tax Abatement Program	Amount of Taxes Abated
Data center server equipment and power infrastructure exemption	\$ 75,790
High-technology business tax deferral program	30,727
Multi-unit urban housing tax exemption	35,888
Aerospace incentives:	
Aerospace product development expenditures credit	48,482
Aerospace business facilities credit	36,400
Computer hardware, software, and peripherals exemption	5,021
<b>Total</b>	<b>\$ 232,308</b>

## Note 19

### Commitments and Contingencies

#### A. CAPITAL COMMITMENTS

Outstanding commitments related to state infrastructure and facility construction, improvement, and/or renovation totaled \$7.17 billion at June 30, 2023.

#### B. ENCUMBRANCES

Encumbrances, which represent commitments related to unperformed contracts for goods or services, are included in restricted, committed, or assigned fund balance, as appropriate. Operating encumbrances lapse at the end of the applicable appropriation period. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. There were no encumbrances outstanding against continuing appropriations at the end of fiscal year 2023.

#### C. SUMMARY OF SIGNIFICANT LITIGATION

##### Pending Litigation

The state and its agencies are parties to numerous routine legal proceedings that normally occur in governmental operations. In addition, at any given point, there may be numerous lawsuits involving the implementation, reduction, or elimination of specific state programs that could significantly impact expenditures and revenues, and potentially have future budgetary impact. This summary considers significant litigation not covered by tort insurance. Tort case liabilities are disclosed in Note 7.D, Claims and Judgments, Risk Management.

There is an on-going federal class action alleging insufficient competency services at state hospitals. The parties have agreed and negotiated a phased-in settlement, which received final approval from the court in 2018. In July 2023, the federal court found the state was in breach of the settlement agreement and in further contempt of the court's orders. The court entered a modified order in August 2023 upholding the original claim and added new

contempt fines. A decision from the court is pending regarding a payment plan for approximately \$100.3 million.

Several pharmacy associations sued the state to block the implementation of new rules regarding rate methodology changes for Medicaid fee-for-service payments which took effect in April 2017. When the Center for Medicare and Medicaid Services (CMS) denied the Medicaid State Plan (MSP) Amendment which contained the same rule changes, the state appealed and finally received CMS approval of the MSP. The pharmacy associations subsequently filed a lawsuit against CMS resulting in CMS reversing the prior approval of the MSP in June 2022. In September 2023, the state entered into a settlement with the pharmacy associations with an estimated cost of \$60 million.

The state denied a taxpayer's use of tax exemption for goods and retail services, and the determination was upheld by the Board of Tax Appeals. In June 2023, the taxpayer paid the disputed amount of approximately \$21.7 million and filed a Petition for Judicial Review, which is awaiting a scheduled hearing date.

The state is also the defendant in a number of cases regarding improper tax assessments, inadequate provision of education services and unfair compensation practices for part-time college faculty. Collective claims in these programmatic and service cases are currently indeterminable, but adverse rulings in some of these cases could result in significant future costs. The state is contesting these lawsuits and the outcomes are uncertain at this time.

### **Tobacco Settlement**

In November 1998, Washington joined 45 other states in a Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers to provide restitution for monies spent under health care programs for the treatment of smoking-related illnesses.

The annual payments to each state under the MSA are subject to a number of adjustments, including the nonparticipating manufacturer (NPM) adjustment. The NPM adjustment is a downward adjustment that is applicable to any state found by an arbitration panel not to have diligently enforced the qualifying statute. The amount of the available adjustment is calculated every year by Price Waterhouse Coopers and is typically \$1.25 billion. States found not diligent share the costs of that downward adjustment and the adjustment is applied against the next

annual MSA payment. No state can lose more than its entire annual payment.

For every annual MSA payment cycle since 2006, the participating manufacturers have withheld the amount of the available NPM adjustment from their MSA payments claiming all of the states were not diligent, depositing the amount of the available adjustment into a Disputed Payments Account. For Washington, the amount withheld from each payment has been in the range of approximately \$17.5 million to \$24.9 million. The states are required to sue the participating manufacturers to recover the withheld amounts.

The withholding in 2006 challenged the states' diligence for calendar year 2003. That challenge marked the first time the NPM adjustment procedure was involved and led to diligent enforcement arbitration. The arbitration occurred in two stages: a national hearing on "common issues" and then states' specific case.

During the 2003 NPM adjustment dispute, 22 states settled their dispute. The participating manufacturers agreed to a 54 percent reduction in their annual MSA payments and to additional NPM enforcement obligations. On September 11, 2013, the arbitration panel issued a decision in Washington's favor, unanimously concluding that Washington proved that it diligently enforced the qualifying statute during calendar year 2003 and therefore, for that calendar year, is not subject to an NPM adjustment under the MSA. As a result of that decision, in fiscal year 2014, Washington received approximately \$14 million more than it would have otherwise received.

The 2004 NPM adjustment dispute began shortly after the conclusion of the 2003 dispute. In September 2019, one of the states' three elected arbitration panel members passed away before any decisions were finalized. The states subsequently selected a replacement who reviewed all filings and transcripts and participated in the panel's decisions.

In September 2021, the panel determined that Washington was not diligent. The panel's ruling resulted in a downward NPM adjustment of approximately \$25 million in Washington's 2023 MSA payment. The adverse decision largely turned on the 2004 panel's different treatment of tribal cigarette sales. The 2003 panel ruling supported Washington's position that cigarette sales by tribes that have compacts with the state are not within its diligent enforcement obligations, but the 2004 panel reached the opposite conclusion. Washington appealed the 2004 panel

decision to the King County Superior Court and was able to get the ruling overturned so that it will not have diligent enforcement obligations for compact cigarette sales for all cases going forward. However, even with the correction, the trial court declined to overturn the adverse finding of non-diligence for 2004. The tobacco companies appealed the trial court's ruling, and Washington crossed-appealed the refusal of the court to send the case back for reconsideration after correcting the error on tribal compact cigarette sales.

On October 16, 2023, Division I of the Court of Appeals issued a published decision, affirming the trial court's decision. The Court of Appeals rejected the State's cross-appeal seeking to vacate the 2004 panel ruling, but affirmed the declaratory judgment holding that tribal compact cigarette sales are not within its diligent enforcement obligations.

The arbitration panel has convened for the 2005, 2006, and 2007 NPM Adjustment disputes. The common case for those years was completed in July 2022. Washington state's specific hearing took place from April 24, 2023, through May 6, 2023, and is currently awaiting the panel's decision.

#### **D. FEDERAL ASSISTANCE**

The state has received federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies.

Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the state.

The state estimates and recognizes claims and judgments liabilities for disallowances when determined by the grantor agency or for probable disallowances based on experience pertaining to these grants; however, these recognized liabilities and any unrecognized disallowances are considered immaterial to the state's overall financial condition.

#### **E. ARBITRAGE REBATE**

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned

if the investments were invested at a yield equal to the yield on the bond issue.

The rebatable arbitrage must be paid to the federal government. The state estimates that rebatable arbitrage liability, if any, would be immaterial to its overall financial condition.

#### **F. FINANCIAL GUARANTEES**

##### **School District Credit Enhancement Program**

In accordance with chapter 39.98 RCW (School District Credit Enhancement Program), the state has guaranteed outstanding voter-approved general obligation bonds of school districts within the state in the amount of \$16.5 billion at June 30, 2023. The guarantees extend through the life of the bonds, with a final maturity date of the longest series in 2045.

In the event that a school district has insufficient funds to make a required debt service payment on a guaranteed bond, the state is required to transfer sufficient funds to make the payment. School districts for which the state has made all or part of a debt service payment shall reimburse the state for all money drawn on their behalf, as well as interest and penalties.

#### **G. INTERSTATE-5 BRIDGE (formerly COLUMBIA RIVER) CROSSING**

The Washington State Department of Transportation (WSDOT) and the Oregon Department of Transportation (ODOT) worked together, along with federal and local agencies, on the Columbia River Crossing project. The project consisted of a bridge, transit, highway, bicycle, and pedestrian improvement intended to replace the existing two highway spans on Interstate-5 across the Columbia River, along with new interchanges on both the Washington and Oregon sides of the river. It also included extension of light rail public transit into Vancouver, Washington. During fiscal year 2023, the Columbia River Crossing project was renamed to Interstate-5 Bridge Replacement (IBR) project to more accurately reflect the full scope of the project.

In 2014, the IBR project was shut down due to lack of funding by both the Washington and Oregon legislatures. During the project, WSDOT expended approximately \$54 million in federal funds, of which \$15 million was jointly awarded to Washington and Oregon. Under Federal Highway Administration (FHWA) policy, failure to advance a project to the construction phase within 10 years

of the initial obligation of funds could trigger a requirement to repay federal funds used on the project. FHWA granted Washington and Oregon an extension to September 30, 2024.

In 2019, the Washington Legislature provided \$35 million to establish a project office jointly staffed by Washington and Oregon. The funding also covered pre-design activities to replace the Interstate-5 bridge crossing. The Oregon Transportation Commission (OTC) allocated \$9 million as the state's initial contribution to restarting the work. In August 2019, the OTC approved an additional \$4 million to be obligated to the program from the fiscal year 2020 federal redistribution funds.

In April 2020, WSDOT and ODOT signed a funding and administration agreement committing to jointly approve expenditures and equally fund the program. A program administrator was hired in June 2020 to act on behalf of both states.

In August 2020, the OTC approved an additional \$6 million to be obligated to the program from the fiscal year 2021 federal redistribution funds, followed by an additional \$30 million in March 2021. ODOT and WSDOT have initiated program development efforts including re-engaging program partners and stakeholders and resuming bi-state legislative committee engagement.

During fiscal year 2022, the bi-state legislative committee continued to work with WSDOT, ODOT, and their respective transportation commissions on program development for the construction of the new Interstate-5 bridge. The current process allows public participation and provides project development reports and recommendations to the legislatures of Washington and Oregon. The Move Ahead Washington Transportation Package awarded \$1 billion for Washington's share of the funds to complete the program. The fiscal year 2022 supplemental budget also provided an additional \$10 million in planning funds for the remainder of the biennium. Other sources of funding would include a combination of bi-state funding from federal, state, tolling, and local funds.

The 2023 legislative session allocated \$137.5 million for the 2023-25 biennium as the first portion of the Move Ahead Washington funding and required the program to submit quarterly reports on the status of all agreements related to the shared funding with Oregon. The legislature also authorized tolling on the Interstate-5 bridge.

Funding for the Mill Plain Interchange, which is within the IBR Project area and funded through the Connecting Washington Transportation Package, was rescheduled to begin in fiscal year 2031. The change also increased funding from \$98 million to \$117 million to account for inflation rates.

The Oregon Legislature committed to fund \$1 billion for the IBR project, matching Washington's commitment from the previous year. The funding language was contained in a bill which addressed the overall bonding needs for all Oregon state agencies. The commitment of \$1 billion is in the form of IBR bonds of \$250 million per biennium over the next 4 biennia, to be paid back from the general fund.

With the 2022 and 2023 funding milestones, all non-federal matching funds are in place to begin applying for federal discretionary grants. The project's finance plan identified combined federal grant funding in the likely range of \$1.8 billion to \$2.7 billion from the Bridge Investment Program, Mega Program, and the Federal Transit Administration (FTA) Capital Improvement Grant. The application for the Bridge Investment Program and the Mega Program grants will begin in 2023. The FTA Capital Improvement Grant has a separate and distinct process with multiple phases over several years. The IBR program has already requested entry into the project development phase and will continue to address the requirements of each subsequent phase.

## Note 20

### Subsequent Events

#### **A. BOND ISSUES**

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In July 2023, the state issued:

- \$682.6 million in various purpose general obligation bonds to provide funds to pay and reimburse for various state capital projects.
- \$376.6 million in motor vehicle tax and vehicle related fees general obligation bonds to provide funds to pay and reimburse for construction of state and local highway improvements and preservation projects.
- \$55.1 million in taxable general obligation bonds to provide funds to pay and reimburse for various non-transportation capital projects.

In November 2023, the state issued:

- \$289.7 million in general obligation refunding bonds for the purpose of refunding certain various general obligation bonds of the state.

- \$181.8 million in motor vehicle fuel tax and vehicle related fees general obligation refunding bonds for the purpose of refunding certain motor vehicle fuel tax and vehicle related fees obligation bonds of the state.

In August 2023, Washington State University issued \$20.3 million in general revenue refunding bonds to refund and defease a portion of the University's General Revenue and Refunding Bonds, 2013 (the "2013 Bonds"), and to pay the costs of issuing the bonds.

#### **B. CERTIFICATES OF PARTICIPATION**

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In October 2023, the state issued \$38.7 million in Certificates of Participation.

#### **C. CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT**

##### **UNEMPLOYMENT COMPENSATION WAIVER**

In October 2023, the state submitted requests to the United States Department of Labor to issue blanket authority to waive \$473.3 million of overpayments for CARES Act unemployment compensation programs.

State of Washington

BUDGETARY COMPARISON SCHEDULES

**General Fund**

For the Biennium Ended June 30, 2023

(expressed in thousands)

	Original Budget 2021-2023 Biennium	Final Budget 2021-2023 Biennium	Actual 2021-2023 Biennium	Variance with Final Budget
<b>Budgetary Fund Balance, July 1, as restated</b>	\$ 4,853,885	\$ 4,853,885	\$ 4,853,885	\$ —
<b>Resources</b>				
Taxes	58,484,663	63,603,108	59,354,037	(4,249,071)
Licenses, permits, and fees	282,356	300,430	306,026	5,596
Other contracts and grants	1,124,503	1,187,528	792,413	(395,115)
Timber sales	9,136	9,384	9,494	110
Federal grants-in-aid	41,255,447	51,249,888	39,854,450	(11,395,438)
Charges for services	158,919	185,092	128,138	(56,954)
Investment income (loss)	139,611	242,568	274,098	31,530
Miscellaneous revenue	347,865	261,082	323,075	61,993
Unclaimed property	347,795	345,868	335,985	(9,883)
Transfers from other funds	3,138,663	5,481,754	4,819,055	(662,699)
<b>Total Resources</b>	<b>110,142,843</b>	<b>127,720,587</b>	<b>111,050,656</b>	<b>(16,669,931)</b>
<b>Charges To Appropriations</b>				
General government	10,564,536	17,318,980	12,401,593	4,917,387
Human services	48,343,114	54,462,813	51,882,910	2,579,903
Natural resources and recreation	1,236,828	2,597,542	1,619,143	978,399
Transportation	154,608	185,775	156,051	29,724
Education	35,797,863	41,592,628	34,583,987	7,008,641
Capital outlays	2,020,219	3,181,819	726,071	2,455,748
Transfers to other funds	2,205,782	2,352,758	2,559,583	(206,825)
<b>Total Charges To Appropriations</b>	<b>100,322,950</b>	<b>121,692,315</b>	<b>103,929,338</b>	<b>17,762,977</b>
<b>Excess Available For Appropriation Over (Under) Charges To Appropriations</b>	<b>9,819,893</b>	<b>6,028,272</b>	<b>7,121,318</b>	<b>1,093,046</b>
<b>Reconciling Items</b>				
Debt service	—	—	(42)	(42)
Bond sale proceeds	95,714	239,539	318,042	78,503
Issuance premiums	—	—	1,085	1,085
Refunding COPs issued	—	—	4,080	4,080
Assumed reversions	295,743	728,051	—	(728,051)
Working capital adjustment	—	—	38,000	38,000
Noncash activity (net)	—	—	(100,894)	(100,894)
Nonappropriated fund balances	—	—	626,415	626,415
Changes in reserves (net)	—	—	232,854	232,854
<b>Total Reconciling Items</b>	<b>391,457</b>	<b>967,590</b>	<b>1,119,540</b>	<b>151,950</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 10,211,350</b>	<b>\$ 6,995,862</b>	<b>\$ 8,240,858</b>	<b>\$ 1,244,996</b>

The separately submitted report that demonstrates compliance at a legal level of budgetary control is traceable to the Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual found in the Individual Fund Schedules section.

State of Washington

BUDGETARY COMPARISON SCHEDULES

**General Fund - Budget to GAAP Reconciliation**

For the Biennium Ended June 30, 2023

*(expressed in thousands)*

**Sources/Inflows of Resources**

Actual amounts (budgetary basis) "Total Resources"		
from the Budgetary Comparison Schedule	\$	111,050,656
Differences - budget to GAAP:		
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:		
Transfers from other funds		(4,819,055)
Budgetary fund balance at the beginning of the biennium, as restated		(4,853,885)
Appropriated loan principal repayment		(137)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:		
Noncash commodities and electronic food stamp benefits		6,134,125
Revenues collected for other governments		317,771
Unanticipated receipts		244,793
Noncash and other revenues		(68,228)
Other		35,603
<b>Biennium total revenues</b>		<u>108,041,642</u>
Fiscal year 2022 total revenues		(53,683,370)
Nonappropriated activity		<u>636,629</u>
<b>Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<b>\$</b>	<b><u>54,994,902</u></b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis) "Total Charges to Appropriations"		
from the Budgetary Comparison Schedule	\$	103,929,338
Differences - budget to GAAP:		
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:		
Appropriated transfers to other funds		(9,380,725)
Other transfers to other funds		(2,559,583)
Appropriated loan disbursements		(952)
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes:		
Noncash commodities and electronic food stamp benefits		6,206,937
Distributions to other governments		317,771
Capital asset acquisition by other financing sources		170,307
Expenditures related to unanticipated receipts		244,793
Interest on debt service		42
Other		257,515
<b>Biennium total expenditures</b>		<u>99,185,442</u>
Fiscal year 2022 total expenditures		(48,290,884)
Nonappropriated activity		<u>1,604,861</u>
<b>Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds</b>	<b>\$</b>	<b><u>52,499,419</u></b>



State of Washington

BUDGETARY COMPARISON SCHEDULES

**Higher Education Special Revenue Fund**

For the Biennium Ended June 30, 2023

(expressed in thousands)

	Original Budget 2021-2023 Biennium	Final Budget 2021-2023 Biennium	Actual 2021-2023 Biennium	Variance with Final Budget
<b>Budgetary Fund Balance, July 1, as restated</b>	\$ 536,990	\$ 536,990	\$ 536,990	\$ —
<b>Resources</b>				
Taxes	2,457,029	2,796,829	3,365,741	568,912
Licenses, permits, and fees	—	633	—	(633)
Other contracts and grants	—	326	—	(326)
Federal grants-in-aid	—	283,655	—	(283,655)
Charges for services	3,022,017	2,824,566	2	(2,824,564)
Investment income (loss)	5,062	3,808	35,414	31,606
Miscellaneous revenue	4,124	8,319	1	(8,318)
Transfers from other funds	5,014	112,873	27,240	(85,633)
<b>Total Resources</b>	<b>6,030,236</b>	<b>6,567,999</b>	<b>3,965,388</b>	<b>(2,602,611)</b>
<b>Charges To Appropriations</b>				
General government	426	39,862	39,431	431
Human services	44,217	95,929	43,242	52,687
Education	2,448,116	3,334,311	2,612,920	721,391
Transfers to other funds	138,238	178,195	27,240	150,955
<b>Total Charges To Appropriations</b>	<b>2,630,997</b>	<b>3,648,297</b>	<b>2,722,833</b>	<b>925,464</b>
<b>Excess Available For Appropriation Over (Under) Charges To Appropriations</b>	<b>3,399,239</b>	<b>2,919,702</b>	<b>1,242,555</b>	<b>(1,677,147)</b>
<b>Reconciling Items</b>				
Noncash activity (net)	—	—	12,757	12,757
Nonappropriated fund balances	—	—	4,443,643	4,443,643
Changes in reserves (net)	—	—	11,766	11,766
<b>Total Reconciling Items</b>	<b>—</b>	<b>—</b>	<b>4,468,166</b>	<b>4,468,166</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,399,239</b>	<b>\$ 2,919,702</b>	<b>\$ 5,710,721</b>	<b>\$ 2,791,019</b>



State of Washington

BUDGETARY COMPARISON SCHEDULES

**Higher Education Special Revenue Fund - Budget to GAAP Reconciliation**

For the Biennium Ended June 30, 2023  
(expressed in thousands)

**Sources/Inflows of Resources**

Actual amounts (budgetary basis) "Total Resources"	
from the Budgetary Comparison Schedule	\$ 3,965,388
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(27,240)
Budgetary fund balance at the beginning of the biennium, as restated	(536,990)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash revenues	(6,356)
Other	(742)
<b>Biennium total revenues</b>	<b>3,394,060</b>
Fiscal year 2022 total revenues	(8,074,935)
Nonappropriated activity	<b>13,861,158</b>
<b>Total Revenues (GAAP Basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<b>\$ 9,180,283</b>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis) "Total Charges to Appropriations"	
from the Budgetary Comparison Schedule	\$ 2,722,833
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(301,376)
Other transfers to other funds	(27,240)
Capital asset acquisition by other financing sources	140,054
<b>Biennium total expenditures</b>	<b>2,534,271</b>
Fiscal year 2022 total expenditures	(7,036,420)
Nonappropriated activity	<b>13,106,943</b>
<b>Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<b>\$ 8,604,794</b>

**BUDGETARY INFORMATION**

**Notes to Required Supplementary Information**

**GENERAL BUDGETARY POLICIES AND PROCEDURES**

The Governor is required to submit a budget to the Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature.

The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in

the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year in the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying budgetary schedule is not presented at the legal level of budgetary control. This is due to the large number of appropriations within individual agencies that would make such a presentation in the accompanying financial schedule extremely cumbersome. Section 2400.121 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards provides for the preparation of a separate report in these extreme cases.

For the state of Washington, a separate report has been prepared for the 2021-2023 biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures and estimated versus actual revenues and other financing sources (uses) for appropriated funds/accounts at agency and appropriation level are presented in the Budget-to-Actual Detail Report for governmental funds. The report is available online at Washington State Budget to Actual Detail Report.

Legislative appropriations are strict legal limits on expenditures; over-expenditures are prohibited. All appropriated and certain nonappropriated funds/accounts are further controlled by the executive branch through the allotment process. This process allocates the expenditure plan into monthly allotments by program, source of funds, and object of expenditure. State law does not preclude the over-expenditure of allotments.

Proprietary funds/accounts can earn revenues and incur expenses (i.e., depreciation or cost of goods sold) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund/account business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. The Office of Financial Management is authorized to estimate revenue and make expenditure allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances

outstanding against continuing appropriations at fiscal year-end are reported as restricted, committed, or assigned fund balance.

#### **Budgetary Reporting vs. GAAP Reporting**

Governmental funds are budgeted materially in conformance with generally accepted accounting principles.

However, the presentation in the accompanying budgetary schedules is different in certain respects from the corresponding Statements of Revenues, Expenditures, and Changes in Fund Balance (governmental operating statement).

In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities. Expenditures are classified based on whether the appropriation is from the operating or capital budget. Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are capital asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These include activities designated as nonappropriated by the Legislature. Nonappropriated activities can represent a portion of a fund such as the Higher Education Special Revenue Fund or all of a fund such as the Higher Education Endowment and Tobacco Settlement Securitization Bond Debt Service Funds. Additionally, certain items including federal surplus food commodities, electronic food stamp benefits, and resources collected and distributed to other governments are also excluded because they are not appropriated.

Further, certain expenditures are appropriated as operating transfers. These transfers are reported as operating transfers on the budgetary schedules and as expenditures on the governmental operating statements.

## State of Washington

In the General Fund, Budgetary Fund Balance equals restricted fund balance reduced by a portion that is not available for budgeting, committed, and unassigned fund balances as reported on the Governmental Funds Balance Sheet. In the Higher Education Special Revenue Fund, Budgetary Fund Balance equals the sum of restricted and committed fund balance as reported on the Governmental Funds Balance Sheet. In all other funds except Wildlife and

Natural Resources, Budgetary Fund Balance equals total fund balance less nonspendable fund balance as reported on the Governmental Funds Balance Sheet. The Budgetary Fund Balance in the Wildlife and Natural Resources fund is further reduced by a portion of restricted fund balance that is not available for budgeting.

### PENSION PLAN INFORMATION

Single Employer Plans

### Schedule of Changes in Net Pension Liability and Related Ratios Washington State Patrol Retirement System - Plan 1/2

Last Ten Measurement Years

(expressed in thousands)

	2022	2021	2020
<b>Total Pension Liability</b>			
Service cost	\$ 23,826	\$ 23,462	\$ 23,091
Interest	109,690	105,943	100,877
Changes of benefit terms	—	—	2,400
Differences Between Expected and Actual Experience	27,795	(2,368)	11,919
Changes of Assumptions	98,031	—	581
Benefit payments, including refunds of member contributions	<u>(80,893)</u>	<u>(72,786)</u>	<u>(68,838)</u>
<b>Net Change in Total Pension Liability</b>	178,449	54,251	70,030
<b>Total Pension Liability--Beginning</b>	<u>1,498,199</u>	<u>1,443,948</u>	<u>1,373,918</u>
<b>Total Pension Liability--Ending</b>	<u>\$ 1,676,648</u>	<u>\$ 1,498,199</u>	<u>\$ 1,443,948</u>
<b>Plan Fiduciary Net Position</b>			
Contributions--employer	\$ 19,284	\$ 20,882	\$ 19,897
Contributions--employee	11,872	12,189	10,630
Net Investment Income	3,811	429,171	60,358
Benefit Payments, Including Refunds of Member Contributions	(80,893)	(72,786)	(68,838)
Administrative Expense	(49)	(123)	(96)
Other	<u>696</u>	<u>491</u>	<u>808</u>
<b>Net Change in Plan Fiduciary Net Position</b>	(45,279)	389,824	22,759
<b>Plan Fiduciary Net Position--Beginning</b>	<u>1,774,864</u>	<u>1,385,040</u>	<u>1,362,281</u>
<b>Plan Fiduciary Net Position--Ending</b>	<u>\$ 1,729,585</u>	<u>\$ 1,774,864</u>	<u>\$ 1,385,040</u>
<b>State's Net Pension Liability/(Asset)--Ending</b>	<u>\$ (52,937)</u>	<u>\$ (276,665)</u>	<u>\$ 58,908</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	103.16 %	118.47 %	95.92 %
<b>Covered Payroll</b>	\$ 109,751	\$ 118,448	\$ 113,704
<b>State's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	-48.23 %	-233.58 %	51.81 %

N/A indicates not available.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary.

State of Washington

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	2019	2018	2017	2016	2015	2014	2013
\$	22,671	\$ 21,083	\$ 18,474	\$ 16,534	\$ 16,633	\$ 18,041	N/A
	96,629	94,569	90,560	83,373	80,037	75,249	N/A
	—	—	4,830	1,947	2,258	—	N/A
	4,254	13,974	23,702	(10,431)	8,883	—	N/A
	—	(24,367)	20,921	2	17	—	N/A
	(64,370)	(59,634)	(56,821)	(54,159)	(50,075)	(47,510)	N/A
	59,184	45,625	101,666	37,266	57,753	45,780	N/A
	1,314,734	1,269,109	1,167,443	1,130,177	1,072,424	1,026,644	N/A
\$	1,373,918	\$ 1,314,734	\$ 1,269,109	\$ 1,167,443	\$ 1,130,177	\$ 1,072,424	\$ 1,026,644
\$	14,700	\$ 14,203	\$ 7,587	\$ 7,044	\$ 6,679	\$ 6,587	N/A
	10,744	9,922	10,454	8,895	6,323	6,555	N/A
	111,123	113,597	151,021	25,352	49,046	176,856	N/A
	(64,370)	(59,634)	(56,821)	(54,159)	(50,075)	(47,510)	N/A
	(131)	(131)	(53)	(60)	(67)	(84)	N/A
	769	650	524	429	293	509	N/A
	72,835	78,607	112,712	(12,499)	12,199	142,913	N/A
	1,289,446	1,210,839	1,098,127	1,110,626	1,098,427	955,514	N/A
\$	1,362,281	\$ 1,289,446	\$ 1,210,839	\$ 1,098,127	\$ 1,110,626	\$ 1,098,427	\$ 955,514
\$	11,637	\$ 25,288	\$ 58,270	\$ 69,316	\$ 19,551	\$ (26,003)	\$ 71,130
	99.15 %	98.08 %	95.41 %	94.06 %	98.27 %	102.42 %	93.07 %
\$	111,612	\$ 109,243	\$ 93,053	\$ 86,660	\$ 84,388	\$ 85,046	\$ 81,895
	10.43 %	23.15 %	62.62 %	79.99 %	23.17 %	-30.58 %	86.86 %

State of Washington

PENSION PLAN INFORMATION

Single Employer Plans

**Schedule of Changes in Net Pension Liability and Related Ratios  
Judicial Retirement System**

Last Ten Measurement Years

(expressed in thousands)

	2022	2021	2020
<b>Total Pension Liability</b>			
Service cost	\$ —	\$ —	\$ —
Interest	1,447	1,621	2,634
Changes of benefit terms	—	—	—
Differences between expected and actual experience	1,942	1,237	(447)
Changes in assumptions	(6,860)	(1,931)	3,675
Benefit payments, including refunds of employee contributions	(7,053)	(7,553)	(7,921)
<b>Net Change in Total Pension Liability</b>	(10,524)	(6,626)	(2,059)
<b>Total Pension Liability--Beginning</b>	70,493	77,119	79,178
<b>Total Pension Liability--Ending</b>	\$ 59,969	\$ 70,493	\$ 77,119
<b>Plan Fiduciary Net Position</b>			
Contributions--employer	\$ 7,100	\$ 7,600	\$ 7,800
Contributions--employee	—	—	—
Net investment income	49	79	155
Benefit payments, including refunds of employee contributions	(7,053)	(7,553)	(7,921)
Administrative expense	(4)	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	92	126	34
<b>Plan Fiduciary Net Position--Beginning</b>	8,620	8,494	8,460
<b>Plan Fiduciary Net Position--Ending</b>	\$ 8,712	\$ 8,620	\$ 8,494
<b>State's Net Pension Liability/(Asset)--Ending</b>	\$ 51,257	\$ 61,873	\$ 68,625
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	14.53 %	12.23 %	11.01 %
<b>Covered Payroll <sup>(1)</sup></b>	N/A	N/A	N/A
<b>State's Net Pension Liability/(Asset) as a Percentage of Covered Payroll <sup>(1)</sup></b>	N/A	N/A	N/A

N/A indicates data not applicable.

1. Covered payroll is not applicable because there are no active plan employees beginning in 2014.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

	2019	2018	2017	2016	2015	2014	2013
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
	3,078	3,200	2,874	3,704	4,382	4,319	N/A
	—	—	—	—	—	—	N/A
	(1,793)	(2,844)	1,047	20	1,590	—	N/A
	2,372	(2,063)	(6,329)	8,737	4,335	—	N/A
	(7,958)	(8,325)	(8,723)	(9,131)	(9,336)	(9,480)	N/A
	(4,301)	(10,032)	(11,131)	3,330	971	(5,161)	N/A
	83,479	93,511	104,642	101,312	100,341	105,502	N/A
\$	79,178	\$ 83,479	\$ 93,511	\$ 104,642	\$ 101,312	\$ 100,341	\$ 105,502
\$	8,400	\$ 8,700	\$ 9,300	\$ 9,500	\$ 10,600	\$ 10,600	N/A
	—	—	—	—	—	—	N/A
	166	80	45	74	38	25	N/A
	(7,958)	(8,325)	(8,723)	(9,131)	(9,336)	(9,480)	N/A
	—	—	—	(1)	—	—	N/A
	608	455	622	442	1,302	1,145	N/A
	7,852	7,397	6,775	6,333	5,031	3,886	N/A
\$	8,460	\$ 7,852	\$ 7,397	\$ 6,775	\$ 6,333	\$ 5,031	\$ 3,886
\$	70,718	\$ 75,627	\$ 86,114	\$ 97,867	\$ 94,979	\$ 95,310	\$ 101,616
	10.68 %	9.41 %	7.91 %	6.47 %	6.25 %	5.01 %	3.68 %
	N/A	N/A	N/A	N/A	N/A	N/A	\$ 160
	N/A	N/A	N/A	N/A	N/A	N/A	635.10 %

State of Washington

PENSION PLAN INFORMATION

Single Employer Plans

**Schedule of Changes in Net Pension Liability and Related Ratios  
Judges' Retirement Fund**

Last Ten Measurement Years

(expressed in thousands)

	2022	2021	2020
<b>Total Pension Liability</b>			
Service cost	\$ —	\$ —	\$ —
Interest	28	40	80
Changes of benefit terms	—	—	—
Differences between expected and actual experience	156	(322)	(315)
Changes of assumptions	(93)	4	12
Benefit payments, including refunds of member contributions	(247)	(257)	(265)
<b>Net Change in Total Pension Liability</b>	(156)	(535)	(488)
<b>Total Pension Liability--Beginning</b>	1,404	1,939	2,427
<b>Total Pension Liability--Ending</b>	\$ 1,248	\$ 1,404	\$ 1,939
<b>Plan Fiduciary Net Position</b>			
Contributions--state	\$ 300	\$ 400	\$ 400
Contributions--member	—	—	—
Net investment income	6	11	18
Benefit payments, including refunds of member contributions	(247)	(257)	(265)
Administrative expense	—	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	59	154	153
<b>Plan Fiduciary Net Position--Beginning</b>	1,281	1,127	974
<b>Plan Fiduciary Net Position--Ending</b>	\$ 1,340	\$ 1,281	\$ 1,127
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ (92)	\$ 123	\$ 812
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	107.37 %	91.24 %	58.12 %
<b>Covered Payroll <sup>(1)</sup></b>	N/A	N/A	N/A
<b>State's Net Pension Liability/(Asset) as a Percentage of Covered Payroll <sup>(1)</sup></b>	N/A	N/A	N/A

N/A indicates data not applicable.

1. Covered payroll is not applicable because there are no active plan employees.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2019	2018	2017	2016	2015	2014	2013
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	N/A
	89	95	88	116	138	137	N/A
	—	—	—	—	—	—	N/A
	161	(39)	194	123	182	—	N/A
	50	(43)	(129)	181	95	—	N/A
	(338)	(396)	(402)	(440)	(444)	(444)	N/A
	(38)	(383)	(249)	(20)	(29)	(307)	N/A
	2,465	2,848	3,097	3,117	3,146	3,453	N/A
\$	2,427	\$ 2,465	\$ 2,848	\$ 3,097	\$ 3,117	\$ 3,146	\$ 3,453
\$	500	\$ 500	\$ 499	\$ 501	\$ —	\$ —	N/A
	—	—	—	—	—	—	N/A
	17	8	4	6	4	7	N/A
	(338)	(396)	(402)	(440)	(444)	(444)	N/A
	—	—	—	—	—	—	N/A
	179	112	101	67	(440)	(437)	N/A
	795	683	582	515	955	1,392	N/A
\$	974	\$ 795	\$ 683	\$ 582	\$ 515	\$ 955	\$ 1,392
\$	1,453	\$ 1,670	\$ 2,165	\$ 2,515	\$ 2,602	\$ 2,191	\$ 2,061
	40.13 %	32.25 %	23.98 %	18.79 %	16.52 %	30.36 %	40.31 %
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A



State of Washington

PENSION PLAN INFORMATION

Single Employer Plans

**Schedule of Contributions**

**Washington State Patrol Retirement System - Plan 1/2**

Last Ten Fiscal Years

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 21,918	\$ 20,862	\$ 1,056	\$ 118,031	17.68 %
2022	20,271	19,284	987	109,751	17.57 %
2021	26,401	20,882	5,519	118,448	17.63 %
2020	25,167	19,897	5,270	113,704	17.50 %
2019	17,020	14,700	2,320	111,612	13.17 %
2018	16,648	14,203	2,445	109,243	13.00 %
2017	8,179	7,587	592	93,053	8.15 %
2016	7,618	7,044	574	86,660	8.13 %
2015	6,810	6,679	131	84,388	7.91 %
2014	6,677	6,587	90	85,046	7.75 %

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Schedule of Contributions**

**Judicial Retirement System**

Last Ten Fiscal Years

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 6,457	\$ 6,700	\$ (243)	—	N/A
2022	6,923	7,100	(177)	—	N/A
2021	7,505	7,600	(95)	—	N/A
2020	7,643	7,800	(157)	—	N/A
2019	7,914	8,400	(486)	—	N/A
2018	8,317	8,700	(383)	—	N/A
2017	8,761	9,300	(539)	—	N/A
2016	8,999	9,500	(501)	—	N/A
2015	9,132	10,600	(1,468)	—	N/A
2014	9,205	10,600	(1,395)	—	N/A

N/A indicates data not applicable. There are no active members.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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PENSION PLAN INFORMATION

Single Employer Plans

**Schedule of Contributions**

**Judges' Retirement Fund**

Last Ten Fiscal Years

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 246	\$ 300	\$ (54)	—	N/A
2022	257	300	(43)	—	N/A
2021	257	400	(143)	—	N/A
2020	328	400	(72)	—	N/A
2019	395	500	(105)	—	N/A
2018	395	500	(105)	—	N/A
2017	439	499	(60)	—	N/A
2016	444	501	(57)	—	N/A
2015	539	—	539	—	N/A
2014	425	—	425	—	N/A

N/A indicates data not applicable. There are no active members.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System (PERS) Plan 1**

Last Nine Measurement Years \*  
(expressed in thousands)

	2022	2021	2020
State PERS Plan 1 employers' proportion of the net pension liability/(asset)	42.18 %	43.35 %	42.07 %
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 1,174,475	\$ 529,443	\$ 1,485,148
Covered payroll of employees participating in PERS Plan 1	\$ 26,772	\$ 35,118	\$ 43,909
Covered payroll of employees participating in PERS Plan 2/3	6,359,603	6,151,714	5,902,886
Covered payroll of employees participating in PSERS Plan 2	443,145	450,362	384,394
<b>Covered Payroll</b>	<b>\$ 6,829,520</b>	<b>\$ 6,637,194</b>	<b>\$ 6,331,190</b>
State PERS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	17.20 %	7.98 %	23.46 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	76.56 %	88.74 %	68.64 %

\* This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System (PERS) Plan 2/3**

Last Nine Measurement Years \*  
(expressed in thousands)

	2022	2021	2020
State PERS Plan 2/3 employers' proportion of the net pension liability/(asset)	50.99 %	51.25 %	50.58 %
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ (1,891,211)	\$ (5,105,303)	\$ 646,953
State PERS Plan 2/3 employers' covered payroll	\$ 6,359,603	\$ 6,151,714	\$ 5,902,886
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-29.74 %	-82.99 %	10.96 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	106.73%	120.29%	97.22 %

\* This schedule is to be built prospectively until it contains ten years of data.

State of Washington

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	2019	2018	2017	2016	2015	2014
	41.80 %	41.97 %	41.88 %	41.99 %	41.57 %	42.37 %
\$	1,607,475	\$ 1,874,226	\$ 1,987,268	\$ 2,255,244	\$ 2,174,623	\$ 2,134,189
\$	54,779	\$ 69,330	\$ 85,341	\$ 103,235	\$ 120,686	\$ 143,836
	5,469,217	5,237,495	4,928,806	4,648,843	4,363,171	4,215,934
	321,991	198,511	175,395	155,768	140,977	130,172
\$	5,845,987	\$ 5,505,336	\$ 5,189,542	\$ 4,907,846	\$ 4,624,834	\$ 4,489,942

	27.50 %	34.04 %	38.29 %	45.95 %	47.02 %	47.53 %
	67.12 %	63.22 %	61.24 %	57.03 %	59.10 %	61.19 %

	2019	2018	2017	2016	2015	2014
	50.50 %	50.41 %	50.20 %	49.72 %	49.10 %	49.27 %
\$	490,544	\$ 860,776	\$ 1,744,067	\$ 2,503,313	\$ 1,754,418	\$ 995,856
\$	5,469,217	\$ 5,237,495	\$ 4,928,806	\$ 4,648,843	\$ 4,363,171	\$ 4,215,934
	8.97 %	16.43 %	35.39 %	53.85 %	40.21 %	23.62 %
	97.77 %	95.77 %	90.97 %	85.82 %	89.20 %	93.29 %

State of Washington

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System (TRS) Plan 1**

Last Nine Measurement Years \*

(expressed in thousands)

	2022	2021	2020
State TRS Plan 1 employers' proportion of the net pension liability/(asset)	1.31 %	1.31 %	1.18 %
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset)	\$ 24,942	\$ 8,798	\$ 28,507
Covered payroll of employees participating in TRS Plan 1	\$ 713	\$ 1,330	\$ 1,431
Covered payroll of employees participating in TRS Plan 2/3	101,014	95,486	83,176
<b>Covered Payroll</b>	<b>\$ 101,728</b>	<b>\$ 96,817</b>	<b>\$ 84,606</b>
State TRS Plan 1 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	24.52 %	9.09 %	33.69 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	78.24 %	91.42 %	70.55 %

\* This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System (TRS) Plan 2/3**

Last Nine Measurement Years \*

(expressed in thousands)

	2022	2021	2020
State TRS Plan 2/3 employers' proportion of the net pension liability/(asset)	1.31 %	1.28 %	1.16 %
State TRS Plan 2/3 employers' proportionate share of the net pension liability/(asset)	\$ (2,577)	\$ (35,165)	\$ 17,767
State TRS Plan 2/3 employers' covered payroll	\$ 101,014	\$ 95,486	\$ 83,176
State PERS Plan 2/3 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-2.55 %	-36.83 %	21.36 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	100.86 %	113.72 %	91.72 %

\* This schedule is to be built prospectively until it contains ten years of data.

State of Washington

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	2019		2018		2017		2016		2015		2014
	1.09 %		1.10 %		1.03 %		0.97 %		0.86 %		0.78 %
\$	27,102	\$	32,177	\$	31,172	\$	33,026	\$	27,186	\$	22,924
\$	1,557	\$	1,893	\$	2,475	\$	5,735	\$	3,913	\$	4,611
	43,082		61,292		52,534		41,803		33,705		25,673
\$	44,639	\$	63,185	\$	55,009	\$	47,538	\$	37,618	\$	30,284
	60.71 %		50.93 %		56.67 %		69.47 %		72.27 %		75.70 %
	70.37 %		66.52 %		65.58 %		62.07 %		65.70 %		68.77 %

	2019		2018		2017		2016		2015		2014
	1.06 %		1.06 %		0.96 %		0.87 %		0.72 %		0.59 %
\$	6,389	\$	4,757	\$	8,873	\$	11,896	\$	6,107	\$	1,913
\$	43,082	\$	61,292	\$	52,534	\$	41,803	\$	33,705	\$	25,673
	14.83 %		7.76 %		16.89 %		28.46 %		18.12 %		7.45 %
	96.36 %		96.88 %		93.14 %		88.72 %		92.48 %		96.81 %

State of Washington

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PENSION PLAN INFORMATION  
Cost Sharing Employer Plans

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Public Safety Employees' Retirement System (PSERS) Plan 2**

Last Nine Measurement Years \*  
(expressed in thousands)

	2022	2021	2020
State PSERS Plan 2 employers' proportion of the net pension liability/(asset)	65.55 %	66.58 %	62.26 %
State PSERS Plan 2 employers' proportionate share of the net pension liability / (asset)	\$ (46,868)	\$ (152,955)	\$ (8,567)
State PSERS Plan 2 employers' covered payroll	\$ 443,145	\$ 450,362	\$ 384,394
State PSERS Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-10.58 %	-33.96 %	-2.23 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	105.96 %	123.67 %	101.68 %

\* This schedule is to be built prospectively until it contains ten years of data.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 1**

Last Nine Measurement Years \*  
(expressed in thousands)

	2022	2021	2020
State's nonemployer proportion of the net pension liability/(asset)	87.12 %	87.12 %	87.12 %
State as nonemployer contributing entity proportionate share of the net pension liability/(asset)	\$ (2,499,136)	\$ (2,984,350)	\$ (1,645,269)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	169.62 %	187.45 %	146.88 %

\* This schedule is to be built prospectively until it contains ten years of data.

State of Washington

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	2019		2018		2017		2016		2015		2014
	54.61 %		50.48 %		49.14 %		47.97 %		47.93 %		48.26 %
\$	(7,101)	\$	625	\$	9,628	\$	20,386	\$	8,748	\$	(6,988)
\$	321,991	\$	198,511	\$	175,395	\$	155,768	\$	140,977	\$	130,172
	-2.21 %		0.32 %		5.49 %		13.09 %		6.21 %		-5.37 %
	101.85 %		99.79 %		96.26 %		90.41 %		95.08 %		105.01 %

	2019		2018		2017		2016		2015		2014
	87.12 %		87.12 %		87.12 %		87.12 %		87.12 %		87.12 %
\$	(1,722,024)	\$	(1,581,665)	\$	(1,321,802)	\$	(897,585)	\$	(1,049,988)	\$	(1,056,583)
	148.78 %		144.42 %		135.96 %		123.74 %		127.36 %		126.91 %



State of Washington

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PENSION PLAN INFORMATION

Cost Sharing Employer Plans

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 2**

Last Nine Measurement Years \*

*(expressed in thousands)*

	2022	2021	2020
State LEOFF Plan 2 employers' proportion of the net pension liability/(asset)	0.75 %	0.80 %	0.88 %
State as nonemployer contributing entity proportion of the net pension liability/(asset)	39.31 %	39.21 %	39.00 %
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset)	\$ (20,285)	\$ (46,684)	\$ (17,948)
State as nonemployer contributing entity total proportionate share of the net pension liability/(asset)	(1,068,387)	(2,277,698)	(795,604)
<b>Total</b>	<b>\$ (1,088,673)</b>	<b>\$ (2,324,381)</b>	<b>\$ (813,552)</b>
State LEOFF Plan 2 employers' covered payroll	\$ 23,244	\$ 22,917	\$ 25,410
State LEOFF Plan 2 employers' proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-87.27 %	-203.70 %	-70.63 %
Plan fiduciary net position as a percentage of the total pension liability/(asset)	116.09 %	142.00 %	115.83 %

\* This schedule is to be built prospectively until it contains ten years of data.

State of Washington

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2019	2018	2017	2016	2015	2014
0.90 %	0.87 %	0.85 %	0.88 %	0.83 %	0.84 %
39.57 %	39.30 %	39.35 %	39.46 %	39.80 %	39.52 %
\$ (20,782)	\$ (17,707)	\$ (11,823)	\$ (5,113)	\$ (8,580)	\$ (11,164)
(916,765)	(797,902)	(545,988)	(229,538)	(409,091)	(524,419)
\$ (937,547)	\$ (815,609)	\$ (557,811)	\$ (234,651)	\$ (417,671)	\$ (535,583)
\$ 23,388	\$ 21,892	\$ 20,396	\$ 19,828	\$ 18,744	\$ 18,259
-88.86 %	-80.88 %	-57.97 %	-25.79 %	-45.77 %	-61.14 %
119.43 %	118.50 %	113.36 %	106.04 %	111.67 %	116.75 %

State of Washington

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PENSION PLAN INFORMATION

Cost Sharing Employer Plans

**Schedule of Contributions  
Public Employees' Retirement System (PERS) Plan 1**

Fiscal Year Ended June 30

*(dollars in thousands)*

	2023	2022	2021
Contractually required contributions (CRC)	\$ 290,737	\$ 258,512	\$ 322,931
Employer contributions related to covered payroll of employees participating in PERS Plan 1	\$ 2,197	\$ 2,779	\$ 4,562
Employer UAAL contributions related to covered payroll of employees participating in PERS Plan 2/3 and PSERS Plan 2	288,540	255,733	318,369
Contributions in relation to the actuarially determined contributions	290,737	258,512	322,931
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Covered payroll of employees participating in PERS Plan 1	\$ 22,277	\$ 26,772	\$ 35,118
Covered payroll of employees participating in PERS Plan 2/3	6,895,688	6,359,603	6,151,714
Covered payroll of employees participating in PSERS Plan 2	512,586	443,145	450,362
<b>Covered Payroll</b>	<b>\$ 7,430,551</b>	<b>\$ 6,829,520</b>	<b>\$ 6,637,194</b>
<b>Contributions as a percentage of covered payroll</b>	<b>3.91 %</b>	<b>3.79 %</b>	<b>4.87 %</b>

Note: Covered payroll data for prior years may be revised due to reporting lags.

State of Washington

**Schedule of Contributions**  
**Public Employees' Retirement System (PERS) Plan 2/3**

Fiscal Year Ended June 30

(dollars in thousands)

	2023	2022	2021
Contractually Required Contributions	\$ 449,410	\$ 409,661	\$ 485,475
Contributions in relation to the contractually required contributions	449,410	409,661	485,475
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Covered Payroll</b>	<b>\$ 6,895,688</b>	<b>\$ 6,359,603</b>	<b>\$ 6,151,714</b>
<b>Contributions as a percentage of covered payroll</b>	<b>6.52 %</b>	<b>6.44 %</b>	<b>7.89 %</b>

Note: Covered payroll data for prior years may be revised due to reporting lags.

	2020	2019	2018	2017	2016	2015	2014
\$	304,870	\$ 299,745	\$ 280,513	\$ 251,924	\$ 238,158	\$ 191,618	\$ 188,639
\$	5,665	\$ 7,092	\$ 8,769	\$ 9,537	\$ 11,385	\$ 11,072	\$ 12,964
	299,205	292,653	271,744	242,387	226,773	180,546	175,675
	304,870	299,745	280,513	251,924	238,158	191,618	188,639
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	43,909	\$ 54,779	\$ 69,330	\$ 85,341	\$ 103,235	\$ 120,686	\$ 143,836
	5,902,886	5,469,217	5,237,495	4,928,806	4,648,843	4,363,171	4,215,935
	384,394	321,991	198,511	175,395	155,768	140,977	130,172
\$	6,331,189	\$ 5,845,987	\$ 5,505,336	\$ 5,189,542	\$ 4,907,846	\$ 4,624,834	\$ 4,489,943
	4.82 %	5.13 %	5.10 %	4.85 %	4.85 %	4.14 %	4.20 %

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	2020	2019	2018	2017	2016	2015	2014
\$	466,005	\$ 412,466	\$ 389,001	\$ 306,591	\$ 287,049	\$ 219,395	\$ 209,455
	466,005	412,466	389,001	306,591	287,049	219,395	209,455
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	5,902,886	\$ 5,469,217	\$ 5,237,495	\$ 4,928,806	\$ 4,648,843	\$ 4,363,171	\$ 4,215,935
	7.89 %	7.54 %	7.43 %	6.22 %	6.17 %	5.03 %	4.97 %

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

**Schedule of Contributions**

**Teachers' Retirement System (TRS) Plan 1**

Fiscal Year Ended June 30

(dollars in thousands)

	2023	2022	2021
Contractually required contributions	\$ 7,797	\$ 6,730	\$ 7,182
Employer contributions related to covered payroll of employees participating in TRS Plan 1	\$ 110	\$ 104	\$ 176
Employer UAAL contributions related to covered payroll of employees participating in TRS Plan 2/3	7,687	6,626	7,006
Contributions in relation to the actuarially determined contributions	7,797	6,730	7,182
<b>Contribution Deficiency (Excess)</b>	\$ —	\$ —	\$ —
Covered payroll of employees participating in TRS Plan 1	\$ 770	\$ 713	\$ 1,330
Covered payroll of employees participating in TRS Plan 2/3	104,797	101,014	95,486
<b>Covered Payroll</b>	\$ 105,567	\$ 101,727	\$ 96,816
Contributions as a percentage of covered payroll	7.39 %	6.62 %	7.42 %

Note: Covered payroll data for prior years may be revised due to reporting lags.

State of Washington

**Schedule of Contributions**  
**Teachers' Retirement System (TRS) Plan 2/3**

Fiscal Year Ended June 30

(dollars in thousands)

	2023	2022	2021
Contractually required contributions	\$ 9,633	\$ 8,377	\$ 7,742
Contributions in relation to the contractually required contributions	9,633	8,377	7,742
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Covered Payroll</b>	<b>\$ 104,797</b>	<b>\$ 101,014</b>	<b>\$ 95,486</b>
<b>Contributions as a percentage of covered payroll</b>	<b>9.19 %</b>	<b>8.29 %</b>	<b>8.11 %</b>

Note: Covered payroll data for prior years may be revised due to reporting lags.

	2020	2019	2018	2017	2016	2015	2014
\$	6,215	\$ 5,436	\$ 4,582	\$ 3,608	\$ 2,940	\$ 1,920	\$ 1,537
\$	225	\$ 241	\$ 272	\$ 326	\$ 369	\$ 388	\$ 451
	5,990	5,195	4,310	3,282	2,571	1,532	1,086
	6,215	5,436	4,582	3,608	2,940	1,920	1,537
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	1,431	\$ 1,557	\$ 1,893	\$ 2,475	\$ 5,735	\$ 3,913	\$ 4,611
	83,176	43,082	61,292	52,534	41,803	33,705	25,673
\$	84,607	\$ 44,639	\$ 63,185	\$ 55,009	\$ 47,538	\$ 37,618	\$ 30,284
	7.35 %	12.18 %	7.25 %	6.56 %	6.18 %	5.10 %	5.08 %

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	2020	2019	2018	2017	2016	2015	2014
\$	6,730	\$ 5,542	\$ 4,699	\$ 3,542	\$ 2,827	\$ 1,924	\$ 1,454
	6,730	5,542	4,699	3,542	2,827	1,924	1,454
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	83,176	\$ 43,082	\$ 61,292	\$ 52,534	\$ 41,803	\$ 33,705	\$ 25,673
	8.09 %	12.86 %	7.67 %	6.74 %	6.76 %	5.71 %	5.66 %

PENSION PLAN INFORMATION

Cost sharing Employer Plans

**Schedule of Contributions**

**Public Safety Employees' Retirement System (PSERS) Plan 2**

Fiscal Year Ended June 30

*(dollars in thousands)*

	2023	2022	2021
Contractually Required Contributions	\$ 33,198	\$ 29,000	\$ 32,495
Contributions in relation to the contractually required contributions	33,198	29,000	32,495
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Covered Payroll</b>	<b>\$ 512,586</b>	<b>\$ 443,145</b>	<b>\$ 450,362</b>
<b>Contributions as a percentage of covered payroll</b>	<b>6.48 %</b>	<b>6.54 %</b>	<b>7.22 %</b>

State of Washington

**Schedule of Contributions**

**Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 2**

Fiscal Year Ended June 30

(dollars in thousands)

	2023	2022	2021
Contractually Required Contributions	\$ 1,635	\$ 1,545	\$ 1,602
Contributions in relation to the contractually required contributions	1,635	1,545	1,602
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Covered Payroll</b>	<b>\$ 26,479</b>	<b>\$ 23,244</b>	<b>\$ 22,917</b>
<b>Contributions as a percentage of covered payroll</b>	<b>6.17 %</b>	<b>6.65 %</b>	<b>6.99 %</b>

Note: Covered payroll data for prior years may be revised due to reporting lags.

	2020	2019	2018	2017	2016	2015	2014
\$	27,498	\$ 17,602	\$ 13,330	\$ 11,465	\$ 10,233	\$ 8,932	\$ 8,100
	27,498	17,602	13,330	11,465	10,233	8,932	8,100
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	384,394	\$ 321,991	\$ 198,511	\$ 175,395	\$ 155,768	\$ 140,977	\$ 130,172
	7.15 %	5.47 %	6.72 %	6.54 %	6.57 %	6.34 %	6.22 %



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	2020	2019	2018	2017	2016	2015	2014
\$	1,721	\$ 1,654	\$ 1,512	\$ 1,346	\$ 1,345	\$ 1,224	\$ 1,184
	1,721	1,654	1,512	1,346	1,345	1,224	1,184
\$	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
\$	25,410	\$ 23,388	\$ 21,892	\$ 20,396	\$ 19,828	\$ 18,744	\$ 18,259
	6.77 %	7.07%	6.91%	6.60%	6.78%	6.53%	6.48%

**PENSION PLAN INFORMATION**  
**Notes to Required Supplementary Information**

**Methods and assumptions used in calculations of Actuarially Determined Contributions for PERS, TRS, PSERS, LEOFF, and WSPRS.** The Office of the State Actuary (OSA) calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with the state’s funding policy defined under chapter 41.45 of the Revised Code of Washington (RCW). Consistent with the state’s contribution rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. The actuarial valuation with a June 30, 2019, valuation date, completed in the fall of 2020, plus any supplemental contribution rates from the

preceding legislative sessions, determines the ADC for the period beginning July 1, 2021, and ending June 30, 2023.

**Methods and assumptions used in calculations of the ADC for the Judicial Retirement System and the Judges Retirement Fund.** The OSA calculates the ADC based on the results of an actuarial valuation, and sets the ADC equal to the expected benefit payments from the plan. Consistent with the state’s funding policy defined under RCW 2.10.90 and 2.12.60, the Legislature makes biennial appropriations in order to ensure the fund is solvent to make the necessary benefit payments.

**Additional consideration on ADC for all plans.** OSA calculates the ADC consistent with the methods described above. Adopted contribution rates may be different pending the actions of the governing bodies.

**Contractually Required Contributions for PERS, TRS, PSERS, and LEOFF.** For cost-sharing plans, OSA calculates the Contractually Required Contributions (CRC) using the same assumptions and methods as the ADC except the CRC reflects the adopted contribution rates for the time period shown, which may differ from the contribution rates produced for the ADC.

The Department of Retirement Systems prepares a stand-alone financial report that is compliant with the requirements of GASB Statement No. 67. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, WA 98504-8380 or online at: [DRS Annual Financial Reports](#).

State of Washington

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PENSION PLAN INFORMATION

Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund

**Schedule of Contributions**

Last Ten Fiscal Years

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)
2023	\$ 969	\$ 4,758	\$ (3,789)
2022	1,010	7,450	(6,440)
2021	909	8,470	(7,561)
2020	900	8,967	(8,067)
2019	926	8,436	(7,510)
2018	3,523	8,050	(4,527)
2017	4,528	7,494	(2,966)
2016	6,846	8,153	(1,307)
2015	6,653	6,816	(163)
2014	6,421	7,336	(915)

Notes: Neither covered payroll nor contributions as a percentage of covered payroll are applicable. This is a volunteer organization. Beginning in 2017, the methodology for determining the Actuarially Determined Contributions was revised to reflect the timing of the contributions based upon the Board for Volunteer Firefighters' adoption cycle and the actuarial funding methods selected. Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Schedule of Investment Returns**

Last Ten Fiscal Years

Year	Annual money-weighted rate of return, net of investment expense
2023	12.10 %
2022	-16.02 %
2021	3.11 %
2020	4.40 %
2019	8.23 %
2018	8.84 %
2017	13.26 %
2016	2.19 %
2015	4.05 %
2014	18.50 %

State of Washington

PENSION PLAN INFORMATION

Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund

**Schedule of Change in Net Pension Liability**

Last Ten Fiscal Years

(expressed in thousands)

	2023	2022	2021
<b>Total Pension Liability</b>			
Service cost	\$ 891	\$ 928	\$ 819
Interest	14,620	14,456	15,728
Changes of benefit terms	—	—	—
Differences between expected and actual experience	5,343	—	(4,495)
Changes in assumptions	—	—	16,726
Benefit payments, including refunds of member contributions	(12,647)	(12,574)	(12,673)
<b>Net Change in Total Pension Liability</b>	<b>8,207</b>	<b>2,810</b>	<b>16,105</b>
<b>Total Pension Liability--Beginning</b>	<b>249,015</b>	<b>246,205</b>	<b>230,100</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 257,222</b>	<b>\$ 249,015</b>	<b>\$ 246,205</b>
<b>Plan Fiduciary Net Position</b>			
Contributions--municipalities	\$ 705	\$ 726	\$ 803
Contributions--member	37	53	58
Contributions--state as nonemployer contributing entity	4,053	6,724	7,667
Net investment income	25,469	(41,127)	7,778
Benefit payments, including refunds of member contributions	(12,646)	(12,566)	(12,673)
Administrative expense	(1,069)	(1,269)	(762)
Other*	(9)	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>16,540</b>	<b>(47,459)</b>	<b>2,871</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>220,751</b>	<b>268,210</b>	<b>265,339</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 237,291</b>	<b>\$ 220,751</b>	<b>\$ 268,210</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ 19,931</b>	<b>\$ 28,264</b>	<b>\$ (22,005)</b>

Note: Figures may not total due to rounding.

\*The amount reported in 2023 is an adjustment related to restating the benefit payments from fiscal year 2022.

Source: Washington State Office of the State Actuary

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	2020	2019	2018	2017	2016	2015	2014
\$	820	\$ 828	\$ 853	\$ 869	\$ 893	\$ 919	\$ 1,240
	13,120	13,119	13,151	12,946	12,887	12,656	12,480
	34,626	—	—	—	—	—	—
	1,134	(1,857)	(2,707)	(1,998)	(176)	(2,948)	—
	—	—	16	463	101	1,931	—
	(12,217)	(11,913)	(11,573)	(11,074)	(10,795)	(10,501)	(10,771)
	37,483	177	(260)	1,206	2,910	2,057	2,949
	192,617	192,440	192,700	191,494	188,584	186,527	183,578
\$	230,100	\$ 192,617	\$ 192,440	\$ 192,700	\$ 191,494	\$ 188,584	\$ 186,527
\$	771	\$ 797	\$ 823	\$ 848	\$ 918	\$ 913	\$ 953
	40	54	65	69	67	76	95
	8,196	7,639	7,227	6,646	7,235	5,903	6,383
	11,059	20,101	19,860	26,114	4,588	8,289	31,892
	(12,217)	(11,913)	(11,573)	(11,074)	(10,795)	(10,501)	(10,771)
	(3,120)	(1,352)	(918)	(1,466)	(1,205)	(1,020)	(1,469)
	—	—	—	—	—	—	(22)
	4,729	15,326	15,484	21,137	808	3,660	27,061
	260,610	245,284	229,800	208,663	207,855	204,195	177,134
\$	265,339	\$ 260,610	\$ 245,284	\$ 229,800	\$ 208,663	\$ 207,855	\$ 204,195
\$	(35,239)	\$ (67,993)	\$ (52,844)	\$ (37,100)	\$ (17,169)	\$ (19,271)	\$ (17,668)

State of Washington

PENSION PLAN INFORMATION

Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund

**Schedule of Net Pension Liability**

Last Ten Fiscal Years

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 257,222	\$ 249,015	\$ 246,205
<b>Plan Fiduciary Net Position--Ending</b>	237,291	220,751	268,210
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<u>\$ 19,931</u>	<u>\$ 28,264</u>	<u>\$ (22,005)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	92.25 %	88.65 %	108.94 %
<b>Covered Payroll</b>	N/A	N/A	N/A
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	N/A	N/A	N/A

N/A indicates data not applicable. This is a volunteer organization.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

Source: Washington State Office of the State Actuary

**Volunteer Firefighters' and Reserve Officers' Relief and Pension Fund  
Notes to Required Supplementary Information**

The Office of the State Actuary calculates the Actuarially Determined Contributions (ADC) based on the results of an actuarial valuation consistent with

funding policy defined under chapter 41.24 RCW and policies adopted by the State Board for Volunteer Firefighters and Reserve Officers. Consistent with the Board's contribution rate adoption process, the results of an actuarial valuation determine the ADC two years after the valuation date. For example, the actuarial valuation with a June 30, 2021, valuation date, completed in the fall of 2022, determines the ADC for the period ending June 30, 2023.

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	2020	2019	2018	2017	2016	2015	2014
\$	230,100	\$ 192,617	\$ 192,440	\$ 192,700	\$ 191,494	\$ 188,584	\$ 186,527
	265,339	260,610	245,284	229,800	208,663	207,855	204,195
\$	(35,239)	\$ (67,993)	\$ (52,844)	\$ (37,100)	\$ (17,169)	\$ (19,271)	\$ (17,668)
	115.31 %	135.30 %	127.46 %	119.25 %	108.97 %	110.22 %	109.47 %
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A

State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Contributions  
University of Washington (UW)**

Last Three Fiscal Years\*  
(expressed in thousands)

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 8,358	\$ 8,358	\$ —	\$ 2,199,526	0.38 %
2022	6,548	6,548	—	1,723,087	0.38 %
2021	7,105	7,105	—	1,372,814	0.52 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

**Schedule of Contributions  
Washington State University (WSU)**

Last Three Fiscal Years\*  
(expressed in thousands)

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 1,040	\$ 1,040	\$ —	\$ 346,733	0.30 %
2022	975	975	—	325,122	0.30 %
2021	919	919	—	161,432	0.57 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary



State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Contributions**

**Eastern Washington University (EWU)**

Last Three Fiscal Years\*

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 172	\$ 172	\$ —	\$ 61,516	0.28 %
2022	165	165	—	59,085	0.28 %
2021	165	165	—	30,057	0.55 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

**Schedule of Contributions**

**Central Washington University (CWU)**

Last Three Fiscal Years\*

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ —	\$ 178	\$ (178)	\$ 63,515	0.28 %
2022	—	187	(187)	66,747	0.28 %
2021	—	173	(173)	38,710	0.45 %

Notes:

Statute requires Central Washington University to contribute at a rate similar to other institutions of higher education even though the Actuarially Determined Contributions equal zero.

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Contributions**

**The Evergreen State College (TESC)**

Last Three Fiscal Years\*

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 46	\$ 46	\$ —	20,197	0.23 %
2022	46	46	—	20,208	0.23 %
2021	40	40	—	49,390	0.08 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

**Schedule of Contributions**

**Western Washington University (WWU)**

Last Three Fiscal Years\*

*(expressed in thousands)*

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 235	\$ 234	\$ 1	111,703	0.21 %
2022	226	226	—	107,558	0.21 %
2021	196	196	—	17,327	1.13 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Contributions**

**State Board for Community and Technical Colleges (SBCTC)**

Last Three Fiscal Years\*

(expressed in thousands)

Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 858	\$ 862	\$ (4)	\$ 660,066	0.13 %
2022	833	833	—	638,490	0.13 %
2021	656	656	—	357,331	0.18 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

**Schedule of Investment Returns**

Last Three Fiscal Years\*

Institution Name	UW	WSU	EWU	CWU	TESC	WWU	SBCTC
<b>Annual money-weighted rate of return, net of investment expense</b>							
2023	7.16 %	7.13 %	7.11 %	7.11 %	7.08 %	7.09 %	7.07 %
2022	0.12 %	0.14 %	0.16 %	0.14 %	0.16 %	0.14 %	0.18 %
2021	34.93 %	34.92 %	34.88 %	34.91 %	34.86 %	34.90 %	34.87 %

\*This schedule is to be built prospectively until it contains ten years of data.

Source: Washington State Office of the State Actuary

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**University of Washington**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 5,068	\$	3,699	\$	22,877
Interest	22,106		15,933		17,677
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(31,360)		67,986		(372,651)
Changes in assumptions	(26,643)		22,150		(223,327)
Benefit payments	(10,989)		(10,313)		(9,733)
<b>Net Change in Total Pension Liability</b>	<b>(41,818)</b>		<b>99,455</b>		<b>(565,158)</b>
<b>Total Pension Liability--Beginning</b>	<b>316,127</b>		<b>216,672</b>		<b>781,829</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 274,309</b>	<b>\$</b>	<b>316,127</b>	<b>\$</b>	<b>216,672</b>
<b>Plan Fiduciary Net Position **</b>					
Contributions--Employer	\$ 8,358	\$	6,548	\$	7,105
Contributions--Member	—		—		—
Net Investment Income	7,189		101		22,275
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>15,547</b>		<b>6,648</b>		<b>29,380</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>96,989</b>		<b>90,341</b>		<b>60,961</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 112,536</b>	<b>\$</b>	<b>96,989</b>	<b>\$</b>	<b>90,341</b>
<b>Plan's Net Position Liability/(Asset)--Ending</b>	<b>\$ 161,773</b>	<b>\$</b>	<b>219,138</b>	<b>\$</b>	<b>126,331</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\*Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement No. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	16,699	\$	11,823	\$	14,788	\$	19,891
	21,232		16,277		16,128		15,097
	—		—		—		—
	31,425		102,713		(33,953)		(74,918)
	126,749		58,228		(17,105)		(28,553)
	(8,316)		(7,482)		(6,130)		(5,136)
	187,789		181,559		(26,272)		(73,619)
	594,040		412,481		438,753		512,372
\$	781,829	\$	594,040	\$	412,481	\$	438,753
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**Washington State University**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 857	\$	604	\$	3,114
Interest	3,916		2,968		2,666
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(669)		11,481		(47,565)
Changes in assumptions	(4,222)		3,771		(33,228)
Benefit payments	(3,228)		(3,248)		(2,827)
<b>Net Change in Total Pension Liability</b>	<b>(3,345)</b>		<b>15,577</b>		<b>(77,840)</b>
<b>Total Pension Liability--Beginning</b>	<b>56,679</b>		<b>41,102</b>		<b>118,942</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 53,334</b>	<b>\$</b>	<b>56,679</b>	<b>\$</b>	<b>41,102</b>
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 1,040	\$	975	\$	919
Contributions--Member	—		—		—
Net Investment Income	1,358		22		4,422
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,398</b>		<b>998</b>		<b>5,341</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>18,643</b>		<b>17,646</b>		<b>12,305</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 21,041</b>	<b>\$</b>	<b>18,643</b>	<b>\$</b>	<b>17,646</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ 32,292</b>	<b>\$</b>	<b>38,036</b>	<b>\$</b>	<b>23,456</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\*Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement No. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	2,282	\$	2,112	\$	2,763	\$	3,803
	3,282		3,241		3,261		3,140
	—		—		—		—
	5,496		(1,022)		(7,171)		(16,389)
	17,655		7,997		(3,255)		(6,574)
	(2,493)		(2,439)		(2,181)		(1,890)
	26,222		9,889		(6,583)		(17,910)
	92,720		82,831		89,414		107,324
\$	118,942	\$	92,720	\$	82,831	\$	89,414
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios  
Eastern Washington University**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 210	\$	157	\$	668
Interest	920		671		523
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(2,820)		2,661		(7,646)
Changes in assumptions	(1,040)		867		(7,364)
Benefit payments	(366)		(277)		(280)
<b>Net Change in Total Pension Liability</b>	<b>(3,096)</b>		<b>4,080</b>		<b>(14,099)</b>
<b>Total Pension Liability--Beginning</b>	<b>13,119</b>		<b>9,040</b>		<b>23,139</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 10,023</b>	<b>\$</b>	<b>13,119</b>	<b>\$</b>	<b>9,040</b>
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 172	\$	165	\$	165
Contributions--Member	—		—		—
Net Investment Income	269		5		892
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>441</b>		<b>171</b>		<b>1,057</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>3,720</b>		<b>3,549</b>		<b>2,492</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 4,161</b>	<b>\$</b>	<b>3,720</b>	<b>\$</b>	<b>3,549</b>
<b>Plan's Net Pension Liability/(Asset)-- Ending</b>	<b>\$ 5,862</b>	<b>\$</b>	<b>9,399</b>	<b>\$</b>	<b>5,490</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\* Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement Nos. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary



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	2020		2019		2018		2017
\$	501	\$	463	\$	477	\$	658
	634		614		429		420
	—		—		—		—
	1,019		421		3,867		(2,852)
	3,488		1,014		(621)		(647)
	(250)		(316)		(202)		(140)
	5,392		2,196		3,950		(2,561)
	17,747		15,551		11,601		14,162
\$	23,139	\$	17,747	\$	15,551	\$	11,601
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**Central Washington University**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 24	\$	19	\$	74
Interest	373		327		187
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(181)		777		(1,386)
Changes in assumptions	(273)		260		(2,394)
Benefit payments	(493)		(473)		(467)
<b>Net Change in Total Pension Liability</b>	(550)		910		(3,987)
<b>Total Pension Liability--Beginning</b>	5,545		4,635		8,622
<b>Total Pension Liability--Ending</b>	\$ 4,995	\$	5,545	\$	4,635
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 178	\$	187	\$	173
Contributions--Member	—		—		—
Net Investment Income	271		4		894
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	449		191		1,067
<b>Plan Fiduciary Net Position--Beginning</b>	3,751		3,560		2,493
<b>Plan Fiduciary Net Position--Ending</b>	\$ 4,200	\$	3,751	\$	3,560
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 795	\$	1,794	\$	1,075

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\*Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement Nos. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

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	2020		2019		2018		2017
\$	52	\$	61	\$	91	\$	150
	252		293		299		293
	—		—		—		—
	322		(710)		(466)		(1,270)
	1,057		428		(272)		(616)
	(439)		(411)		(412)		(411)
	1,244		(339)		(760)		(1,854)
	7,378		7,717		8,477		10,331
\$	8,622	\$	7,378	\$	7,717	\$	8,477
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**The Evergreen State College**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 72	\$	55	\$	250
Interest	349		260		201
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(1,152)		991		(3,198)
Changes in assumptions	(361)		311		(2,495)
Benefit payments	(155)		(157)		(119)
<b>Net Change in Total Pension Liability</b>	<b>(1,245)</b>		<b>1,460</b>		<b>(5,361)</b>
<b>Total Pension Liability--Beginning</b>	<b>4,994</b>		<b>3,533</b>		<b>8,894</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 3,748</b>	<b>\$</b>	<b>4,994</b>	<b>\$</b>	<b>3,533</b>
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 46	\$	46	\$	40
Contributions--Member	—		—		—
Net Investment Income	102		2		348
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>148</b>		<b>49</b>		<b>388</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>1,421</b>		<b>1,372</b>		<b>984</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 1,569</b>	<b>\$</b>	<b>1,421</b>	<b>\$</b>	<b>1,372</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ 2,180</b>	<b>\$</b>	<b>3,573</b>	<b>\$</b>	<b>2,162</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\* Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement Nos. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	188	\$	154	\$	210	\$	296
	243		235		237		230
	—		—		—		—
	490		(108)		(565)		(1,327)
	1,293		694		(229)		(387)
	(138)		(137)		(183)		(158)
	2,076		838		(530)		(1,346)
	6,818		5,980		6,510		7,856
\$	8,894	\$	6,818	\$	5,980	\$	6,510
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**Western Washington University**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 327	\$	233	\$	922
Interest	1,454		982		798
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(3,236)		5,263		(15,050)
Changes in assumptions	(2,251)		1,524		(8,260)
Benefit payments	(594)		(587)		(524)
<b>Net Change in Total Pension Liability</b>	<b>(4,300)</b>		<b>7,416</b>		<b>(22,115)</b>
<b>Total Pension Liability--Beginning</b>	<b>20,743</b>		<b>13,327</b>		<b>35,442</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 16,443</b>	<b>\$</b>	<b>20,743</b>	<b>\$</b>	<b>13,327</b>
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 234	\$	226	\$	196
Contributions--Member	—		—		—
Net Investment Income	395		7		1,326
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>630</b>		<b>233</b>		<b>1,522</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>5,488</b>		<b>5,255</b>		<b>3,733</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 6,117</b>	<b>\$</b>	<b>5,488</b>	<b>\$</b>	<b>5,255</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ 10,326</b>	<b>\$</b>	<b>15,255</b>	<b>\$</b>	<b>8,072</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\* Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement Nos. 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	699	\$	551	\$	737	\$	1,057
	962		825		837		842
	—		—		—		—
	1,961		2,298		(2,233)		(5,278)
	5,269		2,821		(819)		(2,126)
	(486)		(420)		(380)		(298)
	8,405		6,075		(1,858)		(5,803)
	27,037		20,962		22,820		28,623
\$	35,442	\$	27,037	\$	20,962	\$	22,820
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Changes in Net Pension Liability and Related Ratios**

**State Board for Community and Technical Colleges**

Fiscal Years Ended and Measurement Date June 30\*  
(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability</b>					
Service cost	\$ 1,985	\$	1,508	\$	4,672
Interest	7,167		5,078		3,323
Changes of benefit terms	—		—		—
Differences between expected and actual experience	(5,760)		22,436		(29,981)
Changes in assumptions	(11,407)		7,288		(54,110)
Benefit payments	(3,008)		(3,015)		(1,992)
<b>Net Change in Total Pension Liability</b>	<b>(11,024)</b>		<b>33,294</b>		<b>(78,088)</b>
<b>Total Pension Liability--Beginning</b>	<b>101,882</b>		<b>68,588</b>		<b>146,676</b>
<b>Total Pension Liability--Ending</b>	<b>\$ 90,859</b>	<b>\$</b>	<b>101,882</b>	<b>\$</b>	<b>68,588</b>
<b>Plan Fiduciary Net Position**</b>					
Contributions--Employer	\$ 862	\$	833	\$	656
Contributions--Member	—		—		—
Net Investment Income	2,361		52		8,211
Benefit Payments, Including Refunds of Member Contributions	—		—		—
Administrative Expense	—		—		—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>3,223</b>		<b>886</b>		<b>8,866</b>
<b>Plan Fiduciary Net Position--Beginning</b>	<b>33,145</b>		<b>32,259</b>		<b>23,393</b>
<b>Plan Fiduciary Net Position--Ending</b>	<b>\$ 36,368</b>	<b>\$</b>	<b>33,145</b>	<b>\$</b>	<b>32,259</b>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<b>\$ 54,491</b>	<b>\$</b>	<b>68,737</b>	<b>\$</b>	<b>36,329</b>

N/A indicates data not available.

\*This schedule is to be built prospectively until it contains ten years of data.

\*\* Due to changes in legislation, assets from higher education institution plans that were previously not administered through a trust, were placed into a trust or similar arrangement. As a result, plans previously reported under GASB Statement No. 73, are now reported under GASB Statement Nos 67/68. The change is effective for fiscal year 2021.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary



State of Washington

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	2020		2019		2018		2017
\$	3,516	\$	2,851	\$	3,827	\$	5,417
	3,956		3,449		3,517		3,514
	—		—		—		—
	8,335		6,503		(10,402)		(25,336)
	22,269		12,227		(3,519)		(5,980)
	(1,785)		(1,818)		(1,300)		(902)
	36,291		23,212		(7,877)		(23,287)
	110,385		87,173		95,050		118,337
\$	146,676	\$	110,385	\$	87,173	\$	95,050
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Net Pension Liability**

**University of Washington**

Last Seven Fiscal Years\*

(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 274,309	\$	316,127	\$	216,672
<b>Plan Fiduciary Net Position--Ending</b>	112,536		96,989		90,341
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 161,773	\$	219,138	\$	126,331
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	41.03 %		30.68 %		41.69 %
<b>Covered Payroll</b>	\$ 2,199,526	\$	1,723,087	\$	1,703,155
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	7.35 %		12.72 %		7.42 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Schedule of Net Pension Liability**

**Washington State University**

Last Seven Fiscal Years\*

(expressed in thousands)

	2023		2022		2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 53,334	\$	56,679	\$	41,102
<b>Plan Fiduciary Net Position--Ending</b>	21,041		18,643		17,646
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 32,292	\$	38,036	\$	23,456
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	39.45%		32.89%		42.93%
<b>Covered Payroll</b>	\$ 346,733	\$	325,122	\$	317,177
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	9.31 %		11.70 %		7.40 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	781,829	\$	594,040	\$	412,481	\$	438,753
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

	2020		2019		2018		2017
\$	118,942	\$	92,720	\$	82,831	\$	89,414
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Net Pension Liability**

**Eastern Washington University**

Last Seven Fiscal Years\*

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 10,023	\$ 13,119	\$ 9,040
<b>Plan Fiduciary Net Position--Ending</b>	4,161	3,720	3,549
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 5,862	\$ 9,399	\$ 5,490
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	41.51 %	28.36 %	39.26 %
<b>Covered Payroll</b>	\$ 61,516	\$ 59,085	\$ 60,251
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	9.53 %	15.91 %	9.11 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Schedule of Net Pension Liability**

**Central Washington University**

Last Seven Fiscal Years\*

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 4,995	\$ 5,545	\$ 4,635
<b>Plan Fiduciary Net Position--Ending</b>	4,200	3,751	3,560
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 795	\$ 1,794	\$ 1,075
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	84.08 %	67.65 %	76.81 %
<b>Covered Payroll</b>	\$ 63,515	\$ 66,747	\$ 77,419
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	1.25 %	2.69 %	1.39 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	23,139	\$	17,747	\$	15,551	\$	11,601
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

	2020		2019		2018		2017
\$	8,622	\$	7,378	\$	7,717	\$	8,477
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Net Pension Liability**

**The Evergreen State College**

Last Seven Fiscal Years\*

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 3,748	\$ 4,994	\$ 3,533
<b>Plan Fiduciary Net Position--Ending</b>	<u>1,569</u>	<u>1,421</u>	<u>1,372</u>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<u>\$ 2,180</u>	<u>\$ 3,573</u>	<u>\$ 2,162</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	41.86 %	28.45 %	38.83 %
<b>Covered Payroll</b>	\$ 20,197	\$ 20,208	\$ 36,786
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	10.79 %	17.68 %	5.88 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Schedule of Net Pension Liability**

**Western Washington University**

Last Seven Fiscal Years\*

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 16,443	\$ 20,743	\$ 13,327
<b>Plan Fiduciary Net Position--Ending</b>	<u>6,117</u>	<u>5,488</u>	<u>5,255</u>
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	<u>\$ 10,326</u>	<u>\$ 15,255</u>	<u>\$ 8,072</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	37.20 %	26.46 %	39.43 %
<b>Covered Payroll</b>	\$ 111,703	\$ 107,558	\$ 317,177
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	9.24 %	14.18 %	2.54 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

State of Washington

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	2020		2019		2018		2017
\$	8,894	\$	6,818	\$	5,980	\$	6,510
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

	2020		2019		2018		2017
\$	35,442	\$	27,037	\$	20,962	\$	22,820
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

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PENSION PLAN INFORMATION

Higher Education Supplemental Defined Benefit Plans

**Schedule of Net Pension Liability  
State Board for Community and Technical Colleges**

Last Seven Fiscal Years\*

*(expressed in thousands)*

	2023	2022	2021
<b>Total Pension Liability/(Asset)--Ending</b>	\$ 90,859	\$ 101,882	\$ 68,588
<b>Plan Fiduciary Net Position--Ending</b>	36,368	33,145	32,259
<b>Plan's Net Pension Liability/(Asset)--Ending</b>	\$ 54,491	\$ 68,737	\$ 36,329
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/(Asset)</b>	40.03 %	32.53 %	47.03 %
<b>Covered Payroll</b>	\$ 660,066	\$ 638,490	\$ 639,861
<b>Plan's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	8.26 %	10.77 %	5.68 %

N/A indicates data not available. Fiscal year 2021 is the first year institutions of higher education reported under GASB Statement Nos. 67/68.

\*This schedule is to be built prospectively until it contains ten years of data.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Higher Education Supplemental  
Defined Benefit Plans  
Notes to Required Supplementary  
Information**

Effective fiscal year 2021, RCW 41.50.075 created dedicated funds to pay higher education Supplemental

Retirement Plans (SRPs) benefits that mimic the trust arrangement for the rest of the state retirement systems. As a result, the plans, previously reported under GASB Statement No. 73, are now being reported under GASB Statement Nos. 67/68. Under the SRPs, state institutions of higher education make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals.



State of Washington

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2020		2019		2018		2017	
\$	146,676	\$	110,385	\$	87,173	\$	95,050
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A
	N/A		N/A		N/A		N/A

State of Washington

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OTHER POSTEMPLOYMENT BENEFITS INFORMATION

**Schedule of Changes in Total OPEB Liability and Related Ratios**

Measurement Date of June 30\*

(expressed in thousands)

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 313,547	\$ 323,706	\$ 251,517	\$ 235,316	\$ 317,866	\$ 394,955
Interest	145,472	139,842	210,229	203,889	218,339	184,999
Changes in benefit terms	—	—	—	—	—	—
Difference between expected and actual experience	(144,000)	404	(32,209)	(273)	199,258	—
Changes in assumptions	(2,431,367)	58,702	136,371	379,637	(1,390,198)	(902,431)
Benefit payments	(106,880)	(106,523)	(100,092)	(93,253)	(92,200)	(94,279)
Changes in proportion	(2)	—	3	(3)	(15)	—
Other**	—	—	(214,094)	—	—	—
<b>Net Changes in Total OPEB Liability</b>	<b>(2,223,230)</b>	<b>416,131</b>	<b>251,725</b>	<b>725,313</b>	<b>(746,950)</b>	<b>(416,755)</b>
<b>Total OPEB Liability--Beginning, as restated</b>	<b>6,473,051</b>	<b>6,056,920</b>	<b>5,805,195</b>	<b>5,079,882</b>	<b>5,826,832</b>	<b>6,242,577</b>
<b>Total OPEB Liability--Ending</b>	<b>\$ 4,249,821</b>	<b>\$ 6,473,051</b>	<b>\$ 6,056,920</b>	<b>\$ 5,805,195</b>	<b>\$ 5,079,882</b>	<b>\$ 5,825,822</b>
<b>Covered-employee payroll</b>	<b>\$ 9,475,038</b>	<b>\$ 9,560,209</b>	<b>\$ 9,285,200</b>	<b>\$ 8,722,746</b>	<b>\$ 8,401,635</b>	<b>\$ 7,878,188</b>
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>44.85 %</b>	<b>67.71 %</b>	<b>65.23 %</b>	<b>66.55 %</b>	<b>60.46 %</b>	<b>73.95 %</b>

\*This schedule is to be built prospectively until it contains ten years of data.

\*\*Impact of removing trends that include excise tax. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date.

Note: Figures may not total due to rounding.

Source: Washington State Office of the State Actuary

**Other Postemployment Benefits Information**  
**Notes to Required Supplementary Information**

The Public Employees' Benefits Board OPEB plan does not have assets in trusts or equivalent arrangements and is funded on a pay-as-you-go basis.

Potential factors that may significantly affect trends in amounts reported include changes to the discount rate, health care trend rates, salary projections, and participation percentages.

Total OPEB liability beginning balance for the measurement date of June 30, 2018, was restated to reflect the changes in proportion between the state and the Washington Economic Development Finance Authority which operates on a cash basis and does not report an OPEB liability. The restatement also includes OPEB amounts for the Health Care Benefits Exchange which was omitted from the table in the prior year.

## Infrastructure Assets Reported Using the Modified Approach

### Condition Assessment

The state of Washington reports certain networks of infrastructure assets under the modified approach of the Governmental Accounting Standards Board Statement No. 34. Expenditures to maintain and preserve these assets are budgeted, recorded, and reported in lieu of depreciation expense. The state must meet the following requirements to report networks of assets under the modified approach:

- Maintain an up-to-date inventory of eligible infrastructure assets in an asset management system.
- Disclose the condition level at which assets are to be preserved or maintained, as established by administrative or executive policy, or by legislative action.

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Document that assets are being preserved approximately at or above the disclosed condition level for the three most recent complete condition assessments..
- Annually estimate the cost to maintain and preserve the assets at the established condition level.

Assets accounted for under the modified approach include the state of Washington’s network of highway pavements, bridges, and rest areas. In fiscal year 2023, the state was responsible for maintaining and preserving 20,925 pavement lane miles, 4,126 bridges and tunnels, and 47 highway safety rest areas.

### **PAVEMENT CONDITION**

The Washington State Department of Transportation (WSDOT) performs highway pavement assessments over a two-year cycle utilizing three measurements to develop a scaled condition assessment: Pavement Structural Condition (PSC), International Roughness Index (IRI), and rutting.

WSDOT uses the following rating scale for PSC:

Category	PSC Range	Description
Very Good	80 - 100	Little or no distress. Example: Flexible pavement with 5% of wheel track length having “hairline” severity alligator cracking will have a PSC of 80.
Good	60 - 79	Early stage deterioration. Example: Flexible pavement with 15% of wheel track length having “hairline” alligator cracking will have a PSC of 70.
Fair	40 - 59	This is the threshold value for rehabilitation. Example: Flexible pavement with 25% of wheel track length having “hairline” alligator cracking will have a PSC of 50.
Poor	20 - 39	Structural deterioration. Example: Flexible pavement with 25% of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 30.
Very Poor	0 - 19	Advanced structural deterioration. Example: Flexible pavement with 40% of wheel track length having “medium (spalled)” severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The IRI scale is measured in inches per mile. WSDOT assesses pavement with a ride performance measure less than 221 inches per mile to be in fair or better condition.

Rutting is measured in inches with a measurement of 0.58 inches or less assessed at a condition of fair or better.

PSC, IRI, and rutting are combined to rate a section of pavement which is assigned the lowest condition of any of the three indices.

## State of Washington

The following table shows the combined conditions and the ratings for each index:

Category	PSC	IRI	Rutting
Very Good	80 - 100	< 96	< 0.24
Good	60 - 79	96 - 170	0.24 - 0.41
Fair	40 - 59	171 - 220	0.42 - 0.58
Poor	20 - 39	221 - 320	0.59 - 0.74
Very Poor	0 - 19	> 320	> 0.74

WSDOT's policy is to maintain 85 percent of pavements at a condition level of fair or better, based on an average condition level of the last three assessments. Calculation of the percentages was based on vehicle miles traveled, a key data for highway planning and management and a common measure of roadway use.

The following table shows pavement condition ratings for state highways:

Pavements			
Percentage in Fair or Better Condition			
Two-Year Cycle Ending Calendar Year			
2021	2019	2017	Average of Last Three Assessments
92.5%	94.1%	93.2%	93.3%

The following table reflects the state's estimated and actual expenditures necessary to preserve state highways at the established condition level:

Pavements					
Preservation and Maintenance - Planned to Actual - Fiscal Year					
(expressed in thousands)					
	2023	2022	2021	2020	2019
Planned	\$ 23,037	\$ 139,663	\$ 211,788	\$ 194,105	\$ 227,625
Actual	25,228	119,280	124,491	169,303	269,236
Variance	\$ (2,191)	\$ 20,383	\$ 87,297	\$ 24,802	\$ (41,611)
	-9.5%	14.6%	41.2%	12.8%	-18.3%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activities in response to economic forecasts and other factors. For fiscal year 2021, the 41.2 percent variance is due to a combination of decreased expenditures and an additional appropriation for the Connecting Washington Program that funded other various projects to enhance the statewide transportation system and maintain critical infrastructure.

For more information about pavements, refer to WSDOT's website at: [Pavement Design & Management](#).

## State of Washington

### **BRIDGE CONDITION**

WSDOT inspects and performs condition assessments on approximately 3,316 state-owned vehicular bridges in excess of 20 feet in length. While most bridges undergo condition assessments every two years, the National Bridge Inspection Standards (NBIS) make provisions for some bridges to be inspected more or less frequently. Factors that are considered when determining the frequency of inspection include age, type of structure, span length, and condition. There are currently about 360 bridges that are inspected on a four-year cycle, and many bridges that are inspected more frequently than every two years. Underwater bridge components are inspected at least once every five years in accordance with Federal Highway Administration (FHWA) requirements.

WSDOT uses a performance measure established in FHWA's *Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges*, which classifies the physical condition of bridges as good, fair, or poor based on structural sufficiency standards for the following bridge components: bridge superstructure, substructure, and deck. The appraisal data is collected in the National Bridge Inventory and assigned a code from 0 to 9, with 0 being in a failed condition and 9 being in excellent condition.

Category	National Bridge Inventory Code	Description
Excellent	9	No problem
Good	7 or 8	A range from no problems noted to some minor problems.
Fair	5 or 6	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling, or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour, or seriously affected primary structural components.

WSDOT's policy is to maintain 90 percent of bridges at a condition level of fair or better, based on an average condition level of the last three assessments.

The following table shows condition ratings for state bridges:

Bridges			
Percentage in Fair or Better Condition			
Two-Year Cycle Ending Fiscal Year			
2023	2021	2019	Average of Last Three Assessments
92.6%	94.7%	92.9%	93.4%

The following table reflects the state's estimated and actual expenditures necessary to preserve the bridges at the established condition level:

Bridges					
Preservation and Maintenance - Planned to Actual - Fiscal Year					
(expressed in thousands)					
	2023	2022	2021	2020	2019
Planned	\$ 14,457	\$ 135,355	\$ 114,868	\$ 148,212	\$ 182,409
Actual	12,705	92,080	109,137	120,554	146,816
Variance	\$ 1,752	\$ 43,275	\$ 5,731	\$ 27,658	\$ 35,593
	12.1%	32.0%	5.0%	18.7%	19.5%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activities in response to economic forecasts and other factors. The significant variance between actual and planned expenditures in fiscal year 2022 can be attributed to continued insufficient resources in keeping up with increased delivery demands imposed on WSDOT.

## State of Washington

For more information about bridges, refer to WSDOT’s website at: [Design Topics, Bridges and Structures](#).

### **SAFETY REST AREA CONDITION**

Beginning in fiscal year 2020, WSDOT performs condition assessments on safety rest areas in the odd year of every fiscal biennium. Sites and buildings are divided into functional components that are assessed with a three-tiered condition scale: good, fair, and poor condition. The assessment criteria are based on guidelines that are typical of industry standards and have been modified by WSDOT Capital Facilities Program to align with transportation-related facilities.

While the scale for condition measurement remains unchanged, both the condition rating tiers and the condition target for safety rest areas were modified effective for fiscal year 2020. The rating for a safety rest area to be considered in “fair” condition was increased from 50 percent to 60 percent under the new plan, representing a higher assessment standard than under the historical rating system.

WSDOT’s policy is to maintain 85 percent of safety rest areas at a level of fair or better condition, based on the average condition level of the last three assessments. However, the implementation of the new condition assessment criteria in fiscal year 2020 resulted in the safety rest area condition rating falling below target in the last three assessments.

The following table shows condition ratings for safety rest areas:

<b>Safety Rest Areas</b>			
<b>Percentage in Fair or Better Condition</b>			
<b>Two-Year Cycle Ending Fiscal Year</b>			
<b>2021</b>	<b>2019*</b>	<b>2017*</b>	<b>Average of Last Three Assessments</b>
45.7%	80.4%	80.4%	68.8%

\* The percentages for the 2017 and 2019 assessments were recalculated to reflect the new rating methodology effective July 2019.

In the fall of 2022, WSDOT began evaluating the feasibility of continuing to manage safety rest areas under the same asset management plan as all other agency-owned facilities using the modified approach for reporting infrastructure. In March 2023, the determination was made to remove safety rest areas from the modified approach to depreciation and transition to the straight-line depreciation method by the end of fiscal year 2024. As a result, no condition assessment was performed for safety rest areas in fiscal year 2023. WSDOT has begun identifying asset valuations and any remaining depreciation will be calculated quarterly in conjunction with other WSDOT capital asset adjustments.

The following table reflects the state’s estimated and actual expenditures necessary to preserve the safety rest areas at the established condition level:

<b>Safety Rest Areas</b>					
<b>Preservation and Maintenance - Planned to Actual - Fiscal Year</b>					
<b>(expressed in thousands)</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Planned	\$ 11,871	\$ 6,694	\$ 8,140	\$ 9,420	\$ 11,084
Actual	11,535	7,589	7,256	8,601	9,004
Variance	\$ 336	\$ (895)	\$ 884	\$ 819	\$ 2,080
	2.8%	-13.4%	10.9%	8.7%	18.8%

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management’s decision to accelerate, defer, or reduce preservation or maintenance activities in response to economic forecasts and other factors.

State of Washington

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For more information about safety rest areas, refer to the WSDOT's website at: [Safety Rest Areas](#).

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**State of Washington**  
**Single Audit Report**  
**For Fiscal Year Ended**  
**June 30, 2023**

**Auditee's Section**  
**Schedule of Expenditures of Federal Awards**



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**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.025	Plant and Animal Disease, Pest Control, and Animal		3650	2,332,309	170,590	
10.025		13775521417	3650	33,645	0	PT
10.025		A212762S001	3650	25,993	0	PT
10.025			4670	221,142	6,600	
10.025			4950	3,726,846	0	
<b>Federal Program 10.025 Total</b>				<b>6,339,935</b>	<b>177,190</b>	
10.028	Wildlife Services		3650	111,726	0	
10.028			4770	72,452	0	
<b>Federal Program 10.028 Total</b>				<b>184,178</b>	<b>0</b>	
10.069	Conservation Reserve Program		4710	141,883	141,883	
10.069			4770	46,154	0	
<b>Federal Program 10.069 Total</b>				<b>188,037</b>	<b>141,883</b>	
10.156	Federal-State Marketing Improvement Program		3650	62,612	0	
<b>Federal Program 10.156 Total</b>				<b>62,612</b>	<b>0</b>	
10.163	Market Protection and Promotion		4950	1,018,661	0	
<b>Federal Program 10.163 Total</b>				<b>1,018,661</b>	<b>0</b>	
10.164	Wholesale Farmers and Alternative Market Development	139503001	3650	19	0	PT
<b>Federal Program 10.164 Total</b>				<b>19</b>	<b>0</b>	
10.167	Transportation Services		3650	592	6,541	
<b>Federal Program 10.167 Total</b>				<b>592</b>	<b>6,541</b>	
10.170	Specialty Crop Block Grant Program - Farm Bill	142932001	3650	14,511	0	PT
10.170			4950	7,429,115	1,853,689	
<b>Federal Program 10.170 Total</b>				<b>7,443,626</b>	<b>1,853,689</b>	
10.171	Organic Certification Cost Share Programs		4950	259,036	223,536	
<b>Federal Program 10.171 Total</b>				<b>259,036</b>	<b>223,536</b>	
10.175	Farmers Market and Local Food Promotion Program	139007001	3650	(2,400)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.175	Farmers Market and Local Food Promotion Program	AM200100XXXXG176	3650	20,002	0	PT
<b>Federal Program 10.175 Total</b>				<b>17,602</b>	<b>0</b>	
10.181	COVID-19 – Agricultural Worker Pandemic Relief and Protection		4950	649,543	0	
<b>Federal Program 10.181 Total</b>				<b>649,543</b>	<b>0</b>	
10.182	Food Bank Network		4950	568,921	526,093	
<b>Federal Program 10.182 Total</b>				<b>568,921</b>	<b>526,093</b>	
10.187	COVID-19 – The Emergency Food Assistance Program (TEFAP) Comm		4950	66,500	66,500	
<b>Federal Program 10.187 Total</b>				<b>66,500</b>	<b>66,500</b>	
10.217	Higher Education - Institution Challenge Grants Pr		3650	165,091	85,875	
10.217		UMS1210	3650	10,035	0	PT
<b>Federal Program 10.217 Total</b>				<b>175,126</b>	<b>85,875</b>	
10.223	Hispanic Serving Institutions Education Grants		6990	34,445	0	
<b>Federal Program 10.223 Total</b>				<b>34,445</b>	<b>0</b>	
10.229	Extension Collaborative on Immunization Teaching &	EXC120212095	3650	(598)	0	PT
10.229		EXC20212179	3650	189,023	0	PT
10.229		EXC320222264	3650	9,139	0	PT
<b>Federal Program 10.229 Total</b>				<b>197,564</b>	<b>0</b>	
10.253	Consumer Data and Nutrition Research	AG9033	3650	16,772	0	PT
<b>Federal Program 10.253 Total</b>				<b>16,772</b>	<b>0</b>	
10.303	Integrated Programs		3650	16,613	0	
10.303		C0550AA	3650	13,260	0	PT
<b>Federal Program 10.303 Total</b>				<b>29,873</b>	<b>0</b>	
10.304	Homeland Security_Agricultural		3650	255,263	0	
10.304		A231605S011	3650	22,781	0	PT
<b>Federal Program 10.304 Total</b>				<b>278,044</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.309	Specialty Crop Research Initiative		3650	4,615,478	2,744,527	
10.309		2016149806	3650	(2,298)	0	PT
10.309		2017039813	3650	23,232	0	PT
10.309		2020004208	3650	171,104	0	PT
10.309		7961110753	3650	(188)	0	PT
10.309		9144702	3650	(1,118)	0	PT
10.309		9288420623	3650	210,935	0	PT
10.309		A010138705	3650	4,647	0	PT
10.309		AN4829846771	3650	8,217	0	PT
10.309		AN6576846120	3650	336	0	PT
10.309		C0565BE	3650	40,691	0	PT
10.309		C0598BB	3650	424,233	0	PT
10.309		G18219W7553	3650	169,923	0	PT
10.309		H007082509	3650	40,804	0	PT
10.309		M2002895	3650	39,714	0	PT
10.309		RC111414F	3650	232,204	0	PT
10.309		RC111414H	3650	132,455	0	PT
10.309		RC111480WSU	3650	115,862	0	PT
10.309		S000224NIFA	3650	85,605	0	PT
10.309		S001381	3650	171,636	0	PT
10.309		S001505	3650	6,076	0	PT
10.309		SUB00002411	3650	136,265	0	PT
10.309		SUB00003560	3650	30,192	0	PT
10.309		UFDSP00012310	3650	52	0	PT
<b>Federal Program 10.309 Total</b>				<b>6,656,057</b>	<b>2,744,527</b>	
10.310	Agriculture and Food Research Initiative (AFRI)	0001110480	3600	7,057	0	PT
<b>Federal Program 10.310 Total</b>				<b>7,057</b>	<b>0</b>	
10.311	Beginning Farmer and Rancher Development Program	20214940035639001	3650	11,500	0	PT
10.311		20217003335709	3650	11,726	0	PT
10.311			6990	547,884	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 10.311 Total</b>				<b>571,110</b>	<b>0</b>	
10.328	National Food Safety Training, Education, Extension		3650	166,930	0	
10.328		138735001	3650	33,958	0	PT
10.328		C0537AB	3650	1,843	0	PT
10.328		C0595BB	3650	10,404	0	PT
<b>Federal Program 10.328 Total</b>				<b>213,135</b>	<b>0</b>	
10.329	Crop Protection and Pest Management Competitive Gr		3650	485,056	0	
10.329		AN944846752	3650	9,760	0	PT
<b>Federal Program 10.329 Total</b>				<b>494,816</b>	<b>0</b>	
10.330	Alfalfa and Forage Research Program		3650	193,370	107,285	
<b>Federal Program 10.330 Total</b>				<b>193,370</b>	<b>107,285</b>	
10.331	Food Insecurity Nutrition Incentive Grants Program		3030	2,123,342	0	
<b>Federal Program 10.331 Total</b>				<b>2,123,342</b>	<b>0</b>	
10.351	Rural Business Development Grant		3650	19,957	0	
<b>Federal Program 10.351 Total</b>				<b>19,957</b>	<b>0</b>	
10.460	COVID-19 – Risk Management Education Partnerships		3650	104,692	0	
<b>Federal Program 10.460 Total</b>				<b>104,692</b>	<b>0</b>	
10.500	Cooperative Extension Service		3650	2,326,713	1,355,756	
10.500		20214152035353	3650	159,107	0	PT
10.500		A000983S082	3650	24,737	0	PT
10.500		F9000067402041	3650	21,085	0	PT
10.500		F9001573902009	3650	(239)	0	PT
10.500		F9001573902016	3650	104,344	0	PT
10.500		F9001573902025	3650	29,324	0	PT
10.500			6990	69,527	0	
<b>Federal Program 10.500 Total</b>				<b>2,734,598</b>	<b>1,355,756</b>	
10.511	Smith-Lever Funding (Various Programs)		3650	4,565,614	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 10.511 Total</b>				<b>4,565,614</b>	<b>0</b>	
10.514	Expanded Food and Nutrition Education Program		3650	824,774	0	
<b>Federal Program 10.514 Total</b>				<b>824,774</b>	<b>0</b>	
10.515	Renewable Resources Extension Act and National FOC		3650	82,517	35,729	
<b>Federal Program 10.515 Total</b>				<b>82,517</b>	<b>35,729</b>	
10.516	COVID-19 – Rural Health and Safety Education Competitive Gran		3650	249,351	0	
<b>Federal Program 10.516 Total</b>				<b>249,351</b>	<b>0</b>	
10.519	Equipment Grants Program (EGP)		3600	350	0	
<b>Federal Program 10.519 Total</b>				<b>350</b>	<b>0</b>	
10.520	Agriculture Risk Management Education Partnerships		3650	6,277	0	
<b>Federal Program 10.520 Total</b>				<b>6,277</b>	<b>0</b>	
10.525	Farm and Ranch Stress Assistance Network Competitive		3650	1,825,685	1,266,834	
10.525			4950	101,605	0	
<b>Federal Program 10.525 Total</b>				<b>1,927,290</b>	<b>1,266,834</b>	
10.527	New Beginnings for Tribal Students		3650	242,140	0	
<b>Federal Program 10.527 Total</b>				<b>242,140</b>	<b>0</b>	
10.535	SNAP Fraud Framework Implementation Grant		3000	79,170	0	
<b>Federal Program 10.535 Total</b>				<b>79,170</b>	<b>0</b>	
10.541	Child Nutrition-Technology Innovation Grant		3500	73,937	0	
<b>Federal Program 10.541 Total</b>				<b>73,937</b>	<b>0</b>	
10.542	COVID-19 – Pandemic EBT Food Benefits		3000	258,857,344	0	NC
<b>Federal Program 10.542 Total</b>				<b>258,857,344</b>	<b>0</b>	
10.557	WIC Special Supplemental Nutrition Program for Women		3030	125,518,605	36,972,308	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 10.557 Total</b>				<b>125,518,605</b>	<b>36,972,308</b>	
10.558	Child and Adult Care Food Program		3500	45,480,864	44,839,456	
<b>Federal Program 10.558 Total</b>				<b>45,480,864</b>	<b>44,839,456</b>	
10.560	State Administrative Expenses for Child Nutrition		3500	4,754,153	4,780	
<b>Federal Program 10.560 Total</b>				<b>4,754,153</b>	<b>4,780</b>	
10.572	WIC Farmers' Market Nutrition Program (FMNP)		3030	559,766	17,543	
<b>Federal Program 10.572 Total</b>				<b>559,766</b>	<b>17,543</b>	
10.574	Team Nutrition Grants		3500	425,333	50,234	
<b>Federal Program 10.574 Total</b>				<b>425,333</b>	<b>50,234</b>	
10.575	Farm to School Grant Program		3500	43,805	0	
<b>Federal Program 10.575 Total</b>				<b>43,805</b>	<b>0</b>	
10.576	Senior Farmers Market Nutrition Program		3000	333,806	38,967	
<b>Federal Program 10.576 Total</b>				<b>333,806</b>	<b>38,967</b>	
10.579	Child Nutrition Discretionary Grants		3500	459,154	428,297	
<b>Federal Program 10.579 Total</b>				<b>459,154</b>	<b>428,297</b>	
10.604	Technical Assistance for Specialty Crops Program		3650	424,963	0	
10.604		500625SUB01	3650	45,740	0	PT
10.604		TASC201809	3650	56,810	14,370	PT
10.604		WAC212227	3650	164,586	0	PT
<b>Federal Program 10.604 Total</b>				<b>692,099</b>	<b>14,370</b>	
10.645	Farm to School State Agency Formula Grant		3500	116,591	0	
<b>Federal Program 10.645 Total</b>				<b>116,591</b>	<b>0</b>	
10.649	COVID-19 – Pandemic EBT Administrative Costs		3000	17,091,912	0	
<b>Federal Program 10.649 Total</b>				<b>17,091,912</b>	<b>0</b>	
10.664	Cooperative Forestry Assistance		3650	148,697	19,732	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.664	Cooperative Forestry Assistance		4900	3,796,410	6,059	
<b>Federal Program 10.664 Total</b>				<b>3,945,107</b>	<b>25,791</b>	
10.674	Wood Utilization Assistance		3100	70,503	0	
10.674			3650	247,888	4,317	
10.674		A230778S001	3650	485	0	PT
10.674			4900	11,324	0	
<b>Federal Program 10.674 Total</b>				<b>330,200</b>	<b>4,317</b>	
10.675	Urban and Community Forestry Program		4950	42,239	42,018	
<b>Federal Program 10.675 Total</b>				<b>42,239</b>	<b>42,018</b>	
10.676	Forest Legacy Program		4900	44,722	0	
<b>Federal Program 10.676 Total</b>				<b>44,722</b>	<b>0</b>	
10.684	International Forestry Programs		3650	108,734	12,061	
10.684		141988001	3650	15,762	0	PT
<b>Federal Program 10.684 Total</b>				<b>124,496</b>	<b>12,061</b>	
10.691	Good Neighbor Authority		4770	116,534	0	
10.691			4900	2,058,086	0	
<b>Federal Program 10.691 Total</b>				<b>2,174,620</b>	<b>0</b>	
10.697	State & Private Forestry Hazardous Fuel Reduction		4900	730,396	0	
<b>Federal Program 10.697 Total</b>				<b>730,396</b>	<b>0</b>	
10.698	State & Private Forestry Cooperative Fire Assistance		4900	6,500	0	
<b>Federal Program 10.698 Total</b>				<b>6,500</b>	<b>0</b>	
10.699	Partnership Agreements		3800	3,500	0	
<b>Federal Program 10.699 Total</b>				<b>3,500</b>	<b>0</b>	
10.707	Research Joint Venture and Cost Reimbursable Agree		3650	40,331	0	
10.707		(BLANK)	3650	10,577	0	PT
<b>Federal Program 10.707 Total</b>				<b>50,908</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.716	Infrastructure Investment and Jobs Act Prescribed		4900	109	0	
<b>Federal Program 10.716 Total</b>				<b>109</b>	<b>0</b>	
10.717	Infrastructure Investment and Jobs Act Restoration		4900	30,017	0	
<b>Federal Program 10.717 Total</b>				<b>30,017</b>	<b>0</b>	
10.718	Infrastructure Investment and Jobs Act Capital		4770	79,446	0	
<b>Federal Program 10.718 Total</b>				<b>79,446</b>	<b>0</b>	
10.777	Norman E. Borlaug International Agricultural Science		3650	63,665	0	
<b>Federal Program 10.777 Total</b>				<b>63,665</b>	<b>0</b>	
10.855	Distance Learning and Telemedicine Loans and Grant		3600	233,388	0	
<b>Federal Program 10.855 Total</b>				<b>233,388</b>	<b>0</b>	
10.902	Soil and Water Conservation		3650	56,820	0	
10.902			4710	4,050	4,050	
<b>Federal Program 10.902 Total</b>				<b>60,870</b>	<b>4,050</b>	
10.912	Environmental Quality Incentives Program		3650	(196)	0	
10.912		137312001	3650	66,472	0	PT
10.912		139055002	3650	16,473	0	PT
10.912			4710	12,508	12,508	
<b>Federal Program 10.912 Total</b>				<b>95,257</b>	<b>12,508</b>	
10.923	Emergency Watershed Protection Program		4710	114,482	114,482	
<b>Federal Program 10.923 Total</b>				<b>114,482</b>	<b>114,482</b>	
10.924	Conservation Stewardship Program		4710	3,321	3,321	
<b>Federal Program 10.924 Total</b>				<b>3,321</b>	<b>3,321</b>	
10.932	Regional Conservation Partnership Program		4710	47,746	47,746	
10.932			4770	266,640	0	
<b>Federal Program 10.932 Total</b>				<b>314,386</b>	<b>47,746</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.960	Technical Agricultural Assistance		3650	269,455	23,071	
<b>Federal Program 10.960 Total</b>				<b>269,455</b>	<b>23,071</b>	
10.U01	Agriculture - Unknown ALN	12639521D0068	3650	740	0	
<b>Federal Program 10.U01 Total</b>				<b>740</b>	<b>0</b>	
10.U02	Agriculture - Unknown ALN	12639521F1003	3650	45,630	0	
<b>Federal Program 10.U02 Total</b>				<b>45,630</b>	<b>0</b>	
10.U03	Agriculture - Unknown ALN	12639522F0530	3650	3,190	0	
<b>Federal Program 10.U03 Total</b>				<b>3,190</b>	<b>0</b>	
10.U04	Agriculture - Unknown ALN	12639522F0615	3650	41,055	0	
<b>Federal Program 10.U04 Total</b>				<b>41,055</b>	<b>0</b>	
10.U05	Agriculture - Unknown ALN	12639523F0055	3650	47,700	0	
<b>Federal Program 10.U05 Total</b>				<b>47,700</b>	<b>0</b>	
10.U06	Agriculture - Unknown ALN	12639523F0231	3650	36,729	0	
<b>Federal Program 10.U06 Total</b>				<b>36,729</b>	<b>0</b>	
10.U07	Agriculture - Unknown ALN	142983001	3650	1,779	0	
<b>Federal Program 10.U07 Total</b>				<b>1,779</b>	<b>0</b>	
10.U08	Agriculture - Unknown ALN	19CR11221632166	3650	716	0	
<b>Federal Program 10.U08 Total</b>				<b>716</b>	<b>0</b>	
10.U09	Agriculture - Unknown ALN	19CR11221633179	3650	2,630	0	
<b>Federal Program 10.U09 Total</b>				<b>2,630</b>	<b>0</b>	
10.U10	Agriculture - Unknown ALN	19JV11221633189	3650	33,275	0	
<b>Federal Program 10.U10 Total</b>				<b>33,275</b>	<b>0</b>	
10.U11	Agriculture - Unknown ALN	19JV11221634163	3650	15,060	0	
<b>Federal Program 10.U11 Total</b>				<b>15,060</b>	<b>0</b>	
10.U12	Agriculture - Unknown ALN	19JV11221636187	3650	62,927	0	
<b>Federal Program 10.U12 Total</b>				<b>62,927</b>	<b>0</b>	
10.U13	Agriculture - Unknown ALN	20JV11221633148	3650	29,076	0	
<b>Federal Program 10.U13 Total</b>				<b>29,076</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Federal Programs Not Clustered**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.U14	Agriculture - Unknown ALN	20JV11272138038	3650	(1,692)	0	
<b>Federal Program 10.U14 Total</b>				<b>(1,692)</b>	<b>0</b>	
10.U15	Agriculture - Unknown ALN	21CS11060300001	3650	4,815	0	
<b>Federal Program 10.U15 Total</b>				<b>4,815</b>	<b>0</b>	
10.U16	Agriculture - Unknown ALN	1204H121K4077	4770	3,734	0	
10.U16		21-CS-11010400-021	4770	2,375	0	
10.U16		22-LE-11060500-016	4770	17,558	0	
<b>Federal Program 10.U16 Total</b>				<b>23,667</b>	<b>0</b>	
10.U17	Agriculture - Unknown ALN	21CS11061200003	3650	(300)	0	
<b>Federal Program 10.U17 Total</b>				<b>(300)</b>	<b>0</b>	
10.U18	Agriculture - Unknown ALN	21CS11221636080	3650	21,526	0	
<b>Federal Program 10.U18 Total</b>				<b>21,526</b>	<b>0</b>	
10.U19	Agriculture - Unknown ALN	22JV11261953063	3650	42,831	6,630	
<b>Federal Program 10.U19 Total</b>				<b>42,831</b>	<b>6,630</b>	
10.U20	Agriculture - Unknown ALN	23CS11061700024	3650	2,876	0	
<b>Federal Program 10.U20 Total</b>				<b>2,876</b>	<b>0</b>	
10.U21	Agriculture - Unknown ALN	Agreement	4770	111	0	
<b>Federal Program 10.U21 Total</b>				<b>111</b>	<b>0</b>	
<b>Dept of Agriculture Total</b>				<b>502,165,497</b>	<b>91,253,388</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Commerce**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.028	Connecting Minority Communities Pilot Program		3600	3,954	0	
<b>Federal Program 11.028 Total</b>				<b>3,954</b>	<b>0</b>	
11.031	Broadband Infrastructure Program		1030	4,307,278	4,307,278	
<b>Federal Program 11.031 Total</b>				<b>4,307,278</b>	<b>4,307,278</b>	
11.032	State Digital Equity Planning Grants		1030	337,297	0	
<b>Federal Program 11.032 Total</b>				<b>337,297</b>	<b>0</b>	
11.035	Broadband Equity, Access and Deployment Program		1030	268,525	0	
<b>Federal Program 11.035 Total</b>				<b>268,525</b>	<b>0</b>	
11.303	Economic Development_Technical Assistance		3650	119,540	0	
<b>Federal Program 11.303 Total</b>				<b>119,540</b>	<b>0</b>	
11.405	Cooperative Institute (Inter-Agency Funded Activities)		6990	3,538	0	
<b>Federal Program 11.405 Total</b>				<b>3,538</b>	<b>0</b>	
11.407	Interjurisdictional Fisheries Act of 1986	22-045G	4770	48,862	0	PT
11.407		23-022G	4770	136,502	0	PT
<b>Federal Program 11.407 Total</b>				<b>185,364</b>	<b>0</b>	
11.417	Sea Grant Support		3600	57,585	6,917	
<b>Federal Program 11.417 Total</b>				<b>57,585</b>	<b>6,917</b>	
11.419	Coastal Zone Management Administration Awards	SUBK00014242	3800	29,915	0	PT
11.419			4610	3,149,186	5,016	
11.419		NMS-010	4610	7,267	0	PT
<b>Federal Program 11.419 Total</b>				<b>3,186,368</b>	<b>5,016</b>	
11.432	National Oceanic and Atmospheric Administration (NOAA)	KR705469	3600	1,146,815	0	PT
<b>Federal Program 11.432 Total</b>				<b>1,146,815</b>	<b>0</b>	
11.436	Columbia River Fisheries Development Program		4670	364,005	158,050	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Commerce**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.436	Columbia River Fisheries Development Program		4770	7,064,841	0	
<b>Federal Program 11.436 Total</b>				<b>7,428,846</b>	<b>158,050</b>	
11.437	Pacific Fisheries Data Program	19-50G	4770	43,971	0	PT
11.437		21-28G	4770	59,688	0	PT
11.437		22-027G	4770	4,087	0	PT
11.437		22-143G	4770	59,111	0	PT
11.437		23-038G	4770	685,553	0	PT
<b>Federal Program 11.437 Total</b>				<b>852,410</b>	<b>0</b>	
11.438	Pacific Coast Salmon Recovery_Pacific Salmon Treat		4670	23,038,735	16,943,449	
11.438			4770	6,185,263	0	
11.438		20-1545 RCO	4770	2,942	0	PT
11.438		RCP21101-01	4770	6,475	0	PT
<b>Federal Program 11.438 Total</b>				<b>29,233,415</b>	<b>16,943,449</b>	
11.439	Marine Mammal Data Program		4770	108,529	0	
11.439		21-035G	4770	137,850	0	PT
<b>Federal Program 11.439 Total</b>				<b>246,379</b>	<b>0</b>	
11.441	Regional Fishery Management Councils	2021-WDFW	4770	229,822	0	PT
11.441		22-012G	4770	43,275	0	PT
11.441		LIA 2023-3	4770	54,691	0	PT
<b>Federal Program 11.441 Total</b>				<b>327,788</b>	<b>0</b>	
11.454	Unallied Management Projects		4770	27,118	0	
<b>Federal Program 11.454 Total</b>				<b>27,118</b>	<b>0</b>	
11.463	Habitat Conservation	S20170118	3650	474,481	0	PT
11.463			4770	968,937	0	
<b>Federal Program 11.463 Total</b>				<b>1,443,418</b>	<b>0</b>	
11.469	Congressionally Identified Awards and Projects		4610	541,603	133,448	
11.469			4770	85,439	0	
<b>Federal Program 11.469 Total</b>				<b>627,042</b>	<b>133,448</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Commerce**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.473	Office for Coastal Management		4610	65,222	0	
<b>Federal Program 11.473 Total</b>				<b>65,222</b>	<b>0</b>	
11.611	Manufacturing Extension Partnership	PC22	6990	1,375	0	PT
<b>Federal Program 11.611 Total</b>				<b>1,375</b>	<b>0</b>	
11.U01	Commerce - Unknown ALN	1333MF20PNFFP0209	4770	3,712	0	
<b>Federal Program 11.U01 Total</b>				<b>3,712</b>	<b>0</b>	
<b>Dept of Commerce Total</b>				<b>49,872,989</b>	<b>21,554,158</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.017	Readiness Environmental Protection Integration	0126.22.074063	4770	419,307	0	PT
<b>Federal Program 12.017 Total</b>				<b>419,307</b>	<b>0</b>	
12.112	Payments to States in Lieu of Real Estate Taxes		0050	8,340	0	
<b>Federal Program 12.112 Total</b>				<b>8,340</b>	<b>0</b>	
12.300	Basic and Applied Scientific Research		3600	1,063,911	16,592	
12.300		5126684	3600	4,291	0	PT
<b>Federal Program 12.300 Total</b>				<b>1,068,202</b>	<b>16,592</b>	
12.330	Science, Technology, Engineering & Mathematics (S)		3600	280,414	0	
<b>Federal Program 12.330 Total</b>				<b>280,414</b>	<b>0</b>	
12.355	Pest Management and Vector Control Research	135993001	3650	15,581	0	PT
<b>Federal Program 12.355 Total</b>				<b>15,581</b>	<b>0</b>	
12.400	Military Construction, National Guard		2450	1,192,087	0	
<b>Federal Program 12.400 Total</b>				<b>1,192,087</b>	<b>0</b>	
12.401	National Guard Military Operations and Maintenance		2450	29,063,529	0	
<b>Federal Program 12.401 Total</b>				<b>29,063,529</b>	<b>0</b>	
12.404	National Guard Challenge Program		2450	5,762,518	0	
<b>Federal Program 12.404 Total</b>				<b>5,762,518</b>	<b>0</b>	
12.420	Military Medical Research and Development		3600	240,010	0	
12.420		0001042755AM003	3600	3,956	0	PT
12.420		201114	3600	(5,663)	0	PT
12.420		8455SCAM11	3600	51,121	0	PT
12.420		BJ213BJ22SIBCR	3600	7,051	0	PT
12.420		BJ213ZS22SIBCR	3600	8,677	0	PT
12.420		GJ112GJ13SIBCR	3600	11,045	0	PT
12.420		GJ112LIUH3SIBCR	3600	13,445	0	PT
12.420		GJ112LIUH4SIBCRM0D1	3600	65,502	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.420	Military Medical Research and Development	GJ112MIRANG3SIBCR	3600	801	0	PT
12.420		GJ112MIRANG4SIBCR	3600	4,136	0	PT
12.420		GJ124GJ11SIBCR	3600	5,472	0	PT
12.420		GJ124GJ12SIBCR	3600	9,991	0	PT
12.420		GJ124HERODM1SIBCR	3600	7,973	0	PT
12.420		GJ124HERODM2SIBCRMO	3600	27,265	0	PT
12.420		MD15MD12SIBCR	3600	9,546	0	PT
12.420		MD1HJFMD11SIBCR	3600	15,451	0	PT
12.420		MD1HJFMD21SIBCR	3600	38,185	0	PT
12.420		ME14ME13SIBCR	3600	8,293	0	PT
12.420		ME14ME14SIBCR	3600	31,515	0	PT
12.420		PE164LG11SIBCR	3600	734	0	PT
12.420		PE164LG12SIBCR	3600	8,309	0	PT
12.420		PE164PE11SIBCR	3600	645	0	PT
12.420		PE164PE12SIBCR	3600	7,350	0	PT
12.420		PE164PK11SIBCR	3600	7,419	0	PT
12.420		PE26LIN2SIBCR	3600	14,513	0	PT
12.420		PE26LIN3SIBCR	3600	26,456	0	PT
12.420		PE26PE22SIBCR	3600	15,921	0	PT
12.420		PE26PE23SIBCR	3600	51,286	0	PT
12.420		PE26REINR2SIBCR	3600	13,337	0	PT
12.420		PE26REINR3SIBCR	3600	12,410	0	PT
12.420		PE26SHOFEJ2SIBCRMOD0	3600	3,390	0	PT
12.420		PK112HJ41SIBCR	3600	18,479	0	PT
12.420		PK112PK11SIBCR	3600	44,543	0	PT
12.420		PK112RH11SIBCR	3600	86,493	0	PT
12.420		PK112SHOFEJ1SIBCR	3600	4,758	0	PT
12.420		PK112SHULEO1SIBCR	3600	45,619	0	PT
12.420		RM164RM11SIBCR	3600	26,339	0	PT
<b>Federal Program 12.420 Total</b>				<b>941,773</b>	<b>0</b>	
12.432	U.S. Military Academy Athletic Programs At West Point	A10158978752516	3600	39,706	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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**Federal Programs Not Clustered**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 12.432 Total</b>				<b>39,706</b>	<b>0</b>	
12.550	The Language Flagship Grants to Institutions of Hi	0054UW25SSC280PO2MO	3600	52,997	0	PT
12.550		BOR21UW21CHNPO1	3600	227,964	0	PT
12.550		BOR21UW21CHNPO1MOD	3600	3,825	0	PT
<b>Federal Program 12.550 Total</b>				<b>284,786</b>	<b>0</b>	
12.610	Community Economic Adjustment Assistance for Compa		1030	19,795	0	
<b>Federal Program 12.610 Total</b>				<b>19,795</b>	<b>0</b>	
12.900	Language Grant Program		3600	46,273	0	
<b>Federal Program 12.900 Total</b>				<b>46,273</b>	<b>0</b>	
12.901	Mathematical Sciences Grants Program		3600	17,944	0	
<b>Federal Program 12.901 Total</b>				<b>17,944</b>	<b>0</b>	
12.903	GenCyber Grants Program		3600	107,773	18,982	
12.903			3700	8,172	730	
12.903			6990	41,734	0	
<b>Federal Program 12.903 Total</b>				<b>157,679</b>	<b>19,712</b>	
12.905	Cybersecurity CORE Curriculum		3600	46,515	18,166	
<b>Federal Program 12.905 Total</b>				<b>46,515</b>	<b>18,166</b>	
12.U01	DOD - Unknown ALN	163111MOD02	3600	13,201	0	PT
<b>Federal Program 12.U01 Total</b>				<b>13,201</b>	<b>0</b>	
12.U02	DOD - Unknown ALN	163111MOD03	3600	48,306	0	PT
<b>Federal Program 12.U02 Total</b>				<b>48,306</b>	<b>0</b>	
12.U03	DOD - Unknown ALN	H982302210204	3600	8,137	0	
<b>Federal Program 12.U03 Total</b>				<b>8,137</b>	<b>0</b>	
12.U04	DOD - Unknown ALN	N0002421D6400N0002421F	3600	5,403	0	
<b>Federal Program 12.U04 Total</b>				<b>5,403</b>	<b>0</b>	
12.U05	DOD - Unknown ALN	N0002421D6400N0002422F	3600	254,297	0	
<b>Federal Program 12.U05 Total</b>				<b>254,297</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.U06	DOD - Unknown ALN	N0002421D6400N0002423F	3600	3,462	0	
<b>Federal Program 12.U06 Total</b>				<b>3,462</b>	<b>0</b>	
12.U07	DOD - Unknown ALN	W912HQ23C0029	3600	243,632	0	
<b>Federal Program 12.U07 Total</b>				<b>243,632</b>	<b>0</b>	
12.U08	DOD - Unknown ALN	W912HZ22P0137	3600	35,990	0	
<b>Federal Program 12.U08 Total</b>				<b>35,990</b>	<b>0</b>	
<b>Dept of Defense Total</b>				<b>39,976,877</b>	<b>54,470</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Housing & Urban Development**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.169	Housing Counseling Assistance Program		1480	237,850	230,462	
14.169			2350	81,479	0	
<b>Federal Program 14.169 Total</b>				<b>319,329</b>	<b>230,462</b>	
14.228	Community Development Block Grants/State's Program		1030	8,371,028	7,828,376	
14.228	COVID-19 – Community Development Block Grants/State's Program		1030	18,678,577	16,543,594	
14.228	Community Development Block Grants/State's Program	20036	3650	260	0	PT
14.228		K7232-7661	5400	17,973	0	PT
<b>Federal Program 14.228 Total</b>				<b>27,067,838</b>	<b>24,371,970</b>	
14.231	Emergency Solutions Grant Program		1030	3,888,540	3,887,635	
14.231	COVID-19 – Emergency Solutions Grant Program		1030	13,172,841	12,589,591	
<b>Federal Program 14.231 Total</b>				<b>17,061,381</b>	<b>16,477,226</b>	
14.239	Home Investment Partnerships Program		1030	4,029,375	3,456,940	
<b>Federal Program 14.239 Total</b>				<b>4,029,375</b>	<b>3,456,940</b>	
14.241	Housing Opportunities for Persons With AIDS		3030	1,987,616	1,939,863	
14.241	COVID-19 – Housing Opportunities for Persons With AIDS		3030	60,561	60,078	
<b>Federal Program 14.241 Total</b>				<b>2,048,177</b>	<b>1,999,941</b>	
14.267	Continuum of Care Program		1030	469,444	0	
<b>Federal Program 14.267 Total</b>				<b>469,444</b>	<b>0</b>	
14.275	Housing Trust Fund		1030	9,632,738	9,160,489	
<b>Federal Program 14.275 Total</b>				<b>9,632,738</b>	<b>9,160,489</b>	
14.276	Youth Homelessness Demonstration Program		1030	453,812	412,406	
<b>Federal Program 14.276 Total</b>				<b>453,812</b>	<b>412,406</b>	
14.326	Project Rental Assistance Demonstration Prog S 811		1030	1,109,696	1,075,630	
<b>Federal Program 14.326 Total</b>				<b>1,109,696</b>	<b>1,075,630</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Housing & Urban Development**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.401	Fair Housing Assistance Program State and Local		1200	663,034	0	
<b>Federal Program 14.401 Total</b>				<b>663,034</b>	<b>0</b>	
14.U01	HUD - Unknown ALN	HAPC2023	1480	40,000	40,000	PT
<b>Federal Program 14.U01 Total</b>				<b>40,000</b>	<b>40,000</b>	
<b>Housing &amp; Urban Development Total</b>				<b>62,894,824</b>	<b>57,225,064</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.015	Good Neighbor Authority		4900	15,833	0	
<b>Federal Program 15.015 Total</b>				<b>15,833</b>	<b>0</b>	
15.034	Agriculture on Indian Lands	C2104	3650	19,448	0	PT
<b>Federal Program 15.034 Total</b>				<b>19,448</b>	<b>0</b>	
15.036	Indian Rights Protection	V23-08	4770	5,747	0	PT
<b>Federal Program 15.036 Total</b>				<b>5,747</b>	<b>0</b>	
15.114	Indian Education Higher Education Grant		3650	860,306	0	
<b>Federal Program 15.114 Total</b>				<b>860,306</b>	<b>0</b>	
15.156	Tribal Climate Resilience	933-90-23-00 / F22AP	3800	69,392	0	PT
15.156		943-90-23-00 / A21AP	3800	59,353	0	PT
<b>Federal Program 15.156 Total</b>				<b>128,745</b>	<b>0</b>	
15.224	Cultural and Paleontological Resource Management		3650	28,178	0	
<b>Federal Program 15.224 Total</b>				<b>28,178</b>	<b>0</b>	
15.225	Recreation and Visitor Services		3650	68,880	0	
<b>Federal Program 15.225 Total</b>				<b>68,880</b>	<b>0</b>	
15.226	Payments in Lieu of Taxes		0050	788,662	0	
<b>Federal Program 15.226 Total</b>				<b>788,662</b>	<b>0</b>	
15.227	Distribution of Receipts to State and Local Governments		0050	17,529	0	
15.227			0900	1,830	0	
<b>Federal Program 15.227 Total</b>				<b>19,359</b>	<b>0</b>	
15.230	Invasive and Noxious Plant Management		4950	42,998	19,999	
<b>Federal Program 15.230 Total</b>				<b>42,998</b>	<b>19,999</b>	
15.231	Fish, Wildlife and Plant Conservation Resource Man		4770	15,013	0	
<b>Federal Program 15.231 Total</b>				<b>15,013</b>	<b>0</b>	
15.232	Joint Fire Science Program		3650	1,867	0	
<b>Federal Program 15.232 Total</b>				<b>1,867</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.233	Forest and Woodlands Resource Management		4900	7,735	0	
<b>Federal Program 15.233 Total</b>				<b>7,735</b>	<b>0</b>	
15.243	Youth Conservation Opportunities on Public Lands		4610	57,723	0	
<b>Federal Program 15.243 Total</b>				<b>57,723</b>	<b>0</b>	
15.244	Fisheries and Aquatic Resources Management		3800	63,935	0	
15.244			4770	23,863	0	
<b>Federal Program 15.244 Total</b>				<b>87,798</b>	<b>0</b>	
15.246	Threatened and Endangered Species		3600	19,764	0	
15.246			3650	2,782	3,374	
<b>Federal Program 15.246 Total</b>				<b>22,546</b>	<b>3,374</b>	
15.247	Wildlife Resource Management		4770	27,558	0	
<b>Federal Program 15.247 Total</b>				<b>27,558</b>	<b>0</b>	
15.517	Fish and Wildlife Coordination Act		4670	20,447	800	
15.517			4770	1,556,588	0	
<b>Federal Program 15.517 Total</b>				<b>1,577,035</b>	<b>800</b>	
15.524	Recreation Resources Management		4770	21,086	0	
<b>Federal Program 15.524 Total</b>				<b>21,086</b>	<b>0</b>	
15.531	Yakima River Basin Water Enhancement Project (YRBW)		4610	28,292	0	
<b>Federal Program 15.531 Total</b>				<b>28,292</b>	<b>0</b>	
15.557	Applied Science Grants		3650	61,325	29,553	
<b>Federal Program 15.557 Total</b>				<b>61,325</b>	<b>29,553</b>	
15.608	Fish and Wildlife Management Assistance		4770	177,724	0	
15.608		F19AC00507	4770	1,449	0	PT
<b>Federal Program 15.608 Total</b>				<b>179,173</b>	<b>0</b>	
15.614	Coastal Wetlands Planning, Protection and Restoration		4610	3,808,706	3,713,967	
15.614			4770	181,826	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.614	Coastal Wetlands Planning, Protection and Restoration		4900	10,941	0	
<b>Federal Program 15.614 Total</b>				<b>4,001,473</b>	<b>3,713,967</b>	
15.615	Cooperative Endangered Species Conservation Fund		4770	2,647,412	0	
15.615			4900	182,023	113,710	
<b>Federal Program 15.615 Total</b>				<b>2,829,435</b>	<b>113,710</b>	
15.616	Clean Vessel Act		4650	2,018,720	0	
<b>Federal Program 15.616 Total</b>				<b>2,018,720</b>	<b>0</b>	
15.622	Sportfishing and Boating Safety Act		4670	1,792,700	1,717,374	
<b>Federal Program 15.622 Total</b>				<b>1,792,700</b>	<b>1,717,374</b>	
15.623	North American Wetlands Conservation Fund	WA-331-6	4770	15,046	0	PT
<b>Federal Program 15.623 Total</b>				<b>15,046</b>	<b>0</b>	
15.630	Coastal		4610	38,817	0	
15.630			4650	41,162	0	
15.630			4900	14,856	0	
<b>Federal Program 15.630 Total</b>				<b>94,835</b>	<b>0</b>	
15.631	Partners for Fish and Wildlife		4670	585,880	40,994	
15.631			4770	1,332,697	0	
<b>Federal Program 15.631 Total</b>				<b>1,918,577</b>	<b>40,994</b>	
15.634	State Wildlife Grants		3650	32,051	0	
15.634		9554	3650	86	0	PT
15.634			4770	1,349,621	0	
15.634		431-22	4770	20,176	0	PT
<b>Federal Program 15.634 Total</b>				<b>1,401,934</b>	<b>0</b>	
15.654	National Wildlife Refuge System Enhancements		3650	10,088	0	
15.654			4610	181,597	0	
<b>Federal Program 15.654 Total</b>				<b>191,685</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.657	Endangered Species Recovery Implementation		3650	67,847	0	
15.657		141294001	3650	103,289	0	PT
15.657			4770	569,708	0	
<b>Federal Program 15.657 Total</b>				<b>740,844</b>	<b>0</b>	
15.660	Candidate Species Conservation		4770	24,291	0	
15.660			4900	7,000	0	
<b>Federal Program 15.660 Total</b>				<b>31,291</b>	<b>0</b>	
15.661	Lower Snake River Compensation Plan	204809843	3650	18,601	0	PT
15.661			4770	4,049,443	0	
<b>Federal Program 15.661 Total</b>				<b>4,068,044</b>	<b>0</b>	
15.676	Youth Engagement, Education, and Employment		4610	1,847	0	
<b>Federal Program 15.676 Total</b>				<b>1,847</b>	<b>0</b>	
15.678	Cooperative Ecosystem Studies Unit		3650	180,467	14,637	
<b>Federal Program 15.678 Total</b>				<b>180,467</b>	<b>14,637</b>	
15.683	Prescott Marine Mammal Rescue Assistance		4770	75,011	0	
<b>Federal Program 15.683 Total</b>				<b>75,011</b>	<b>0</b>	
15.684	White-Nose Syndrome National Response Implementation		4770	179,223	0	
<b>Federal Program 15.684 Total</b>				<b>179,223</b>	<b>0</b>	
15.808	U.S. Geological Survey_ Research and Data Collection		3600	4,231,327	0	
<b>Federal Program 15.808 Total</b>				<b>4,231,327</b>	<b>0</b>	
15.810	National Cooperative Geologic Mapping Program		4900	389,337	0	
<b>Federal Program 15.810 Total</b>				<b>389,337</b>	<b>0</b>	
15.814	National Geological and Geophysical Data Preservation		4900	104,926	0	
<b>Federal Program 15.814 Total</b>				<b>104,926</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.818	Volcano Hazards Prog Res & Monitoring		3600	355,343	0	
<b>Federal Program 15.818 Total</b>				<b>355,343</b>	<b>0</b>	
15.904	Historic Preservation Fund Grants-in-Aid		3550	1,239,856	0	
<b>Federal Program 15.904 Total</b>				<b>1,239,856</b>	<b>0</b>	
15.916	Outdoor Recreation Acquisition, Development and Planning		4670	2,682,036	2,564,862	
<b>Federal Program 15.916 Total</b>				<b>2,682,036</b>	<b>2,564,862</b>	
15.931	Youth and Veteran Organizations Conservation Activities		4610	266,637	0	
<b>Federal Program 15.931 Total</b>				<b>266,637</b>	<b>0</b>	
15.944	Natural Resource Stewardship		4770	10,574	0	
<b>Federal Program 15.944 Total</b>				<b>10,574</b>	<b>0</b>	
15.954	National Park Service Conservation, Protection, Ou		3600	8,112	0	
<b>Federal Program 15.954 Total</b>				<b>8,112</b>	<b>0</b>	
15.980	National Ground-Water Monitoring Network		4610	22,647	0	
<b>Federal Program 15.980 Total</b>				<b>22,647</b>	<b>0</b>	
15.U01	BIA/BIE - Unknown ALN	128572012	3650	(417)	0	PT
<b>Federal Program 15.U01 Total</b>				<b>(417)</b>	<b>0</b>	
15.U02	BIA/BIE - Unknown ALN	132131001	3650	136	0	
<b>Federal Program 15.U02 Total</b>				<b>136</b>	<b>0</b>	
15.U03	BIA/BIE - Unknown ALN	134464004	3650	1,381	0	
<b>Federal Program 15.U03 Total</b>				<b>1,381</b>	<b>0</b>	
15.U04	BIA/BIE - Unknown ALN	142972001	3650	8,920	0	
<b>Federal Program 15.U04 Total</b>				<b>8,920</b>	<b>0</b>	
15.U05	BIA/BIE - Unknown ALN	140L4319D0023	3700	11,424	0	
<b>Federal Program 15.U05 Total</b>				<b>11,424</b>	<b>0</b>	
15.U06	BIA/BIE - Unknown ALN	140L4321F0065	3700	76,236	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 15.U06 Total</b>				<b>76,236</b>	<b>0</b>	
15.U07	BIA/BIE - Unknown ALN	140L4322F0021	3700	11,069	0	
<b>Federal Program 15.U07 Total</b>				<b>11,069</b>	<b>0</b>	
15.U08	BIA/BIE - Unknown ALN	140L4322F0030	3700	89,132	0	
<b>Federal Program 15.U08 Total</b>				<b>89,132</b>	<b>0</b>	
15.U09	BIA/BIE - Unknown ALN	Agreement	4770	1,069,108	0	
<b>Federal Program 15.U09 Total</b>				<b>1,069,108</b>	<b>0</b>	
15.U10	BIA/BIE - Unknown ALN	14-06-100-1137	4770	277,281	0	
15.U10		140G0322P0072	4770	3,664	0	
15.U10		MOU 12-16564	4770	6,828	0	
<b>Federal Program 15.U10 Total</b>				<b>287,773</b>	<b>0</b>	
15.U11	BIA/BIE - Unknown ALN	140L4322F0046	3700	23,607	0	
<b>Federal Program 15.U11 Total</b>				<b>23,607</b>	<b>0</b>	
15.U12	BIA/BIE - Unknown ALN	140L4322F0103	3700	21,891	0	
<b>Federal Program 15.U12 Total</b>				<b>21,891</b>	<b>0</b>	
15.U13	BIA/BIE - Unknown ALN	140L4323F0007	3700	239	0	
<b>Federal Program 15.U13 Total</b>				<b>239</b>	<b>0</b>	
15.U14	BIA/BIE - Unknown ALN	140P8321P0088	3700	10,391	0	
<b>Federal Program 15.U14 Total</b>				<b>10,391</b>	<b>0</b>	
<b>Dept of the Interior Total</b>				<b>34,528,124</b>	<b>8,219,270</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Justice**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.013	Violence Against Women Act Court Training and Impr		6990	35,073	0	
<b>Federal Program 16.013 Total</b>				<b>35,073</b>	<b>0</b>	
16.017	Sexual Assault Services Program		1030	641,782	571,565	
<b>Federal Program 16.017 Total</b>				<b>641,782</b>	<b>571,565</b>	
16.034	COVID-19 – Coronavirus Emergency Supplemental Funding Program		1030	1,977,119	1,513,960	
<b>Federal Program 16.034 Total</b>				<b>1,977,119</b>	<b>1,513,960</b>	
16.525	Grants to Reduce Domestic Violence, Dating Violence		3650	2	0	
16.525			6990	79,530	0	
<b>Federal Program 16.525 Total</b>				<b>79,532</b>	<b>0</b>	
16.540	Juvenile Justice and Delinquency Prevention_Alloca		3070	799,182	275,368	
<b>Federal Program 16.540 Total</b>				<b>799,182</b>	<b>275,368</b>	
16.550	State Justice Statistics Program for Statistical A		1050	150,474	0	
<b>Federal Program 16.550 Total</b>				<b>150,474</b>	<b>0</b>	
16.554	National Criminal History Improvement Program (NCHIP)		2250	837,244	108,698	
<b>Federal Program 16.554 Total</b>				<b>837,244</b>	<b>108,698</b>	
16.575	Crime Victim Assistance		1030	29,157,333	26,726,053	
<b>Federal Program 16.575 Total</b>				<b>29,157,333</b>	<b>26,726,053</b>	
16.576	Crime Victim Compensation		2350	10,924,183	0	
<b>Federal Program 16.576 Total</b>				<b>10,924,183</b>	<b>0</b>	
16.585	Treatment Court Discretionary Grant Program		1070	48,621	0	
<b>Federal Program 16.585 Total</b>				<b>48,621</b>	<b>0</b>	
16.588	Violence Against Women - Form Grants		1030	2,741,222	2,194,664	
<b>Federal Program 16.588 Total</b>				<b>2,741,222</b>	<b>2,194,664</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Justice**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.593	Residential Substance Abuse Treatment for State Pr		1070	599,106	247,948	
<b>Federal Program 16.593 Total</b>				<b>599,106</b>	<b>247,948</b>	
16.710	Public Safety Partnership and Community Policing G		3700	37,042	0	
<b>Federal Program 16.710 Total</b>				<b>37,042</b>	<b>0</b>	
16.726	Juvenile Mentoring Program	141951001	3650	37,920	0	PT
16.726		2020JUFX0031	3650	14,631	0	PT
<b>Federal Program 16.726 Total</b>				<b>52,551</b>	<b>0</b>	
16.735	PREA Program: Strategic Support for PREA Implementation		1030	5,375,291	5,061,872	
16.735			3100	258,058	0	
<b>Federal Program 16.735 Total</b>				<b>5,633,349</b>	<b>5,061,872</b>	
16.741	DNA Backlog Reduction Program		2250	2,229,772	0	
<b>Federal Program 16.741 Total</b>				<b>2,229,772</b>	<b>0</b>	
16.742	Paul Coverdell Forensic Sciences Improvement Grant		2250	394,750	360,674	
<b>Federal Program 16.742 Total</b>				<b>394,750</b>	<b>360,674</b>	
16.753	Congressionally Recommended Awards		1030	92,394	92,394	
<b>Federal Program 16.753 Total</b>				<b>92,394</b>	<b>92,394</b>	
16.754	Harold Rogers Prescription Drug Monitoring Program		3030	225,917	27,150	
<b>Federal Program 16.754 Total</b>				<b>225,917</b>	<b>27,150</b>	
16.812	Second Chance Act Reentry Initiative		3100	257,912	0	
<b>Federal Program 16.812 Total</b>				<b>257,912</b>	<b>0</b>	
16.820	Postconviction Testing of DNA Evidence		2250	114,976	105,722	
<b>Federal Program 16.820 Total</b>				<b>114,976</b>	<b>105,722</b>	
16.831	Children of Incarcerated Parents		3100	214,453	0	
<b>Federal Program 16.831 Total</b>				<b>214,453</b>	<b>0</b>	
16.833	National Sexual Assault Kit Initiative		1000	1,389,303	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Justice**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 16.833 Total</b>				<b>1,389,303</b>	<b>0</b>	
16.836	Indigent Defense		0560	111,409	0	
<b>Federal Program 16.836 Total</b>				<b>111,409</b>	<b>0</b>	
16.838	Comprehensive Opioid, Stimulant, and other Substances Use		0550	530,468	0	
<b>Federal Program 16.838 Total</b>				<b>530,468</b>	<b>0</b>	
16.839	Stop School Violence		3500	50,064	50,064	
<b>Federal Program 16.839 Total</b>				<b>50,064</b>	<b>50,064</b>	
16.844	Combatting Contraband Cell Phone Use in Prisons		3100	338,778	0	
<b>Federal Program 16.844 Total</b>				<b>338,778</b>	<b>0</b>	
16.922	Equitable Sharing Program		1000	944,458	0	
16.922			1950	50,396	0	
16.922			3100	100,504	0	
<b>Federal Program 16.922 Total</b>				<b>1,095,358</b>	<b>0</b>	
16.U01	Justice - Unknown ALN	K17549	2250	222,719	0	
<b>Federal Program 16.U01 Total</b>				<b>222,719</b>	<b>0</b>	
16.U02	Justice - Unknown ALN	K18561	2250	147,647	0	
<b>Federal Program 16.U02 Total</b>				<b>147,647</b>	<b>0</b>	
<b>Dept of Justice Total</b>				<b>61,129,733</b>	<b>37,336,132</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Labor**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.002	Labor Force Statistics		5400	1,770,851	0	
<b>Federal Program 17.002 Total</b>				<b>1,770,851</b>	<b>0</b>	
17.005	Compensation and Working Conditions		2350	207,911	0	
<b>Federal Program 17.005 Total</b>				<b>207,911</b>	<b>0</b>	
17.225	Unemployment Insurance		5400	1,328,397,897	0	
17.225	COVID-19 – Unemployment Insurance		5400	526,111	0	
<b>Federal Program 17.225 Total</b>				<b>1,328,924,008</b>	<b>0</b>	
17.235	Senior Community Service Employment Program		3000	1,477,983	1,455,752	
<b>Federal Program 17.235 Total</b>				<b>1,477,983</b>	<b>1,455,752</b>	
17.245	Trade Adjustment Assistance		5400	8,324,987	0	
<b>Federal Program 17.245 Total</b>				<b>8,324,987</b>	<b>0</b>	
17.268	H-1B Job Training Grants	F1700012910441004	3650	2,442	0	PT
17.268		HG-34414-2	6990	48,080	0	PT
<b>Federal Program 17.268 Total</b>				<b>50,522</b>	<b>0</b>	
17.270	Reentry Employment Opportunities		5400	205	0	
<b>Federal Program 17.270 Total</b>				<b>205</b>	<b>0</b>	
17.271	Work Opportunity Tax Credit Program (WOTC)		5400	474,520	0	
<b>Federal Program 17.271 Total</b>				<b>474,520</b>	<b>0</b>	
17.273	Temporary Labor Certification for Foreign Workers		5400	639,864	0	
<b>Federal Program 17.273 Total</b>				<b>639,864</b>	<b>0</b>	
17.274	YouthBuild		6990	(1,130)	0	
<b>Federal Program 17.274 Total</b>				<b>(1,130)</b>	<b>0</b>	
17.277	WIOA National Dislocated Worker Grants / WIA National		5400	2,571,615	2,379,467	
17.277	COVID-19 – WIOA National Dislocated Worker Grants / WIA National		5400	4,103,728	3,542,830	
<b>Federal Program 17.277 Total</b>				<b>6,675,343</b>	<b>5,922,297</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Labor**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.280	WIOA Dislocated Worker National Reserve Demonstration		5400	2,062	0	
<b>Federal Program 17.280 Total</b>				<b>2,062</b>	<b>0</b>	
17.285	Apprenticeship USA Grants		2350	298,383	172,516	
17.285			5400	66,771	0	
17.285			6990	36,811	0	
17.285		3302519751	6990	132	0	PT
<b>Federal Program 17.285 Total</b>				<b>402,097</b>	<b>172,516</b>	
17.287	Job Corps Experimental Projects and Technical Assi		6990	371,362	0	
<b>Federal Program 17.287 Total</b>				<b>371,362</b>	<b>0</b>	
17.503	Occupational Safety &Health State Prog		2350	8,743,697	0	
<b>Federal Program 17.503 Total</b>				<b>8,743,697</b>	<b>0</b>	
17.600	Mine Health and Safety Grants		3700	(2,177)	0	
<b>Federal Program 17.600 Total</b>				<b>(2,177)</b>	<b>0</b>	
17.805	Homeless Veterans' Reintegration Program		3050	493,882	0	
<b>Federal Program 17.805 Total</b>				<b>493,882</b>	<b>0</b>	
<b>Dept of Labor Total</b>				<b>1,358,555,987</b>	<b>7,550,565</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of State**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
19.009	Academic Exchange Programs - Undergraduate Program	PO21001873	3650	103,493	0	PT
19.009			6990	20,338	0	
19.009		SECAGD18CA	6990	250,426	0	PT
19.009		SECAGD20CA	6990	5,186	0	PT
<b>Federal Program 19.009 Total</b>				<b>379,443</b>	<b>0</b>	
19.010	Academic Exchange Programs - Humphrey Fellowship P	3000271746	3600	114,638	0	PT
<b>Federal Program 19.010 Total</b>				<b>114,638</b>	<b>0</b>	
19.021	Investing in People in the Middle East and North A		3800	17,429	0	
<b>Federal Program 19.021 Total</b>				<b>17,429</b>	<b>0</b>	
19.040	Public Diplomacy Programs		3650	42,382	0	
19.040			6990	66,765	0	
<b>Federal Program 19.040 Total</b>				<b>109,147</b>	<b>0</b>	
19.900	AEECA/ESF Pd Programs		3650	86,482	0	
19.900		142189	3650	11,194	0	PT
<b>Federal Program 19.900 Total</b>				<b>97,676</b>	<b>0</b>	
19.U01	State - Unknown ALN	SECAGD19CA0015	3600	342	0	PT
<b>Federal Program 19.U01 Total</b>				<b>342</b>	<b>0</b>	
19.U02	State - Unknown ALN	P023001005	3700	34,726	0	PT
<b>Federal Program 19.U02 Total</b>				<b>34,726</b>	<b>0</b>	
<b>Dept of State Total</b>				<b>753,401</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.106	Airport Improvement Program, Covid-19 Airports Pro		4050	679,091	0	
<b>Federal Program 20.106 Total</b>				<b>679,091</b>	<b>0</b>	
20.205	Highway Planning and Construction		0100	99,419,410	0	
20.205			4050	706,863,917	243,981,871	
<b>Federal Program 20.205 Total</b>				<b>806,283,327</b>	<b>243,981,871</b>	
20.215	Highway Training and Education		3600	27,405	0	
<b>Federal Program 20.215 Total</b>				<b>27,405</b>	<b>0</b>	
20.219	Recreational Trails Program		4670	1,493,840	1,092,497	
<b>Federal Program 20.219 Total</b>				<b>1,493,840</b>	<b>1,092,497</b>	
20.224	Federal Lands Access Program		3700	137,759	0	
20.224			4050	2,506,197	410,540	
<b>Federal Program 20.224 Total</b>				<b>2,643,956</b>	<b>410,540</b>	
20.232	Commercial Driver's License Program Improvement Gr		2400	23,244	0	
<b>Federal Program 20.232 Total</b>				<b>23,244</b>	<b>0</b>	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort		2400	69,471	0	
<b>Federal Program 20.240 Total</b>				<b>69,471</b>	<b>0</b>	
20.505	Metropolitan Transportation Planning and State and		4050	3,539,332	3,267,915	
<b>Federal Program 20.505 Total</b>				<b>3,539,332</b>	<b>3,267,915</b>	
20.509	Formula Grants for Rural Areas		4050	78,193,106	35,161,007	
<b>Federal Program 20.509 Total</b>				<b>78,193,106</b>	<b>35,161,007</b>	
20.528	Rail Fixed Guideway Public Transportation System S		4050	859,912	0	
<b>Federal Program 20.528 Total</b>				<b>859,912</b>	<b>0</b>	
20.608	Minimum Penalties for Repeat Offenders for Driving		2280	652,324	652,324	
<b>Federal Program 20.608 Total</b>				<b>652,324</b>	<b>652,324</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.614	National Highway Traffic Safety Administration (NHTSA)	K17663	2250	18,571	0	PT
<b>Federal Program 20.614 Total</b>				<b>18,571</b>	<b>0</b>	
20.700	Pipeline Safety Program Base Grants		2150	1,550,037	0	
<b>Federal Program 20.700 Total</b>				<b>1,550,037</b>	<b>0</b>	
20.701	University Transportation Centers Program		3650	2,073,398	1,190,267	
20.701		2016068804WSU	3650	90,692	0	PT
20.701		G227-17-W6460 AMEND 7	3700	135,376	0	PT
<b>Federal Program 20.701 Total</b>				<b>2,299,466</b>	<b>1,190,267</b>	
20.703	Interagency Hazardous Materials Public Sector Training		2450	275,455	50,134	
<b>Federal Program 20.703 Total</b>				<b>275,455</b>	<b>50,134</b>	
20.933	National Infrastructure Investments		4050	641,724	266,594	
<b>Federal Program 20.933 Total</b>				<b>641,724</b>	<b>266,594</b>	
20.U01	DOT - Unknown ALN	693JJ92250153	2280	340,099	0	
<b>Federal Program 20.U01 Total</b>				<b>340,099</b>	<b>0</b>	
20.U02	DOT - Unknown ALN	140742	3650	24,388	0	PT
<b>Federal Program 20.U02 Total</b>				<b>24,388</b>	<b>0</b>	
20.U03	DOT - Unknown ALN	140742001	3650	131,298	0	PT
<b>Federal Program 20.U03 Total</b>				<b>131,298</b>	<b>0</b>	
<b>Dept of Transportation Total</b>				<b>899,746,046</b>	<b>286,073,149</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of the Treasury**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
21.016	Equitable Sharing		1950	23,283	0	
<b>Federal Program 21.016 Total</b>				<b>23,283</b>	<b>0</b>	
21.023	COVID-19 – Emergency Rental Assistance Program		1030	62,485,004	62,201,852	
<b>Federal Program 21.023 Total</b>				<b>62,485,004</b>	<b>62,201,852</b>	
21.026	COVID-19 – Homeowner Assistance Fund		1030	364,093	306,557	
21.026			1480	34,734,910	786,339	
<b>Federal Program 21.026 Total</b>				<b>35,099,003</b>	<b>1,092,896</b>	
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds		0760	300,000,000	0	
21.027			0850	405,000	405,000	
21.027			1030	718,375,816	540,432,325	
21.027			1050	437,612	0	
21.027			1070	124,280,015	0	
21.027			3000	343,588,038	322,012,007	
21.027			3030	130,472,049	0	
21.027			3070	5,500,000	0	
21.027			3100	11,330,217	0	
21.027			3500	34,740,000	0	
<b>Federal Program 21.027 Total</b>				<b>1,669,128,747</b>	<b>862,849,332</b>	
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds		3600	50,000,000	0	
<b>Federal Program 21.027 Total</b>				<b>50,000,000</b>	<b>0</b>	
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	C20220532	3600	66,254	0	PT
21.027			3760	2,076,070	0	
21.027		19711022	3800	59,013	0	PT
21.027		KC-463-22	3800	111,375	0	PT
21.027			3870	963,375	0	
21.027			4050	62,856,047	0	
21.027			4950	93,133,921	83,715,315	
21.027			5400	19,171,966	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of the Treasury**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 21.027 Total</b>				<b>178,438,021</b>	<b>83,715,315</b>	
21.029	COVID-19 – Coronavirus Capital Projects Fund		1030	7,939,951	7,741,789	
<b>Federal Program 21.029 Total</b>				<b>7,939,951</b>	<b>7,741,789</b>	
21.U01	COVID-19 – Department of Treasury - Unknown ALN	DOE21PA82AM01	3600	182,269	0	PT
<b>Federal Program 21.U01 Total</b>				<b>182,269</b>	<b>0</b>	
21.U02	Department of Treasury - Undetermined	SSBCI	1030	5,608	0	
<b>Federal Program 21.U02 Total</b>				<b>5,608</b>	<b>0</b>	
<b>Dept of the Treasury Total</b>				<b>2,003,301,886</b>	<b>1,017,601,184</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**General Services Administration**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
39.003	Donation of Federal Surplus Personal Property		1050	2,366	0	NC
39.003			1790	11,128	0	NC
39.003			3050	257	0	NC
39.003			3870	17	0	NC
39.003			4050	181	0	NC
39.003			4650	1,062	0	NC
39.003			4770	8,285	0	NC
39.003			4900	1,472	0	NC
<b>Federal Program 39.003 Total</b>				<b>24,768</b>	<b>0</b>	
<b>General Services Administration Total</b>				<b>24,768</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**National Aeronautics & Space Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.001	Science		3600	91,668	0	
43.001		1948PO25014770AM01	3600	41,879	0	PT
43.001		400295A	3600	20,794	0	PT
43.001			3650	260,359	75,305	
43.001		1654824	3650	(469)	0	PT
43.001		1667355	3650	11,348	0	PT
43.001		1683016	3650	141,237	0	PT
43.001		HSTGO16188001A	3650	17,266	0	PT
43.001		PZL0226	3650	64,405	0	PT
43.001			3750	1,975,502	779,944	
43.001		239700B	3750	65,266	0	PT
43.001			3800	195,902	0	
43.001		15-710	3800	350,638	0	PT
43.001		1546127	3800	55,039	0	PT
43.001		1652930	3800	71,864	0	PT
<b>Federal Program 43.001 Total</b>				<b>3,362,698</b>	<b>855,249</b>	
43.007	Space Operations		3650	228,323	(6,252)	
43.007		320000109817193	3650	54,935	0	PT
<b>Federal Program 43.007 Total</b>				<b>283,258</b>	<b>(6,252)</b>	
43.008	Office of Stem Engagement (OSTEM)		3600	152,965	0	
<b>Federal Program 43.008 Total</b>				<b>152,965</b>	<b>0</b>	
43.012	Space Technology		3650	69,483	0	
<b>Federal Program 43.012 Total</b>				<b>69,483</b>	<b>0</b>	
<b>National Aeronautics &amp; Space Admin Total</b>				<b>3,868,404</b>	<b>848,997</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**National Foundation on the Arts and the Humanities**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
45.024	Promotion of the Arts Grants to Organizations and		3500	49,812	0	
45.024			3600	20,000	0	
45.024		31095	3750	14,267	0	PT
45.024			3800	25,000	0	
45.024			4050	30,000	0	
45.024			4650	30,000	0	
45.024	COVID-19 – Promotion of the Arts Grants to Organizations and		4650	9,841	0	
<b>Federal Program 45.024 Total</b>				<b>178,920</b>	<b>0</b>	
45.025	Promotion of the Arts Partnership Agreements		3870	833,777	0	
<b>Federal Program 45.025 Total</b>				<b>833,777</b>	<b>0</b>	
45.129	COVID-19 – Promotion of the Humanities Federal/State Partners	ZSO-283165-21	3750	5,208	0	PT
<b>Federal Program 45.129 Total</b>				<b>5,208</b>	<b>0</b>	
45.149	Promotion of the Humanities Division of Preservation		3650	(327)	0	
45.149			3760	6,150	0	
<b>Federal Program 45.149 Total</b>				<b>5,823</b>	<b>0</b>	
45.160	Promotion of the Humanities Fellowships and Stipend		3650	1,440	0	
<b>Federal Program 45.160 Total</b>				<b>1,440</b>	<b>0</b>	
45.161	Promotion of the Humanities Research		3600	92,230	0	
<b>Federal Program 45.161 Total</b>				<b>92,230</b>	<b>0</b>	
45.162	Promotion of the Humanities Teaching and Learning		3650	13,020	0	
45.162			6990	200,397	0	
<b>Federal Program 45.162 Total</b>				<b>213,417</b>	<b>0</b>	
45.169	Promotion of the Humanities Office of Digital Humanities		3650	166,066	42,332	
<b>Federal Program 45.169 Total</b>				<b>166,066</b>	<b>42,332</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**National Foundation on the Arts and the Humanities**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
45.301	Museums for America		3600	107,784	0	
45.301			3950	61,920	0	
<b>Federal Program 45.301 Total</b>				<b>169,704</b>	<b>0</b>	
45.310	Grants to States		0850	4,537,244	183,531	
45.310	COVID-19 – Grants to States		0850	2,620,148	1,745,964	
<b>Federal Program 45.310 Total</b>				<b>7,157,392</b>	<b>1,929,495</b>	
45.312	National Leadership Grants		0850	43,105	0	
45.312			3600	107,214	0	
45.312		POPL00000001155	3600	3,189	0	PT
45.312		UW668549	3600	56,416	0	PT
45.312			3650	36,961	0	
45.312		M2200765	3750	2,010	0	PT
<b>Federal Program 45.312 Total</b>				<b>248,895</b>	<b>0</b>	
45.313	Laura Bush 21st Century Librarian Program		3600	142,150	52,224	
<b>Federal Program 45.313 Total</b>				<b>142,150</b>	<b>52,224</b>	
<b>National Foundation on the Arts and the Humanities Total</b>				<b>9,215,022</b>	<b>2,024,051</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.084	NSF Technology, Innovation, and Partnerships	0000002546	3650	19,780	0	PT
47.084		141948001	3650	29,191	0	PT
<b>Federal Program 47.084 Total</b>				<b>48,971</b>	<b>0</b>	
<b>National Science Foundation Total</b>				<b>48,971</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Small Business Administration**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
59.037	Small Business Development Centers		3650	3,397,202	1,369,930	
59.037			6990	179,862	0	
<b>Federal Program 59.037 Total</b>				<b>3,577,064</b>	<b>1,369,930</b>	
59.061	State Trade Expansion		1030	1,595,855	527,349	
<b>Federal Program 59.061 Total</b>				<b>1,595,855</b>	<b>527,349</b>	
59.075	Shuttered Venue Operators Grant Program		3600	19	0	
<b>Federal Program 59.075 Total</b>				<b>19</b>	<b>0</b>	
<b>Small Business Administration Total</b>				<b>5,172,938</b>	<b>1,897,279</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Department of Veterans Affairs**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.005	Grants to States for Construction of State Home Fa		3050	712,443	0	
<b>Federal Program 64.005 Total</b>				<b>712,443</b>	<b>0</b>	
64.012	Veterans Prescription Service		3050	1,022,580	0	
<b>Federal Program 64.012 Total</b>				<b>1,022,580</b>	<b>0</b>	
64.015	Veterans State Nursing Home Care		3050	53,366,221	0	
<b>Federal Program 64.015 Total</b>				<b>53,366,221</b>	<b>0</b>	
64.024	VA Homeless Providers Grant and Per Diem Program		3050	3,910,683	0	
<b>Federal Program 64.024 Total</b>				<b>3,910,683</b>	<b>0</b>	
64.035	Veterans Transportation Program		3050	51,121	0	
<b>Federal Program 64.035 Total</b>				<b>51,121</b>	<b>0</b>	
64.053	Payments to States for Programs to Promote the Hiring		3050	157,234	0	
<b>Federal Program 64.053 Total</b>				<b>157,234</b>	<b>0</b>	
64.055	Staff Sergeant Parker Gordon Fox Suicide Prevention		3050	190,323	0	
<b>Federal Program 64.055 Total</b>				<b>190,323</b>	<b>0</b>	
64.101	Burial Expenses Allowance for Veterans		3050	553,523	0	
<b>Federal Program 64.101 Total</b>				<b>553,523</b>	<b>0</b>	
64.116	Vocational Rehabilitation for Disabled Veterans		6990	1,232	0	
<b>Federal Program 64.116 Total</b>				<b>1,232</b>	<b>0</b>	
64.124	All-Volunteer Force Educational Assistance		3400	399,796	399,796	
64.124			3540	373,209	0	
64.124			6990	2,510	0	
<b>Federal Program 64.124 Total</b>				<b>775,515</b>	<b>399,796</b>	
64.125	Vocational and Educational Counseling for Servicemembers		6990	1,675	0	
<b>Federal Program 64.125 Total</b>				<b>1,675</b>	<b>0</b>	
64.U01	VA - Unknown ALN	2019-05 EXT	3650	(16,912)	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Department of Veterans Affairs**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 64.U01 Total</b>				<b>(16,912)</b>	<b>0</b>	
64.U02	VA - Unknown ALN	2021-27	3650	46,755	0	
<b>Federal Program 64.U02 Total</b>				<b>46,755</b>	<b>0</b>	
64.U03	VA - Unknown ALN	VA Reporting Fee	3750	11,104	0	
<b>Federal Program 64.U03 Total</b>				<b>11,104</b>	<b>0</b>	
64.U04	VA - Unknown ALN	IPA 2021 17	3650	(7,450)	0	
<b>Federal Program 64.U04 Total</b>				<b>(7,450)</b>	<b>0</b>	
64.U05	VA - Unknown ALN	IPA202108EXT	3650	22,938	0	
<b>Federal Program 64.U05 Total</b>				<b>22,938</b>	<b>0</b>	
64.U06	VA - Unknown ALN	WA150 & WA250	6990	223,038	0	
<b>Federal Program 64.U06 Total</b>				<b>223,038</b>	<b>0</b>	
64.U07	VA - Unknown ALN	Annual Reporting Fee	6990	70,510	0	
<b>Federal Program 64.U07 Total</b>				<b>70,510</b>	<b>0</b>	
<b>Department of Veterans Affairs Total</b>				<b>61,092,533</b>	<b>399,796</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Environmental Protection Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.032	State Indoor Radon Grants		3030	62,547	0	
<b>Federal Program 66.032 Total</b>				<b>62,547</b>	<b>0</b>	
66.040	Diesel Emissions Reduction Act (DERA) State Grants		4610	204,967	204,967	
<b>Federal Program 66.040 Total</b>				<b>204,967</b>	<b>204,967</b>	
66.123	Geographic Programs - Puget Sound Action Agenda: T		3030	4,025,278	2,056,297	
66.123			4050	13,670	0	
66.123			4610	4,625,575	2,653,254	
66.123			4770	5,469,037	0	
66.123		2019-13-WDFW	4770	60	0	PT
<b>Federal Program 66.123 Total</b>				<b>14,133,620</b>	<b>4,709,551</b>	
66.204	Multipurpose Grants to States and Tribes		3030	55,380	0	
66.204			4610	24,331	0	
66.204			4950	4,756	0	
<b>Federal Program 66.204 Total</b>				<b>84,467</b>	<b>0</b>	
66.419	Water Pollution Control State, Interstate, and Tri		3030	191,508	0	
66.419			4610	312,975	0	
<b>Federal Program 66.419 Total</b>				<b>504,483</b>	<b>0</b>	
66.432	State Public Water System Supervision		3030	4,444,675	0	
<b>Federal Program 66.432 Total</b>				<b>4,444,675</b>	<b>0</b>	
66.442	Water Infrastructure Improvements for the Nation S		3030	1,369,591	8,150	
<b>Federal Program 66.442 Total</b>				<b>1,369,591</b>	<b>8,150</b>	
66.444	Voluntary School and Child Care Lead Testing and R		3030	81,880	0	
<b>Federal Program 66.444 Total</b>				<b>81,880</b>	<b>0</b>	
66.454	Water Quality Management Planning		4610	306,363	0	
<b>Federal Program 66.454 Total</b>				<b>306,363</b>	<b>0</b>	
66.456	National Estuary Program		4780	6,444,684	3,056,152	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Environmental Protection Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 66.456 Total</b>				<b>6,444,684</b>	<b>3,056,152</b>	
66.460	Nonpoint Source Implementation Grants		4610	3,118,033	1,784,370	
<b>Federal Program 66.460 Total</b>				<b>3,118,033</b>	<b>1,784,370</b>	
66.461	Regional Wetland Program Development Grants		4610	78,875	0	
66.461			4900	48,178	0	
<b>Federal Program 66.461 Total</b>				<b>127,053</b>	<b>0</b>	
66.472	Beach Monitoring and Notification Program Implementation		4610	345,249	0	
<b>Federal Program 66.472 Total</b>				<b>345,249</b>	<b>0</b>	
66.605	Performance Partnership Grants		1030	307,108	0	
66.605		140239001	3650	19,961	0	PT
66.605			4610	10,234,992	1,893,350	
<b>Federal Program 66.605 Total</b>				<b>10,562,061</b>	<b>1,893,350</b>	
66.608	Environmental Information Exchange Network Grant P		4610	308,179	0	
66.608			4670	174,217	130,948	
66.608			4900	234	0	
<b>Federal Program 66.608 Total</b>				<b>482,630</b>	<b>130,948</b>	
66.700	Consolidated Pesticide Enforcement Cooperative Agr		4950	692,268	0	
<b>Federal Program 66.700 Total</b>				<b>692,268</b>	<b>0</b>	
66.707	TSCA Title IV State Lead Grants Certification of L		1030	120,850	0	
<b>Federal Program 66.707 Total</b>				<b>120,850</b>	<b>0</b>	
66.708	Pollution Prevention Grants Program		4610	272,793	0	
<b>Federal Program 66.708 Total</b>				<b>272,793</b>	<b>0</b>	
66.716	Research, Development, Monitoring, Public Education	SA202240	3650	11,725	0	PT
<b>Federal Program 66.716 Total</b>				<b>11,725</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Environmental Protection Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.801	Hazardous Waste Management State Program Support		4610	2,479,318	0	
<b>Federal Program 66.801 Total</b>				<b>2,479,318</b>	<b>0</b>	
66.802	Superfund State, Political Subdivision, and Indian		4610	251,648	0	
<b>Federal Program 66.802 Total</b>				<b>251,648</b>	<b>0</b>	
66.804	Underground Storage Tank Prevention, Detection and		4610	553,235	0	
<b>Federal Program 66.804 Total</b>				<b>553,235</b>	<b>0</b>	
66.805	Leaking Underground Storage Tank Trust Fund Corrective		4610	543,767	0	
66.805			4620	464,558	0	
<b>Federal Program 66.805 Total</b>				<b>1,008,325</b>	<b>0</b>	
66.808	Solid Waste Management Assistance Grants		3650	53,718	0	
<b>Federal Program 66.808 Total</b>				<b>53,718</b>	<b>0</b>	
66.809	Superfund State and Indian Tribe CORE Program Coop		4610	121,804	0	
<b>Federal Program 66.809 Total</b>				<b>121,804</b>	<b>0</b>	
66.817	State and Tribal Response Program Grants		4610	1,370,883	0	
<b>Federal Program 66.817 Total</b>				<b>1,370,883</b>	<b>0</b>	
66.818	Brownfields Multipurpose, Assessment, Revolving Loan		1030	312,559	180,397	
<b>Federal Program 66.818 Total</b>				<b>312,559</b>	<b>180,397</b>	
66.951	COVID-19 – Environmental Education Grants		3800	27,820	0	
<b>Federal Program 66.951 Total</b>				<b>27,820</b>	<b>0</b>	
66.962	Geographic Programs - Columbia River Basin Restoration		4610	49,848	0	
66.962			4950	149,044	24,463	
<b>Federal Program 66.962 Total</b>				<b>198,892</b>	<b>24,463</b>	
<b>Environmental Protection Agency Total</b>				<b>49,748,141</b>	<b>11,992,348</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Nuclear Regulatory Commission**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
77.008	U.S. Nuclear Regulatory Commission Scholarship and		3650	110,869	0	
77.008			6990	75,000	0	
<b>Federal Program 77.008 Total</b>				<b>185,869</b>	<b>0</b>	
<b>Nuclear Regulatory Commission Total</b>				<b>185,869</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.010	Office of Technology Transitions (OTT)-Technology	UW634329	3600	6,779	0	PT
<b>Federal Program 81.010 Total</b>				<b>6,779</b>	<b>0</b>	
81.041	State Energy Program		1030	1,262,257	0	
<b>Federal Program 81.041 Total</b>				<b>1,262,257</b>	<b>0</b>	
81.042	Weatherization Assistance for Low-Income		1030	4,801,521	4,115,505	
<b>Federal Program 81.042 Total</b>				<b>4,801,521</b>	<b>4,115,505</b>	
81.049	Office of Science Financial Assistance		3600	1,075,823	0	
<b>Federal Program 81.049 Total</b>				<b>1,075,823</b>	<b>0</b>	
81.087	Renewable Energy Research and Development		3600	1,252,809	1,235,088	
81.087		A164189	3600	106,392	0	PT
<b>Federal Program 81.087 Total</b>				<b>1,359,201</b>	<b>1,235,088</b>	
81.106	Transport of Transuranic Wastes to the Waste Isola	K16784	2250	102,451	29,966	PT
<b>Federal Program 81.106 Total</b>				<b>102,451</b>	<b>29,966</b>	
81.112	Stewardship Science Grant Program		3650	5,719,436	770,377	
81.112		203186WSU	3650	418,392	0	PT
<b>Federal Program 81.112 Total</b>				<b>6,137,828</b>	<b>770,377</b>	
81.117	Energy Efficiency and Renewable Energy Information		3650	309,894	1,599	
<b>Federal Program 81.117 Total</b>				<b>309,894</b>	<b>1,599</b>	
81.121	Nuclear Energy Research, Development and Demonstration		3650	365,176	68,525	
<b>Federal Program 81.121 Total</b>				<b>365,176</b>	<b>68,525</b>	
81.122	Electricity Research, Development and Analysis		3650	(748)	(748)	
<b>Federal Program 81.122 Total</b>				<b>(748)</b>	<b>(748)</b>	
81.U01	Energy - Unknown ALN	670040	3600	301	0	PT
<b>Federal Program 81.U01 Total</b>				<b>301</b>	<b>0</b>	
81.U02	Energy - Unknown ALN	0F60172	3650	23,882	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U02 Total</b>				<b>23,882</b>	<b>0</b>	
81.U03	Energy - Unknown ALN	CONTRACT648225	3600	18,200	0	PT
<b>Federal Program 81.U03 Total</b>				<b>18,200</b>	<b>0</b>	
81.U04	Energy - Unknown ALN	CWC078PHY2012033	3600	15,024	0	PT
<b>Federal Program 81.U04 Total</b>				<b>15,024</b>	<b>0</b>	
81.U05	Energy - Unknown ALN	MA243766TO339065MOD0	3600	548	0	PT
<b>Federal Program 81.U05 Total</b>				<b>548</b>	<b>0</b>	
81.U06	Energy - Unknown ALN	135945001	3650	(1,102)	0	PT
<b>Federal Program 81.U06 Total</b>				<b>(1,102)</b>	<b>0</b>	
81.U07	Energy - Unknown ALN	1F60533	3650	10,624	0	PT
<b>Federal Program 81.U07 Total</b>				<b>10,624</b>	<b>0</b>	
81.U08	Energy - Unknown ALN	201360	3650	188,305	0	PT
<b>Federal Program 81.U08 Total</b>				<b>188,305</b>	<b>0</b>	
81.U09	Energy - Unknown ALN	260738	3650	130,476	0	PT
<b>Federal Program 81.U09 Total</b>				<b>130,476</b>	<b>0</b>	
81.U10	Energy - Unknown ALN	339057	3650	726	0	PT
<b>Federal Program 81.U10 Total</b>				<b>726</b>	<b>0</b>	
81.U11	Energy - Unknown ALN	358928	3650	19,769	0	PT
<b>Federal Program 81.U11 Total</b>				<b>19,769</b>	<b>0</b>	
81.U12	Energy - Unknown ALN	500860	3650	(1,143)	0	PT
<b>Federal Program 81.U12 Total</b>				<b>(1,143)</b>	<b>0</b>	
81.U13	Energy - Unknown ALN	502231	3650	24,445	0	PT
<b>Federal Program 81.U13 Total</b>				<b>24,445</b>	<b>0</b>	
81.U14	Energy - Unknown ALN	506560	3650	36,497	0	PT
<b>Federal Program 81.U14 Total</b>				<b>36,497</b>	<b>0</b>	
81.U15	Energy - Unknown ALN	506570	3650	199,336	0	PT
<b>Federal Program 81.U15 Total</b>				<b>199,336</b>	<b>0</b>	
81.U16	Energy - Unknown ALN	526597	3650	5,312	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U16 Total</b>				<b>5,312</b>	<b>0</b>	
81.U17	Energy - Unknown ALN	528677	3650	58,102	0	PT
<b>Federal Program 81.U17 Total</b>				<b>58,102</b>	<b>0</b>	
81.U18	Energy - Unknown ALN	540055	3650	18,577	0	PT
<b>Federal Program 81.U18 Total</b>				<b>18,577</b>	<b>0</b>	
81.U19	Energy - Unknown ALN	540570	3650	8,478	0	PT
<b>Federal Program 81.U19 Total</b>				<b>8,478</b>	<b>0</b>	
81.U20	Energy - Unknown ALN	551933	3650	5,586	0	PT
<b>Federal Program 81.U20 Total</b>				<b>5,586</b>	<b>0</b>	
81.U21	Energy - Unknown ALN	555239	3650	(284)	0	PT
<b>Federal Program 81.U21 Total</b>				<b>(284)</b>	<b>0</b>	
81.U22	Energy - Unknown ALN	BPA	1030	1,755,778	1,450,289	
<b>Federal Program 81.U22 Total</b>				<b>1,755,778</b>	<b>1,450,289</b>	
81.U23	Energy - Unknown ALN	561086	3650	93,607	0	PT
<b>Federal Program 81.U23 Total</b>				<b>93,607</b>	<b>0</b>	
81.U24	Energy - Unknown ALN	562117	3650	12,717	0	PT
<b>Federal Program 81.U24 Total</b>				<b>12,717</b>	<b>0</b>	
81.U25	Energy - Unknown ALN	56682	3650	39	0	PT
<b>Federal Program 81.U25 Total</b>				<b>39</b>	<b>0</b>	
81.U26	Energy - Unknown ALN	569664	3650	3,729	0	PT
<b>Federal Program 81.U26 Total</b>				<b>3,729</b>	<b>0</b>	
81.U27	Energy - Unknown ALN	578270	3650	59,038	0	PT
<b>Federal Program 81.U27 Total</b>				<b>59,038</b>	<b>0</b>	
81.U28	Energy - Unknown ALN	578780	3650	60,847	0	PT
<b>Federal Program 81.U28 Total</b>				<b>60,847</b>	<b>0</b>	
81.U29	Energy - Unknown ALN	586620	3650	65,073	0	PT
<b>Federal Program 81.U29 Total</b>				<b>65,073</b>	<b>0</b>	
81.U30	Energy - Unknown ALN	592418	3650	37,009	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U30 Total</b>				<b>37,009</b>	<b>0</b>	
81.U31	Energy - Unknown ALN	595028	3650	421,019	0	PT
<b>Federal Program 81.U31 Total</b>				<b>421,019</b>	<b>0</b>	
81.U32	Energy - Unknown ALN	596816	3650	6	0	PT
<b>Federal Program 81.U32 Total</b>				<b>6</b>	<b>0</b>	
81.U33	Energy - Unknown ALN	606555	3650	68,912	0	PT
<b>Federal Program 81.U33 Total</b>				<b>68,912</b>	<b>0</b>	
81.U34	Energy - Unknown ALN	607066	3650	36,179	0	PT
<b>Federal Program 81.U34 Total</b>				<b>36,179</b>	<b>0</b>	
81.U35	Energy - Unknown ALN	607067	3650	27,105	0	PT
<b>Federal Program 81.U35 Total</b>				<b>27,105</b>	<b>0</b>	
81.U36	Energy - Unknown ALN	607899	3650	63,369	0	PT
<b>Federal Program 81.U36 Total</b>				<b>63,369</b>	<b>0</b>	
81.U37	Energy - Unknown ALN	607903	3650	104,926	0	PT
<b>Federal Program 81.U37 Total</b>				<b>104,926</b>	<b>0</b>	
81.U38	Energy - Unknown ALN	608584	3650	17,030	0	PT
<b>Federal Program 81.U38 Total</b>				<b>17,030</b>	<b>0</b>	
81.U39	Energy - Unknown ALN	617259	3650	(6,327)	0	PT
<b>Federal Program 81.U39 Total</b>				<b>(6,327)</b>	<b>0</b>	
81.U40	Energy - Unknown ALN	617774	3650	21,536	0	PT
<b>Federal Program 81.U40 Total</b>				<b>21,536</b>	<b>0</b>	
81.U41	Energy - Unknown ALN	622797	3650	4,060	0	PT
<b>Federal Program 81.U41 Total</b>				<b>4,060</b>	<b>0</b>	
81.U42	Energy - Unknown ALN	624215	3650	149,778	0	
<b>Federal Program 81.U42 Total</b>				<b>149,778</b>	<b>0</b>	
81.U43	Energy - Unknown ALN	630348	3650	88,236	0	PT
<b>Federal Program 81.U43 Total</b>				<b>88,236</b>	<b>0</b>	
81.U44	Energy - Unknown ALN	639155	3650	45,539	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U44 Total</b>				<b>45,539</b>	<b>0</b>	
81.U45	Energy - Unknown ALN	640024	3650	46,872	0	
<b>Federal Program 81.U45 Total</b>				<b>46,872</b>	<b>0</b>	
81.U46	Energy - Unknown ALN	640538	3650	44,697	0	PT
<b>Federal Program 81.U46 Total</b>				<b>44,697</b>	<b>0</b>	
81.U47	Energy - Unknown ALN	645415	3650	16,799	0	PT
<b>Federal Program 81.U47 Total</b>				<b>16,799</b>	<b>0</b>	
81.U48	Energy - Unknown ALN	646731	3650	35,772	0	PT
<b>Federal Program 81.U48 Total</b>				<b>35,772</b>	<b>0</b>	
81.U49	Energy - Unknown ALN	647895	3650	50,212	0	PT
<b>Federal Program 81.U49 Total</b>				<b>50,212</b>	<b>0</b>	
81.U50	Energy - Unknown ALN	652544	3650	2,092	0	PT
<b>Federal Program 81.U50 Total</b>				<b>2,092</b>	<b>0</b>	
81.U51	Energy - Unknown ALN	660277	3650	27,350	0	PT
<b>Federal Program 81.U51 Total</b>				<b>27,350</b>	<b>0</b>	
81.U52	Energy - Unknown ALN	660542	3650	25,347	0	PT
<b>Federal Program 81.U52 Total</b>				<b>25,347</b>	<b>0</b>	
81.U53	Energy - Unknown ALN	660632	3650	25,347	0	PT
<b>Federal Program 81.U53 Total</b>				<b>25,347</b>	<b>0</b>	
81.U54	Energy - Unknown ALN	660633	3650	25,415	0	PT
<b>Federal Program 81.U54 Total</b>				<b>25,415</b>	<b>0</b>	
81.U55	Energy - Unknown ALN	668027	3650	23,528	0	PT
<b>Federal Program 81.U55 Total</b>				<b>23,528</b>	<b>0</b>	
81.U56	Energy - Unknown ALN	668215	3650	209	0	PT
<b>Federal Program 81.U56 Total</b>				<b>209</b>	<b>0</b>	
81.U57	Energy - Unknown ALN	670797	3650	9,701	0	PT
<b>Federal Program 81.U57 Total</b>				<b>9,701</b>	<b>0</b>	
81.U58	Energy - Unknown ALN	671664	3650	9,602	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U58 Total</b>				<b>9,602</b>	<b>0</b>	
81.U59	Energy - Unknown ALN	675071	3650	8,486	0	PT
<b>Federal Program 81.U59 Total</b>				<b>8,486</b>	<b>0</b>	
81.U60	Energy - Unknown ALN	74081	3650	28,331	0	PT
<b>Federal Program 81.U60 Total</b>				<b>28,331</b>	<b>0</b>	
81.U61	Energy - Unknown ALN	74081014	3650	10,000	0	PT
<b>Federal Program 81.U61 Total</b>				<b>10,000</b>	<b>0</b>	
81.U62	Energy - Unknown ALN	7624942	3650	106,499	0	PT
<b>Federal Program 81.U62 Total</b>				<b>106,499</b>	<b>0</b>	
81.U63	Energy - Unknown ALN	78119	3650	274,153	0	PT
<b>Federal Program 81.U63 Total</b>				<b>274,153</b>	<b>0</b>	
81.U64	Energy - Unknown ALN	89009	3650	591,171	572,577	
<b>Federal Program 81.U64 Total</b>				<b>591,171</b>	<b>572,577</b>	
81.U65	Energy - Unknown ALN	89009002	3650	586,104	544,043	
<b>Federal Program 81.U65 Total</b>				<b>586,104</b>	<b>544,043</b>	
81.U66	Energy - Unknown ALN	92162	3650	11,161	0	
<b>Federal Program 81.U66 Total</b>				<b>11,161</b>	<b>0</b>	
81.U67	Energy - Unknown ALN	B644928	3650	(19)	0	PT
<b>Federal Program 81.U67 Total</b>				<b>(19)</b>	<b>0</b>	
81.U68	Energy - Unknown ALN	B649812	3650	309,930	0	PT
<b>Federal Program 81.U68 Total</b>				<b>309,930</b>	<b>0</b>	
81.U69	Energy - Unknown ALN	B651327	3650	131,904	0	PT
<b>Federal Program 81.U69 Total</b>				<b>131,904</b>	<b>0</b>	
81.U70	Energy - Unknown ALN	C1937	3650	126,171	0	PT
<b>Federal Program 81.U70 Total</b>				<b>126,171</b>	<b>0</b>	
81.U71	Energy - Unknown ALN	C3249	3650	622	0	PT
<b>Federal Program 81.U71 Total</b>				<b>622</b>	<b>0</b>	
81.U72	Energy - Unknown ALN	C3604	3650	8,214	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U72 Total</b>				<b>8,214</b>	<b>0</b>	
81.U73	Energy - Unknown ALN	CW40881	3650	209,152	0	PT
<b>Federal Program 81.U73 Total</b>				<b>209,152</b>	<b>0</b>	
81.U74	Energy - Unknown ALN	CW41355	3650	77,867	0	PT
<b>Federal Program 81.U74 Total</b>				<b>77,867</b>	<b>0</b>	
81.U75	Energy - Unknown ALN	IF60329	3650	32,425	0	PT
<b>Federal Program 81.U75 Total</b>				<b>32,425</b>	<b>0</b>	
81.U76	Energy - Unknown ALN	SC0017923	3650	77,535	0	
<b>Federal Program 81.U76 Total</b>				<b>77,535</b>	<b>0</b>	
81.U77	Energy - Unknown ALN	SUB202310185	3650	4,173	0	PT
<b>Federal Program 81.U77 Total</b>				<b>4,173</b>	<b>0</b>	
81.U78	Energy - Unknown ALN	XFC87033101	3650	60,303	0	PT
<b>Federal Program 81.U78 Total</b>				<b>60,303</b>	<b>0</b>	
81.U79	Energy - Unknown ALN	628837	3800	19,672	0	PT
<b>Federal Program 81.U79 Total</b>				<b>19,672</b>	<b>0</b>	
81.U80	Energy - Unknown ALN	none	6990	199,420	0	
<b>Federal Program 81.U80 Total</b>				<b>199,420</b>	<b>0</b>	
81.U83	Energy - Unknown ALN	0201.22.073754	4770	93,641	0	PT
<b>Federal Program 81.U83 Total</b>				<b>93,641</b>	<b>0</b>	
81.U84	Energy - Unknown ALN	0303.20.07318	4770	37,598	0	PT
<b>Federal Program 81.U84 Total</b>				<b>37,598</b>	<b>0</b>	
81.U85	Energy - Unknown ALN	1995-027-00	4770	(3,128)	0	PT
<b>Federal Program 81.U85 Total</b>				<b>(3,128)</b>	<b>0</b>	
81.U86	Energy - Unknown ALN	22-026G	4770	434,567	0	PT
<b>Federal Program 81.U86 Total</b>				<b>434,567</b>	<b>0</b>	
81.U87	Energy - Unknown ALN	22-138G	4770	(4,183)	0	PT
<b>Federal Program 81.U87 Total</b>				<b>(4,183)</b>	<b>0</b>	
81.U88	Energy - Unknown ALN	22-139G	4770	(10,680)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 81.U88 Total</b>				<b>(10,680)</b>	<b>0</b>	
<b>Dept of Energy Total</b>				<b>23,075,078</b>	<b>8,787,221</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.002	Adult Education - Basic Grants to States	n/a	6990	12,698,564	0	
<b>Federal Program 84.002 Total</b>				<b>12,698,564</b>	<b>0</b>	
84.010	Title I Grants to Local Educational Agencies	84.010A	3500	275,983,113	271,310,922	
84.010		1003-51	6990	60,060	0	PT
<b>Federal Program 84.010 Total</b>				<b>276,043,173</b>	<b>271,310,922</b>	
84.011	Migrant Education_State Grant Program	84.011A	3500	32,509,609	22,001,322	
<b>Federal Program 84.011 Total</b>				<b>32,509,609</b>	<b>22,001,322</b>	
84.013	Title I State Agency Program for Neglected and DEL	84.013A	3500	2,784,732	2,756,388	
<b>Federal Program 84.013 Total</b>				<b>2,784,732</b>	<b>2,756,388</b>	
84.015	National Resource Centers Program for Foreign Lang	84.015A	3600	636,794	149,374	
84.015		84.015B	3600	1,278,050	0	
<b>Federal Program 84.015 Total</b>				<b>1,914,844</b>	<b>149,374</b>	
84.016	Undergraduate International Studies and Foreign La	n/a	6990	74,577	0	
<b>Federal Program 84.016 Total</b>				<b>74,577</b>	<b>0</b>	
84.031	Higher Education_Institutional Aid	84.031L	3600	148,909	0	
84.031		84.031S	3600	27,183	0	PT
84.031		P031A200206	3700	315,781	0	
84.031		P031A220151	3760	109,683	0	
84.031		1671,22601,70143,PO31A	6990	7,731,386	0	
<b>Federal Program 84.031 Total</b>				<b>8,332,942</b>	<b>0</b>	
84.048	Career and Technical Education -- Basic Grants to	V048A200047	3540	655,037	506,434	
84.048		V048A210047	3540	11,296,725	7,927,151	
84.048		V048A220047	3540	10,942,531	0	
84.048		n/a	6990	1,426,583	0	
<b>Federal Program 84.048 Total</b>				<b>24,320,876</b>	<b>8,433,585</b>	
84.101	Career and Technical Education - Grants to Native	18190309ES	6990	43,231	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 84.101 Total</b>				<b>43,231</b>	<b>0</b>	
84.116	Fund for the Improvement of Postsecondary Education	84.116Z	3600	182,252	0	
84.116		P116Z23001	6990	675,138	0	
<b>Federal Program 84.116 Total</b>				<b>857,390</b>	<b>0</b>	
84.126	Rehabilitation Services Vocational Rehabilitation	126A10	3000	13,561,484	0	
84.126		126A20	3000	25,239,636	0	
84.126		126A30	3000	1,010,529	0	
84.126		PROGRAM INCOME	3000	14,216,241	0	
84.126		H126	3150	11,130,287	0	
84.126		Program Income	3150	369,413	0	
<b>Federal Program 84.126 Total</b>				<b>65,527,590</b>	<b>0</b>	
84.129	Rehabilitation Long-Term Training	H129B190019 - 21	3800	223,631	0	
<b>Federal Program 84.129 Total</b>				<b>223,631</b>	<b>0</b>	
84.141	Migrant Education_High School Equivalency Program	84.141A	3650	225,858	0	
<b>Federal Program 84.141 Total</b>				<b>225,858</b>	<b>0</b>	
84.141	Migrant Education_High School Equivalency Program	S141A210017	3750	459,562	0	
84.141		70141	6990	916,915	0	
<b>Federal Program 84.141 Total</b>				<b>1,376,477</b>	<b>0</b>	
84.144	Migrant Education_Coordination Program	84.144F	3500	72,524	0	
<b>Federal Program 84.144 Total</b>				<b>72,524</b>	<b>0</b>	
84.149	Migrant Education_College Assistance Migrant Program		3650	507,547	0	
84.149		S149A200032 ACTION#1	3700	57,817	0	
84.149		S149A200032-22 ACT#8	3700	385,422	0	
84.149		S149AA200032	3700	59,121	0	
84.149		S149A210008	3750	460,156	0	
84.149		70140	6990	1,762,762	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 84.149 Total</b>				<b>3,232,825</b>	<b>0</b>	
84.177	Rehabilitation Services Independent Living Service	H177	3150	984,983	984,983	
<b>Federal Program 84.177 Total</b>				<b>984,983</b>	<b>984,983</b>	
84.181	Special Education-Grants for Infants and Families	0	3070	10,410,345	6,091,681	
84.181	COVID-19 – Special Education-Grants for Infants and Families	0	3070	1,703,591	1,624,421	
<b>Federal Program 84.181 Total</b>				<b>12,113,936</b>	<b>7,716,102</b>	
84.184	School Safety National Activities (Formerly, Safe	84.184F	3500	731,415	104,175	
84.184		84.184X	3600	179,314	0	
<b>Federal Program 84.184 Total</b>				<b>910,729</b>	<b>104,175</b>	
84.187	Supported Employment Services for Individuals With	187A30	3000	170,926	0	
84.187		187B30	3000	170,926	0	
84.187		H187	3150	78	0	
<b>Federal Program 84.187 Total</b>				<b>341,930</b>	<b>0</b>	
84.196	Education for Homeless Children and Youth	84.196A	3500	1,626,072	1,288,298	
<b>Federal Program 84.196 Total</b>				<b>1,626,072</b>	<b>1,288,298</b>	
84.200	Graduate Assistance in Areas of National Need		3650	329,005	0	
84.200		P200A210129	3700	183,268	0	
<b>Federal Program 84.200 Total</b>				<b>512,273</b>	<b>0</b>	
84.215	Innovative Approaches to Literacy; Promise Neighborhoods	84.215K	3600	464,329	0	
<b>Federal Program 84.215 Total</b>				<b>464,329</b>	<b>0</b>	
84.220	Centers for International Business Education	84.220A	3600	284,016	0	
<b>Federal Program 84.220 Total</b>				<b>284,016</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.287	Twenty-First Century Community Learning Centers	84.287C	3500	20,617,701	19,426,808	
<b>Federal Program 84.287 Total</b>				<b>20,617,701</b>	<b>19,426,808</b>	
84.323	Special Education - State Personnel Development	84.323A	3500	1,204,337	793,119	
<b>Federal Program 84.323 Total</b>				<b>1,204,337</b>	<b>793,119</b>	
84.325	Special Education - Personnel Development to Impro	84.325L	3500	177,741	138,543	
84.325		84.325P	3500	243,237	12,890	
84.325		84.325D	3600	297,815	29,242	
84.325		84.325H	3600	130,691	0	PT
84.325		84.325K	3600	458,747	0	
84.325		84.325N	3600	136,589	0	
<b>Federal Program 84.325 Total</b>				<b>1,444,820</b>	<b>180,675</b>	
84.326	Special Education_Technical Assistance and Dissemination	84.326T	3500	239,145	239,145	
84.326		84.326K	3600	36,108	0	PT
<b>Federal Program 84.326 Total</b>				<b>275,253</b>	<b>239,145</b>	
84.334	Gaining Early Awareness and Readiness for Undergraduate	P334S1700009	3400	4,021,097	4,021,097	
84.334		84.334A	3600	11,638,602	8,360,615	
84.334			3650	11,569,553	917,499	
<b>Federal Program 84.334 Total</b>				<b>27,229,252</b>	<b>13,299,211</b>	
84.335	Child Care Access Means Parents in School	84.335A	3600	107,280	0	
84.335			3650	280,706	0	
84.335		P335A190347	3760	99,851	0	
84.335		P335A2100	6990	587,920	0	
<b>Federal Program 84.335 Total</b>				<b>1,075,757</b>	<b>0</b>	
84.358	Rural Education	84.358B	3500	1,173,037	1,120,450	
<b>Federal Program 84.358 Total</b>				<b>1,173,037</b>	<b>1,120,450</b>	
84.365	English Language Acquisition State Grants	84.365A	3500	17,113,383	16,115,160	
84.365		84.365Z	3600	425,339	103,303	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.365	English Language Acquisition State Grants		3650	63,059	0	
84.365		T365Z220152	3800	155,643	0	
<b>Federal Program 84.365 Total</b>				<b>17,757,424</b>	<b>16,218,463</b>	
84.367	Supporting Effective Instruction State Grant (Form)	84.367A	3500	36,168,763	34,631,431	
<b>Federal Program 84.367 Total</b>				<b>36,168,763</b>	<b>34,631,431</b>	
84.369	Grants for State Assessments and Related Activities	84.369A	3500	6,828,433	0	
<b>Federal Program 84.369 Total</b>				<b>6,828,433</b>	<b>0</b>	
84.372	Statewide Longitudinal Data Systems	84.372A	3500	1,348,639	0	
<b>Federal Program 84.372 Total</b>				<b>1,348,639</b>	<b>0</b>	
84.373	Special Education Technical Assistance on State Da	TO100131Y0001UNIV04	3600	8,836	0	PT
<b>Federal Program 84.373 Total</b>				<b>8,836</b>	<b>0</b>	
84.377	School Improvement Grants	84.377A	3500	66,890	66,890	
<b>Federal Program 84.377 Total</b>				<b>66,890</b>	<b>66,890</b>	
84.382	Strengthening Minority-Serving Institutions	na	6990	1,496,714	0	
<b>Federal Program 84.382 Total</b>				<b>1,496,714</b>	<b>0</b>	
84.407	Transition Programs for Students W/Intellectual DI		3650	477,565	0	
<b>Federal Program 84.407 Total</b>				<b>477,565</b>	<b>0</b>	
84.424	Student Support and Academic Enrichment Program	84.424A	3500	17,228,540	16,392,406	
84.424		84.424F	3500	76,389	0	
<b>Federal Program 84.424 Total</b>				<b>17,304,929</b>	<b>16,392,406</b>	
84.425	COVID-19 – Education Stabilization Fund	COVID-19, 84.425C	3070	4,605,000	0	
84.425		COVID-19, 84.425D	3500	216,743,878	215,752,561	
84.425		COVID-19, 84.425R	3500	16,137,045	13,926,805	
84.425		COVID-19, 84.425U	3500	790,200,921	756,871,373	
84.425		COVID-19, 84.425V	3500	2,827,263	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.425	COVID-19 – Education Stabilization Fund	COVID-19, 84.425W	3500	4,178,788	3,644,474	
84.425		COVID-19, 84.425E	3600	(1,000)	0	
84.425		COVID-19, 84.425E_1	3600	1,000	0	
84.425		COVID-19, 84.425F	3600	11,506,327	0	
84.425		COVID-19, 84.425L	3600	115,715	0	
84.425		COVID-19, 84.425F	3650	5,616	0	
84.425		COVID-19, 84.425E	3700	(1,161)	0	
84.425		COVID-19, 84.425F	3700	2,304,210	0	
84.425		COVID-19, 84.425F	3750	5,208,433	0	
84.425		COVID-19, 84.425M	3750	1,034,050	0	
84.425		COVID-19 84.425E	3760	698	0	
84.425		COVID-19, 84.425E	3800	3,032,988	0	
84.425		COVID-19, 84.425F	3800	1,299,740	0	
84.425		COVID-19, 84.425C	6990	58,967	0	
84.425		COVID-19, 84.425E	6990	16,768,856	0	
84.425		COVID-19, 84.425F	6990	42,808,800	0	
84.425		COVID-19, 84.425L	6990	550,139	0	
84.425		COVID-19, 84.425M	6990	2,306,730	0	
84.425		COVID-19, 84.425P	6990	2,104,755	0	
84.425		COVID-19, 84.425S	6990	446,274	0	
84.425		COVID-19, 84.425T	6990	138,436	0	
<b>Federal Program 84.425 Total</b>				<b>1,124,382,468</b>	<b>990,195,213</b>	
84.U01	Department of Education - Unknown ALN	P408A215267	3650	8,420	0	
<b>Federal Program 84.U01 Total</b>				<b>8,420</b>	<b>0</b>	
84.U02	Department of Education - Unknown ALN	P408A225267	3650	19,503	0	
<b>Federal Program 84.U02 Total</b>				<b>19,503</b>	<b>0</b>	
84.U03	Department of Education - Unknown ALN	Admin Fee	6990	5,342	0	
<b>Federal Program 84.U03 Total</b>				<b>5,342</b>	<b>0</b>	
84.U04	Department of Education - Unknown ALN	84.078	6990	7,940	0	
<b>Federal Program 84.U04 Total</b>				<b>7,940</b>	<b>0</b>	
84.U05	Department of Education - Unknown ALN	PELL Admin Fee	6990	16,335	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 84.U05 Total</b>				<b>16,335</b>	<b>0</b>	
<b>Dept of Education Total</b>				<b>1,706,395,469</b>	<b>1,407,308,960</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**National Archives & Records Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
89.003	National Historical Publications and Records Grant		0850	8,286	2,914	
<b>Federal Program 89.003 Total</b>				<b>8,286</b>	<b>2,914</b>	
<b>National Archives &amp; Records Admin Total</b>				<b>8,286</b>	<b>2,914</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Miscellaneous Commissions**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
90.401	Help America Vote Act Requirements Payments		0850	233,940	0	
<b>Federal Program 90.401 Total</b>				<b>233,940</b>	<b>0</b>	
90.404	COVID-19 – Covid-19 2018 HAVA Election Security Grants		0850	142,476	0	
<b>Federal Program 90.404 Total</b>				<b>142,476</b>	<b>0</b>	
<b>Miscellaneous Commissions Total</b>				<b>376,416</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.041	Special Programs for the Aging_ Title VII, Chapter		3000	71,933	63,514	
<b>Federal Program 93.041 Total</b>				<b>71,933</b>	<b>63,514</b>	
93.042	Special Programs for the Aging Title VII, Chapter		3000	591,686	0	
93.042	COVID-19 – Special Programs for the Aging Title VII, Chapter		3000	347	347	
<b>Federal Program 93.042 Total</b>				<b>592,033</b>	<b>347</b>	
93.043	Special Programs for the Aging_ Title III, Part D_D		3000	682,622	682,622	
93.043	COVID-19 – Special Programs for the Aging_ Title III, Part D_D		3000	302,380	302,380	
<b>Federal Program 93.043 Total</b>				<b>985,002</b>	<b>985,002</b>	
93.048	Special Programs for the Aging Title Iv and Title		3000	77,705	0	
93.048	COVID-19 – Special Programs for the Aging Title IV and Title		3000	297,584	260,663	
<b>Federal Program 93.048 Total</b>				<b>375,289</b>	<b>260,663</b>	
93.052	National Family Caregiver Support, Title III, Part		3000	5,365,588	5,105,057	
93.052	COVID-19 – National Family Caregiver Support, Title III, Part		3000	1,307,683	1,307,683	
<b>Federal Program 93.052 Total</b>				<b>6,673,271</b>	<b>6,412,740</b>	
93.059	Training in General, Pediatric, and Public Health		3600	772,120	0	
<b>Federal Program 93.059 Total</b>				<b>772,120</b>	<b>0</b>	
93.067	Global AIDS		3600	63,883,528	41,848,207	
93.067	COVID-19 – Global AIDS		3600	1,863,959	323,204	
93.067	Global AIDS	001PO001AM02	3600	66,865	0	PT
93.067		2021UWITECH001	3600	48,816	0	PT
93.067		A177143AM01	3600	59,010	0	PT
93.067		A180388AM01	3600	2,155	0	PT
93.067		CDC57928401709063SUBA	3600	1,909,501	214,468	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.067	COVID-19 – Global AIDS	CDC57928401709063SUBA	3600	18,676	0	PT
93.067	Global AIDS	CDCRFAGH212137	3600	793,990	0	PT
93.067	COVID-19 – Global AIDS	CDCRFAGH212137	3600	42,742	0	PT
93.067	Global AIDS	CDCRFAGH212137AM01	3600	215,157	0	PT
93.067	COVID-19 – Global AIDS	CHUW22262223AM01	3600	57,035	0	PT
93.067	Global AIDS	CHUW23602223AM01	3600	136,685	0	PT
93.067		GHIISA001	3600	116,101	0	PT
93.067		NU2GGH00236001UWITEC	3600	18,318	0	PT
93.067		SUB001PO001AM01	3600	226,795	0	PT
93.067		UW632264	3600	117,516	0	PT
93.067		ZIMTECHCOP220001AM	3600	313,571	0	PT
<b>Federal Program 93.067 Total</b>				<b>69,890,420</b>	<b>42,385,879</b>	
93.068	Chronic Diseases: Research, Control, and Prevention	G289IHME01	3600	73,394	0	PT
<b>Federal Program 93.068 Total</b>				<b>73,394</b>	<b>0</b>	
93.069	Public Health Emergency Preparedness		3030	12,114,829	5,857,322	
<b>Federal Program 93.069 Total</b>				<b>12,114,829</b>	<b>5,857,322</b>	
93.070	Environmental Public Health and Emergency Response		3030	950,185	138,052	
<b>Federal Program 93.070 Total</b>				<b>950,185</b>	<b>138,052</b>	
93.071	Medicare Enrollment Assistance Program		1600	445,190	0	
<b>Federal Program 93.071 Total</b>				<b>445,190</b>	<b>0</b>	
93.072	Lifespan Respite Care Program		3000	211,948	57,380	
<b>Federal Program 93.072 Total</b>				<b>211,948</b>	<b>57,380</b>	
93.079	Cooperative Agreements to Promote Adolescent Health		3500	21,418	0	
<b>Federal Program 93.079 Total</b>				<b>21,418</b>	<b>0</b>	
93.084	Prevention of Disease, Disability, and Death By in		3030	316,359	0	
93.084		1170701392448AM05	3600	60,234	0	PT
93.084		395509	3600	140,872	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.084	Prevention of Disease, Disability, and Death By in	493075	3600	43,206	0	PT
93.084		496352	3600	109,139	0	PT
93.084			3650	95,141	0	
<b>Federal Program 93.084 Total</b>				<b>764,951</b>	<b>0</b>	
93.087	Enhance Safety of Children Affected By Substance A	132359001	3650	89,313	0	PT
<b>Federal Program 93.087 Total</b>				<b>89,313</b>	<b>0</b>	
93.090	Guardianship Assistance		3070	9,088	0	
93.090	COVID-19 – Guardianship Assistance		3070	3,373,020	0	
<b>Federal Program 93.090 Total</b>				<b>3,382,108</b>	<b>0</b>	
93.092	Affordable Care Act Personal Resp. Ed Program		3030	973,208	0	
<b>Federal Program 93.092 Total</b>				<b>973,208</b>	<b>0</b>	
93.104	Comprehensive Community Mental Health Services for		1070	3,371,016	2,329,937	
<b>Federal Program 93.104 Total</b>				<b>3,371,016</b>	<b>2,329,937</b>	
93.107	Area Health Education Centers		3600	554,053	371,664	
93.107	COVID-19 – Area Health Education Centers		3600	(4,860)	(4,500)	
<b>Federal Program 93.107 Total</b>				<b>549,193</b>	<b>367,164</b>	
93.110	Maternal and Child Health Federal Consolidated Pro		3030	601,971	315,923	
93.110			3600	1,862,982	241,961	
93.110		1557GZC461	3600	28,686	0	PT
<b>Federal Program 93.110 Total</b>				<b>2,493,639</b>	<b>557,884</b>	
93.116	Project Grants and Cooperative Agreements for Tube		3030	2,085,540	585,130	
<b>Federal Program 93.116 Total</b>				<b>2,085,540</b>	<b>585,130</b>	
93.127	Emergency Medical Services for Children		3030	141,284	0	
93.127		12676SUBPRIOR12428SUB	3600	26,004	0	PT
93.127		13000SUBMOD1	3600	82,703	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.127 Total</b>				<b>249,991</b>	<b>0</b>	
93.130	Cooperative Agreements to States/Territories for T		3030	240,809	0	
<b>Federal Program 93.130 Total</b>				<b>240,809</b>	<b>0</b>	
93.136	Injury Prevention and Control Research and State A		3600	287,498	21,643	
<b>Federal Program 93.136 Total</b>				<b>287,498</b>	<b>21,643</b>	
93.137	Community Programs to Improve Minority Health Gran		3600	79,121	6,627	
93.137		"55624	3650	84,859	0	PT
93.137		6123	6990	32,273	0	PT
<b>Federal Program 93.137 Total</b>				<b>196,253</b>	<b>6,627</b>	
93.145	HIV-Related Training and Technical Assistance		3600	3,824,305	1,953,875	
<b>Federal Program 93.145 Total</b>				<b>3,824,305</b>	<b>1,953,875</b>	
93.150	Projects for Assistance in Transition From Homelessness		1070	1,141,052	1,064,243	
<b>Federal Program 93.150 Total</b>				<b>1,141,052</b>	<b>1,064,243</b>	
93.153	Coordinated Services and Access to Research for Wo	UW633542	3600	4,763	0	PT
<b>Federal Program 93.153 Total</b>				<b>4,763</b>	<b>0</b>	
93.155	Rural Health Research Centers	5122884AM2	3600	147,042	0	PT
<b>Federal Program 93.155 Total</b>				<b>147,042</b>	<b>0</b>	
93.157	Centers of Excellence		3650	26,677	0	
<b>Federal Program 93.157 Total</b>				<b>26,677</b>	<b>0</b>	
93.161	COVID-19 – Health Program for Toxic Substances and Disease Re	100316AM02	3600	9,782	0	PT
93.161	Health Program for Toxic Substances and Disease Re	PO100681	3600	554	0	PT
93.161		PO100681AM01	3600	47,246	0	PT
93.161		PO100797AM01	3600	175,322	0	PT
93.161		PO101010AM02	3600	229,920	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.161 Total</b>				<b>462,824</b>	<b>0</b>	
93.165	Grants to States for Loan Repayment Program		3400	631,673	631,673	
<b>Federal Program 93.165 Total</b>				<b>631,673</b>	<b>631,673</b>	
93.197	Childhood Lead Poisoning Prevention Projects State		3030	487,549	0	
93.197		HC317500	3600	42,917	0	PT
<b>Federal Program 93.197 Total</b>				<b>530,466</b>	<b>0</b>	
93.217	Family Planning_Services		3030	4,164,787	3,224,804	
<b>Federal Program 93.217 Total</b>				<b>4,164,787</b>	<b>3,224,804</b>	
93.236	Grants to States to Support Oral Health Workforce		3030	286,716	195,382	
93.236		19255010690AM03	3600	24,380	0	PT
93.236		23255010690	3600	113,111	0	PT
<b>Federal Program 93.236 Total</b>				<b>424,207</b>	<b>195,382</b>	
93.237	Special Diabetes Program for Indians Diabetes Prev		3650	758,135	39,226	
<b>Federal Program 93.237 Total</b>				<b>758,135</b>	<b>39,226</b>	
93.240	State Capacity Building		3030	450,750	0	
<b>Federal Program 93.240 Total</b>				<b>450,750</b>	<b>0</b>	
93.241	State Rural Hospital Flexibility Program		3030	734,019	37,328	
<b>Federal Program 93.241 Total</b>				<b>734,019</b>	<b>37,328</b>	
93.243	Substance Abuse and Mental Health Services_Project		1070	4,602,635	2,236,632	
93.243		HHSS283201200024I/75S2	1070	280,000	0	PT
93.243			3030	294,732	130,013	
93.243			3500	2,089,560	1,537,747	
93.243			3600	691,544	407,149	
93.243		18102745160AM04	3600	1,343	0	PT
93.243		UW638667	3600	247,912	0	PT
93.243			3650	978,177	102,689	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.243	Substance Abuse and Mental Health Services_Project	"143475001	3650	1,865	0	PT
93.243		"SM085102WSU23	3650	8,416	0	PT
93.243		CSWE-71790	3700	86	0	PT
<b>Federal Program 93.243 Total</b>				<b>9,196,270</b>	<b>4,414,230</b>	
93.247	Advanced Nursing Education Grant Program		3100	643,842	0	
93.247			3650	649,007	104,250	
<b>Federal Program 93.247 Total</b>				<b>1,292,849</b>	<b>104,250</b>	
93.251	Early Hearing Detection and Intervention		3030	251,863	70,915	
93.251			3600	94,367	0	
<b>Federal Program 93.251 Total</b>				<b>346,230</b>	<b>70,915</b>	
93.262	Occupational Safety and Health Program	30011310AM01	3600	22,679	0	PT
93.262		30011410AM01	3600	177,237	0	PT
<b>Federal Program 93.262 Total</b>				<b>199,916</b>	<b>0</b>	
93.266	Health Systems Strengthening and HIV/AIDS Prevention		3600	12,861,043	6,726,669	
<b>Federal Program 93.266 Total</b>				<b>12,861,043</b>	<b>6,726,669</b>	
93.268	Immunization Cooperative Agreements		3030	97,649,969	0	NC
93.268			3030	8,525,708	1,464,482	
93.268	COVID-19 – Immunization Cooperative Agreements		3030	16,132,064	7,053,550	
<b>Federal Program 93.268 Total</b>				<b>122,307,741</b>	<b>8,518,032</b>	
93.270	Viral Hepatitis Prevention and Control		3030	531,820	12,739	
93.270			3600	263,330	0	
<b>Federal Program 93.270 Total</b>				<b>795,150</b>	<b>12,739</b>	
93.297	Teenage Pregnancy Prevention Program		3030	1,361,105	642,205	
<b>Federal Program 93.297 Total</b>				<b>1,361,105</b>	<b>642,205</b>	
93.301	Small Rural Hospital Improvement Grant Program		3030	392,955	377,940	
<b>Federal Program 93.301 Total</b>				<b>392,955</b>	<b>377,940</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.314	Early Hearing Detection and Intervention Information		3030	99,180	0	
<b>Federal Program 93.314 Total</b>				<b>99,180</b>	<b>0</b>	
93.318	Protecting and Improving Health Globally: Building		3600	2,523,512	238,592	
93.318	COVID-19 – Protecting and Improving Health Globally: Building		3600	1,436,101	151,452	
93.318	Protecting and Improving Health Globally: Building	23SBA267	3600	41,679	0	PT
93.318	COVID-19 – Protecting and Improving Health Globally: Building	GRT000021890923	3600	44,021	0	PT
93.318	Protecting and Improving Health Globally: Building		3650	2,370,896	732,500	
93.318		"GT3202107	3650	40,052	0	PT
<b>Federal Program 93.318 Total</b>				<b>6,456,261</b>	<b>1,122,544</b>	
93.322	CSELS Partnership: Strengthening Public Health Lab	564012505262305AM01	3600	241,414	0	PT
<b>Federal Program 93.322 Total</b>				<b>241,414</b>	<b>0</b>	
93.323	Epidemiology and Laboratory Capacity for Infectious		3030	9,375,078	961,290	
93.323	COVID-19 – Epidemiology and Laboratory Capacity for Infectious		3030	189,169,119	16,113,473	
<b>Federal Program 93.323 Total</b>				<b>198,544,197</b>	<b>17,074,763</b>	
93.324	State Health Insurance Assistance Program		1600	1,615,639	0	
<b>Federal Program 93.324 Total</b>				<b>1,615,639</b>	<b>0</b>	
93.326	COVID-19 – Strengthening Public Health Through Surveillance		3650	6,466,606	3,419,478	
<b>Federal Program 93.326 Total</b>				<b>6,466,606</b>	<b>3,419,478</b>	
93.336	Behavioral Risk Factor Surveillance System		3030	788,498	0	
<b>Federal Program 93.336 Total</b>				<b>788,498</b>	<b>0</b>	
93.354	COVID-19 – Public Health Emergency Response: Cooperative Agree		3030	15,439,386	344,550	
<b>Federal Program 93.354 Total</b>				<b>15,439,386</b>	<b>344,550</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.359	Nurse Education, Practice and Retention Grants		3600	146,449	23,290	
<b>Federal Program 93.359 Total</b>				<b>146,449</b>	<b>23,290</b>	
93.367	Flexible Funding Model-Infrastructure Development		4950	629,745	0	
<b>Federal Program 93.367 Total</b>				<b>629,745</b>	<b>0</b>	
93.369	ACL Independent Living State Grants		3000	463,053	385,330	
<b>Federal Program 93.369 Total</b>				<b>463,053</b>	<b>385,330</b>	
93.380	The CDC Public Health Cancer Genomics Program Tran		3030	271,382	102,923	
<b>Federal Program 93.380 Total</b>				<b>271,382</b>	<b>102,923</b>	
93.387	National and State Tobacco Control Program		3030	2,638,992	375,716	
93.387		A701180	3800	89,479	0	PT
<b>Federal Program 93.387 Total</b>				<b>2,728,471</b>	<b>375,716</b>	
93.391	COVID-19 – Activities to Support State, Tribal, Local and Ter		3030	5,311,953	1,588,463	
<b>Federal Program 93.391 Total</b>				<b>5,311,953</b>	<b>1,588,463</b>	
93.408	ARRA - Nurse Faculty Loan Program		3600	13,670	0	OL
93.408			3600	(3,572)	0	OL
<b>Federal Program 93.408 Total</b>				<b>10,098</b>	<b>0</b>	
93.413	The State Flexibility to Stabilize the Market Gran		1600	331,904	0	
<b>Federal Program 93.413 Total</b>				<b>331,904</b>	<b>0</b>	
93.421	Strengthening Public Health Systems and Services	2716877 GSCN	3030	1,820	0	PT
93.421		cbo24350	3030	7,500	0	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services		3600	418,203	0	
93.421	Strengthening Public Health Systems and Services	1462021	3600	2,519	0	PT
93.421		1920GLA064AM01	3600	197,541	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.421	Strengthening Public Health Systems and Services	2021110201MOD01	3600	408,981	36,115	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services	2022041202MOD01	3600	13,409	0	PT
93.421	Strengthening Public Health Systems and Services	2022072003	3600	456,997	0	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services	2023012404	3600	80,000	0	PT
93.421	Strengthening Public Health Systems and Services	2023020201	3600	446,387	0	PT
93.421		220237	3600	113,690	67,338	PT
93.421		230303	3600	49,238	0	PT
93.421		G2117AG0693AM01	3600	28,370	0	PT
93.421		G2128AG0753AM02	3600	84,630	0	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services	G2148AG0768AM01	3600	2,729	0	PT
93.421	Strengthening Public Health Systems and Services	G2433AG1055	3600	65,107	0	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services	G2487AG1123	3600	41,880	0	PT
93.421	Strengthening Public Health Systems and Services	PO7788	3600	31,743	0	PT
93.421		UW669784	3600	284	0	PT
<b>Federal Program 93.421 Total</b>				<b>2,451,028</b>	<b>103,453</b>	
93.426	Improving the Health of Americans Through Prevention		3030	1,804,392	670,432	
<b>Federal Program 93.426 Total</b>				<b>1,804,392</b>	<b>670,432</b>	
93.433	ACL National Institute on Disability, Independent		3600	2,556,864	468,324	
93.433			3650	21,102	0	
<b>Federal Program 93.433 Total</b>				<b>2,577,966</b>	<b>468,324</b>	
93.434	Every Student Succeeds Act/Preschool Development G		3070	7,902,646	631,519	
<b>Federal Program 93.434 Total</b>				<b>7,902,646</b>	<b>631,519</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.435	Innovative State and Local Public Health Strategies		3030	676,247	290,456	
<b>Federal Program 93.435 Total</b>				<b>676,247</b>	<b>290,456</b>	
93.436	Well-Integrated Screening and Evaluation for Women		3030	333,981	112,978	
<b>Federal Program 93.436 Total</b>				<b>333,981</b>	<b>112,978</b>	
93.439	State Physical Activity and Nutrition (Span)		3030	847,231	311,558	
<b>Federal Program 93.439 Total</b>				<b>847,231</b>	<b>311,558</b>	
93.464	ACL Assistive Technology		3600	938,641	0	
<b>Federal Program 93.464 Total</b>				<b>938,641</b>	<b>0</b>	
93.478	Preventing Maternal Deaths: Supporting Maternal Mo		3030	346,318	0	
<b>Federal Program 93.478 Total</b>				<b>346,318</b>	<b>0</b>	
93.488	National Harm Reduction Technical Assistance and S		3600	1,513,024	407,905	
93.488		1312021871867065L	3600	6,500	0	PT
<b>Federal Program 93.488 Total</b>				<b>1,519,524</b>	<b>407,905</b>	
93.493	Congressional Directives		3600	549,779	0	
93.493		20006333	3800	40	0	PT
93.493			6990	914,557	0	
<b>Federal Program 93.493 Total</b>				<b>1,464,376</b>	<b>0</b>	
93.495	COVID-19 – Community Health Workers for Public Health Response		3030	6,862,665	29,410	
<b>Federal Program 93.495 Total</b>				<b>6,862,665</b>	<b>29,410</b>	
93.497	Family Violence Prevention and Services/ Sexual As		3000	1,390,531	0	
<b>Federal Program 93.497 Total</b>				<b>1,390,531</b>	<b>0</b>	
93.498	COVID-19 – Provider Relief Fund and American Rescue Plan (ARP)		3000	8,195	0	
93.498			3050	119,346	0	
93.498			3600	15,234,920	0	

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.498	COVID-19 – Provider Relief Fund and American Rescue Plan (ARP)		3750	127,602	0	
<b>Federal Program 93.498 Total</b>				<b>15,490,063</b>	<b>0</b>	
93.530	Teaching Health Center Graduate Medical Education	5124061	3600	93,031	0	PT
93.530		5126788AM02	3600	126,910	0	PT
<b>Federal Program 93.530 Total</b>				<b>219,941</b>	<b>0</b>	
93.556	Marylee Allen Promoting Safe and Stable Families		3070	4,913,897	0	
93.556		UWA170813	3600	124,375	0	PT
93.556		KC281800 AMENDMENT 3	3700	194,067	0	PT
<b>Federal Program 93.556 Total</b>				<b>5,232,339</b>	<b>0</b>	
93.558	Temporary Assistance for Needy Families		3000	356,600,799	0	
93.558			6990	1,140,401	0	
<b>Federal Program 93.558 Total</b>				<b>357,741,200</b>	<b>0</b>	
93.563	Child Support Enforcement		3000	131,103,521	22,902,773	
<b>Federal Program 93.563 Total</b>				<b>131,103,521</b>	<b>22,902,773</b>	
93.566	Refugee and Entrant Assistance State Administered		1070	94,951	0	
93.566			3000	49,895,849	26,013,856	
<b>Federal Program 93.566 Total</b>				<b>49,990,800</b>	<b>26,013,856</b>	
93.568	Low-Income Home Energy Assistance		1030	89,134,829	83,153,907	
93.568	COVID-19 – Low-Income Home Energy Assistance		1030	18,314,085	16,367,185	
<b>Federal Program 93.568 Total</b>				<b>107,448,914</b>	<b>99,521,092</b>	
93.569	Community Services Block Grant		1030	9,831,012	9,299,067	
93.569	COVID-19 – Community Services Block Grant		1030	2,250,480	2,206,080	
<b>Federal Program 93.569 Total</b>				<b>12,081,492</b>	<b>11,505,147</b>	
93.579	U.S. Repatriation		3000	79,264	0	
<b>Federal Program 93.579 Total</b>				<b>79,264</b>	<b>0</b>	

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.586	State Court Improvement Program		0550	788,533	0	
<b>Federal Program 93.586 Total</b>				<b>788,533</b>	<b>0</b>	
93.590	Community-Based Child Abuse Prevention Grants		3070	1,402,357	661,930	
93.590	COVID-19 – Community-Based Child Abuse Prevention Grants		3070	1,290,971	688,008	
<b>Federal Program 93.590 Total</b>				<b>2,693,328</b>	<b>1,349,938</b>	
93.597	Grants to States for Access and Visitation Program		3000	142,527	122,289	
<b>Federal Program 93.597 Total</b>				<b>142,527</b>	<b>122,289</b>	
93.599	Chafee Education and Training Vouchers Program		3070	1,287,305	688,008	
93.599	COVID-19 – Chafee Education and Training Vouchers Program		3070	346,390	0	
<b>Federal Program 93.599 Total</b>				<b>1,633,695</b>	<b>688,008</b>	
93.602	Assets for Independence Demonstration Program		3650	3,187	0	
<b>Federal Program 93.602 Total</b>				<b>3,187</b>	<b>0</b>	
93.603	Adoption and Legal Guardianship Incentive Payments		3070	179,202	0	
<b>Federal Program 93.603 Total</b>				<b>179,202</b>	<b>0</b>	
93.624	Community Health Access and Rural Transformation (CHART)		1070	282,476	0	
<b>Federal Program 93.624 Total</b>				<b>282,476</b>	<b>0</b>	
93.630	Developmental Disabilities Basic Support and Advocacy		1030	1,102,148	215,878	
93.630	COVID-19 – Developmental Disabilities Basic Support and Advocacy		1030	39,950	39,950	
<b>Federal Program 93.630 Total</b>				<b>1,142,098</b>	<b>255,828</b>	
93.632	University Centers for Excellence in Developmental		3600	615,434	0	
93.632	COVID-19 – University Centers for Excellence in Developmental		3600	41,634	0	

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**State of Washington  
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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.632 Total</b>				<b>657,068</b>	<b>0</b>	
93.643	Children's Justice Grants to States		3070	635,383	0	
<b>Federal Program 93.643 Total</b>				<b>635,383</b>	<b>0</b>	
93.645	Stephanie Tubbs Jones Child Welfare Services Program		3070	4,505,353	0	
<b>Federal Program 93.645 Total</b>				<b>4,505,353</b>	<b>0</b>	
93.652	Adoption Opportunities		3070	1,877,605	0	
<b>Federal Program 93.652 Total</b>				<b>1,877,605</b>	<b>0</b>	
93.658	Foster Care Title Iv-E		3070	119,726,761	0	
93.658	COVID-19 – Foster Care Title Iv-E		3070	20,694,372	0	
93.658	Foster Care Title Iv-E	KC279000 AMEND#4	3700	2,006,771	90,720	PT
93.658		KC287600 AMEND#3	3700	707,031	0	PT
<b>Federal Program 93.658 Total</b>				<b>143,134,935</b>	<b>90,720</b>	
93.659	Adoption Assistance		3070	10,274,263	0	
93.659	COVID-19 – Adoption Assistance		3070	48,583,141	0	
<b>Federal Program 93.659 Total</b>				<b>58,857,404</b>	<b>0</b>	
93.664	Substance Use Disorder Prevention That Promotes OP		1070	894,063	31,389	
<b>Federal Program 93.664 Total</b>				<b>894,063</b>	<b>31,389</b>	
93.665	COVID-19 – Covid-19 Emergency Grants to Address Mental and Substance		1070	1,004,811	799,000	
<b>Federal Program 93.665 Total</b>				<b>1,004,811</b>	<b>799,000</b>	
93.667	Social Services Block Grant		3000	5,675,000	0	
93.667			3070	40,121,187	0	
<b>Federal Program 93.667 Total</b>				<b>45,796,187</b>	<b>0</b>	
93.669	Child Abuse and Neglect State Grants		3070	975,460	0	
93.669	COVID-19 – Child Abuse and Neglect State Grants		3070	734,677	0	
<b>Federal Program 93.669 Total</b>				<b>1,710,137</b>	<b>0</b>	
93.670	Child Abuse and Neglect Discretionary Activities		3070	993,538	409,572	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.670 Total</b>				<b>993,538</b>	<b>409,572</b>	
93.671	Family Violence Prevention and Services/Grants for		3000	2,500,098	2,299,939	
93.671	COVID-19 – Family Violence Prevention and Services/Grants for		3000	2,904,257	2,904,257	
<b>Federal Program 93.671 Total</b>				<b>5,404,355</b>	<b>5,204,196</b>	
93.674	John H. Chafee Foster Care Program for Successful		3070	3,585,041	2,720,375	
93.674	COVID-19 – John H. Chafee Foster Care Program for Successful		3070	1,100,054	867,104	
<b>Federal Program 93.674 Total</b>				<b>4,685,095</b>	<b>3,587,479</b>	
93.696	Certified Community Behavioral Health Clinic Expansion	"142773001	3650	48,110	0	PT
<b>Federal Program 93.696 Total</b>				<b>48,110</b>	<b>0</b>	
93.732	Mental and Behavioral Health Education and Training		3600	285,279	0	
<b>Federal Program 93.732 Total</b>				<b>285,279</b>	<b>0</b>	
93.734	Empowering Older Adults & Adults With Disabilities		3000	252,939	0	
<b>Federal Program 93.734 Total</b>				<b>252,939</b>	<b>0</b>	
93.747	Elder Abuse Prevention Interventions Program		3000	441,306	0	
93.747	COVID-19 – Elder Abuse Prevention Interventions Program		3000	2,868,080	0	
<b>Federal Program 93.747 Total</b>				<b>3,309,386</b>	<b>0</b>	
93.767	Children's Health Insurance Program		1070	656,353	0	
93.767	COVID-19 – Children's Health Insurance Program		1070	153,506,990	0	
93.767	Children's Health Insurance Program		3000	710,393	0	
93.767	COVID-19 – Children's Health Insurance Program		3000	31,089	0	
<b>Federal Program 93.767 Total</b>				<b>154,904,825</b>	<b>0</b>	
93.788	Opioid STR		1070	24,193,660	17,819,320	

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.788	Opioid STR	167154AM01	3600	5,737	0	PT
93.788		167154AM02	3600	83,750	0	PT
93.788			3650	73,572	0	
<b>Federal Program 93.788 Total</b>				<b>24,356,719</b>	<b>17,819,320</b>	
93.791	Money Follows the Person Rebalancing Demonstration		3000	46,275,743	334,146	
<b>Federal Program 93.791 Total</b>				<b>46,275,743</b>	<b>334,146</b>	
93.800	Organized Approaches to Increase Colorectal Cancer		3030	456,456	109,024	
<b>Federal Program 93.800 Total</b>				<b>456,456</b>	<b>109,024</b>	
93.817	Hospital Preparedness Program (HPP) Ebola Prepared		3030	284,429	269,412	
<b>Federal Program 93.817 Total</b>				<b>284,429</b>	<b>269,412</b>	
93.860	COVID-19 – Emerging Infections Sentinel Networks	2022R3	3600	36	0	PT
93.860		2211R1	3600	20,621	0	PT
<b>Federal Program 93.860 Total</b>				<b>20,657</b>	<b>0</b>	
93.870	Maternal, Infant and Early Childhood Home Visiting		3070	10,234,504	8,577,522	
93.870	COVID-19 – Maternal, Infant and Early Childhood Home Visiting		3070	2,129,294	1,459,684	
<b>Federal Program 93.870 Total</b>				<b>12,363,798</b>	<b>10,037,206</b>	
93.876	Antimicrobial Resistance Surveillance in Retail Fo		3030	175,074	0	
<b>Federal Program 93.876 Total</b>				<b>175,074</b>	<b>0</b>	
93.877	Autism Collaboration, Accountability, Research, Ed	1557GZC461AM01	3600	7,246	0	PT
93.877		2000GYC804AM002	3600	49,114	0	PT
93.877		2000GYC804AM03	3600	166,832	0	PT
<b>Federal Program 93.877 Total</b>				<b>223,192</b>	<b>0</b>	
93.884	Primary Care Training and Enhancement		3650	363,937	9,540	
<b>Federal Program 93.884 Total</b>				<b>363,937</b>	<b>9,540</b>	

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93.889	National Bioterrorism Hospital Preparedness Program		3030	3,889,125	2,389,984	
93.889	COVID-19 – National Bioterrorism Hospital Preparedness Program		3030	17,320	17,148	
93.889	National Bioterrorism Hospital Preparedness Program	11786SC	3600	53,318	0	PT
93.889		11786SCAM03	3600	39,989	0	PT
<b>Federal Program 93.889 Total</b>				<b>3,999,752</b>	<b>2,407,132</b>	
93.898	Cancer Prevention and Control Programs for State,		3030	4,757,162	2,837,378	
<b>Federal Program 93.898 Total</b>				<b>4,757,162</b>	<b>2,837,378</b>	
93.912	Rural Health Care Services Outreach and Rural Health		3030	686,066	16,944	
<b>Federal Program 93.912 Total</b>				<b>686,066</b>	<b>16,944</b>	
93.913	Grants to States for Operation of Offices of Rural		3030	231,134	0	
<b>Federal Program 93.913 Total</b>				<b>231,134</b>	<b>0</b>	
93.914	HIV Emergency Relief Project Grants	8449 PREV	3100	130,768	0	PT
93.914			3600	368,316	33,485	
<b>Federal Program 93.914 Total</b>				<b>499,084</b>	<b>33,485</b>	
93.917	HIV Care Formula Grants		3030	13,717,726	0	
93.917		HC291600	3600	93,555	0	PT
<b>Federal Program 93.917 Total</b>				<b>13,811,281</b>	<b>0</b>	
93.924	Ryan White HIV/AIDS Dental Reimbursements/Community	1013415_cl	6990	9,166	0	PT
<b>Federal Program 93.924 Total</b>				<b>9,166</b>	<b>0</b>	
93.940	HIV Prevention Activities_Health Department Based		3030	6,677,438	4,731,840	
<b>Federal Program 93.940 Total</b>				<b>6,677,438</b>	<b>4,731,840</b>	
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immuno		3030	1,235,764	874,373	
<b>Federal Program 93.944 Total</b>				<b>1,235,764</b>	<b>874,373</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.945	Assistance Programs for Chronic Disease Prevention		3030	438,102	0	
<b>Federal Program 93.945 Total</b>				<b>438,102</b>	<b>0</b>	
93.946	Cooperative Agreements to Support State-Based Safe		3030	204,446	0	
<b>Federal Program 93.946 Total</b>				<b>204,446</b>	<b>0</b>	
93.958	Block Grants for Community Mental Health Services		1070	22,221,468	14,369,772	
93.958	COVID-19 – Block Grants for Community Mental Health Services		1070	9,375,982	7,524,247	
93.958	Block Grants for Community Mental Health Services	21ASO2486	6990	54,196	0	PT
<b>Federal Program 93.958 Total</b>				<b>31,651,646</b>	<b>21,894,019</b>	
93.959	Block Grants for Prevention and Treatment of Subst		1070	48,126,461	38,978,247	
93.959	COVID-19 – Block Grants for Prevention and Treatment of Subst		1070	21,997,492	19,044,297	
93.959	Block Grants for Prevention and Treatment of Subst	18102745160AM04	3600	101,639	0	PT
93.959		18332745160AM03	3600	34,349	0	PT
93.959		196354	3600	74,918	0	PT
<b>Federal Program 93.959 Total</b>				<b>70,334,859</b>	<b>58,022,544</b>	
93.967	Centers for Disease Control and Prevention Collabo		3030	499,335	0	
93.967		G2530AG1143	3600	35,136	0	PT
<b>Federal Program 93.967 Total</b>				<b>534,471</b>	<b>0</b>	
93.969	PPHF Geriatric Education Centers		3600	798,169	288,143	
<b>Federal Program 93.969 Total</b>				<b>798,169</b>	<b>288,143</b>	
93.970	Health Professions Recruitment Program for Indians	"1016600WSU	3650	86,559	0	PT
<b>Federal Program 93.970 Total</b>				<b>86,559</b>	<b>0</b>	
93.977	Sexually Transmitted Diseases (STD) Prevention and		3030	2,236,418	881,469	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.977	COVID-19 – Sexually Transmitted Diseases (STD) Prevention and		3030	3,738,368	2,217,008	
93.977	Sexually Transmitted Diseases (STD) Prevention and	DM6068818823AM01	3600	57,935	0	PT
<b>Federal Program 93.977 Total</b>				<b>6,032,721</b>	<b>3,098,477</b>	
93.978	Sexually Transmitted Diseases (STD) Provider Educa		3600	2,251,014	105,219	
<b>Federal Program 93.978 Total</b>				<b>2,251,014</b>	<b>105,219</b>	
93.981	Improving Student Health and Academic Achievement		3500	425,324	111,042	
<b>Federal Program 93.981 Total</b>				<b>425,324</b>	<b>111,042</b>	
93.982	Mental Health Disaster Assistance and Emergency Me		1070	492,398	427,017	
93.982	COVID-19 – Mental Health Disaster Assistance and Emergency Me		1070	621	0	
<b>Federal Program 93.982 Total</b>				<b>493,019</b>	<b>427,017</b>	
93.988	Cooperative Agreements for Diabetes Control Program		3030	2,693	0	
<b>Federal Program 93.988 Total</b>				<b>2,693</b>	<b>0</b>	
93.991	Preventive Health and Health Services Block Grant		3030	1,408,157	490,102	
<b>Federal Program 93.991 Total</b>				<b>1,408,157</b>	<b>490,102</b>	
93.994	Maternal and Child Health Services Block Grant to		3030	8,725,136	5,613,634	
93.994		CONTRACT #23-7823	3700	1,383	0	PT
<b>Federal Program 93.994 Total</b>				<b>8,726,519</b>	<b>5,613,634</b>	
93.U01	COVID-19 – HHS - Unknown ALN	0001138839PROJ227752	3600	1,603	0	PT
<b>Federal Program 93.U01 Total</b>				<b>1,603</b>	<b>0</b>	
93.U02	HHS - Unknown ALN	00062660AM05	3600	11,491	0	PT
<b>Federal Program 93.U02 Total</b>				<b>11,491</b>	<b>0</b>	
93.U03	HHS - Unknown ALN	1OT2OD03264401REV	3600	2,778,701	2,210,257	
<b>Federal Program 93.U03 Total</b>				<b>2,778,701</b>	<b>2,210,257</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.U04	HHS - Unknown ALN	AM03	3600	3,568	0	PT
<b>Federal Program 93.U04 Total</b>				<b>3,568</b>	<b>0</b>	
93.U05	HHS - Unknown ALN	CONTRACT2200389	3600	55,102	0	PT
<b>Federal Program 93.U05 Total</b>				<b>55,102</b>	<b>0</b>	
93.U06	HHS - Unknown ALN	MIDS19F0003T0014AMOD	3600	3,372	0	PT
<b>Federal Program 93.U06 Total</b>				<b>3,372</b>	<b>0</b>	
93.U07	HHS - Unknown ALN	MIDS19F0003T0014MOD0	3600	809	0	PT
<b>Federal Program 93.U07 Total</b>				<b>809</b>	<b>0</b>	
93.U08	HHS - Unknown ALN	PO1557PZA551	3600	439	0	PT
<b>Federal Program 93.U08 Total</b>				<b>439</b>	<b>0</b>	
93.U09	COVID-19 – HHS - Unknown ALN	VUMC105667	3600	136,319	0	PT
<b>Federal Program 93.U09 Total</b>				<b>136,319</b>	<b>0</b>	
93.U10	COVID-19 – HHS - Unknown ALN	VUMC97784AM01	3600	42,130	0	PT
<b>Federal Program 93.U10 Total</b>				<b>42,130</b>	<b>0</b>	
93.U11	HHS - Unknown ALN	12427SUB	3650	45,184	0	PT
<b>Federal Program 93.U11 Total</b>				<b>45,184</b>	<b>0</b>	
93.U12	HHS - Unknown ALN	12916SUB	3650	63,061	0	
<b>Federal Program 93.U12 Total</b>				<b>63,061</b>	<b>0</b>	
93.U13	HHS - Unknown ALN	19IPA1916684	3650	13,469	0	
<b>Federal Program 93.U13 Total</b>				<b>13,469</b>	<b>0</b>	
93.U14	HHS - Unknown ALN	21001	3650	12,608	0	PT
<b>Federal Program 93.U14 Total</b>				<b>12,608</b>	<b>0</b>	
93.U15	HHS - Unknown ALN	75D30121C11954	3650	141,096	0	
<b>Federal Program 93.U15 Total</b>				<b>141,096</b>	<b>0</b>	
93.U16	HHS - Unknown ALN	75D30122C15691	3650	104,931	0	
<b>Federal Program 93.U16 Total</b>				<b>104,931</b>	<b>0</b>	
93.U17	HHS - Unknown ALN	HHSN275201300024I	3650	8,648	0	PT
<b>Federal Program 93.U17 Total</b>				<b>8,648</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Programs Not Clustered**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.U18	HHS - Unknown ALN	PO81176	3650	5,433	0	PT
<b>Federal Program 93.U18 Total</b>				<b>5,433</b>	<b>0</b>	
93.U20	HHS - Unknown ALN	HHSP233201500059I/SP23	1070	630,390	0	PT
93.U20		RS2018087209	3650	1,528	0	PT
<b>Federal Program 93.U20 Total</b>				<b>631,918</b>	<b>0</b>	
93.U21	HHS - Unknown ALN	RS2018087209	3650	18,307	0	PT
<b>Federal Program 93.U21 Total</b>				<b>18,307</b>	<b>0</b>	
93.U22	HHS - Unknown ALN	HHS	3030	161,700	0	PT
<b>Federal Program 93.U22 Total</b>				<b>161,700</b>	<b>0</b>	
93.U23	HHS - Unknown ALN	HHSS283201600001C	1070	217,446	0	PT
<b>Federal Program 93.U23 Total</b>				<b>217,446</b>	<b>0</b>	
93.U24	HHS - Unknown ALN	I NU50CK00	6990	5,142	0	PT
<b>Federal Program 93.U24 Total</b>				<b>5,142</b>	<b>0</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>1,898,060,373</b>	<b>419,727,428</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Corp for National & Community Service**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
94.002	AmeriCorps Seniors Retired and Senior Volunteer Pr	62403	6990	80,109	0	PT
<b>Federal Program 94.002 Total</b>				<b>80,109</b>	<b>0</b>	
94.003	AmeriCorps State Commissions Support Grant		1050	573,927	0	
<b>Federal Program 94.003 Total</b>				<b>573,927</b>	<b>0</b>	
94.006	AmeriCorps State and National		1050	9,530,803	9,530,803	
94.006	COVID-19 – AmeriCorps State and National		1050	2,487,573	2,487,573	
94.006	AmeriCorps State and National	2320200	3600	27,351	0	PT
94.006		2320230	3600	160,808	0	PT
94.006			3760	22,687	0	
94.006			3800	1,278,264	0	
94.006			6990	103,532	0	
<b>Federal Program 94.006 Total</b>				<b>13,611,018</b>	<b>12,018,376</b>	
94.008	AmeriCorps Commission Investment Fund		1050	155,319	0	
<b>Federal Program 94.008 Total</b>				<b>155,319</b>	<b>0</b>	
94.021	AmeriCorps Volunteer Generation Fund		1050	7,831	0	
<b>Federal Program 94.021 Total</b>				<b>7,831</b>	<b>0</b>	
<b>Corp for National &amp; Community Service Total</b>				<b>14,428,204</b>	<b>12,018,376</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Federal Programs Not Clustered**

**Executive Office of the President**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
95.001	High Intensity Drug Trafficking Areas Program		2250	436,192	0	
95.001		C120331GSC	2250	3,151	0	PT
95.001		K17921	2250	5,923	0	PT
95.001		K18468	2250	4,433	0	PT
95.001		MB17JWA1NBX3	3600	18,146	0	PT
95.001		PRIMEG20NW0014AAM02	3600	9	0	PT
<b>Federal Program 95.001 Total</b>				<b>467,854</b>	<b>0</b>	
<b>Executive Office of the President Total</b>				<b>467,854</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Dept of Homeland Security**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.008	Non-Profit Security Program		2450	1,140,054	1,140,054	
	<b>Federal Program 97.008 Total</b>			<b>1,140,054</b>	<b>1,140,054</b>	
97.012	Boating Safety Financial Assistance		4650	1,998,535	0	
	<b>Federal Program 97.012 Total</b>			<b>1,998,535</b>	<b>0</b>	
97.023	Community Assistance Program State Support Service		4610	185,508	0	
	<b>Federal Program 97.023 Total</b>			<b>185,508</b>	<b>0</b>	
97.029	Flood Mitigation Assistance		2450	166,290	43,137	
	<b>Federal Program 97.029 Total</b>			<b>166,290</b>	<b>43,137</b>	
97.032	Crisis Counseling		2450	46,194	0	
	<b>Federal Program 97.032 Total</b>			<b>46,194</b>	<b>0</b>	
97.036	COVID-19 – Disaster Grants - Public Assistance (Presidentially)		2450	468,992,326	274,323,150	
	<b>Federal Program 97.036 Total</b>			<b>468,992,326</b>	<b>274,323,150</b>	
97.039	COVID-19 – Hazard Mitigation Grant		2450	3,181,405	2,336,567	
	<b>Federal Program 97.039 Total</b>			<b>3,181,405</b>	<b>2,336,567</b>	
97.041	National Dam Safety Program		4610	231,457	80,430	
	<b>Federal Program 97.041 Total</b>			<b>231,457</b>	<b>80,430</b>	
97.042	Emergency Management Performance Grants		2450	9,651,990	5,664,342	
	<b>Federal Program 97.042 Total</b>			<b>9,651,990</b>	<b>5,664,342</b>	
97.043	State Fire Training Systems Grants		2250	19,179	0	
	<b>Federal Program 97.043 Total</b>			<b>19,179</b>	<b>0</b>	
97.044	Assistance to Firefighters Grant		2250	254,355	0	
	<b>Federal Program 97.044 Total</b>			<b>254,355</b>	<b>0</b>	
97.045	Cooperating Technical Partners		4610	152,695	0	
	<b>Federal Program 97.045 Total</b>			<b>152,695</b>	<b>0</b>	
97.046	Fire Management Assistance Grant		2450	58,957	58,957	
	<b>Federal Program 97.046 Total</b>			<b>58,957</b>	<b>58,957</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Federal Programs Not Clustered**

**Dept of Homeland Security**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.047	BRIC: Building Resilient Infrastructure and Communities		2450	6,887,893	6,540,369	
<b>Federal Program 97.047 Total</b>				<b>6,887,893</b>	<b>6,540,369</b>	
97.056	Port Security Grant Program		2250	530,457	0	
<b>Federal Program 97.056 Total</b>				<b>530,457</b>	<b>0</b>	
97.067	Homeland Security Grant Program		2450	14,419,792	12,759,258	
97.067			4770	11,770	0	
97.067		202109021	4770	22,817	0	PT
97.067		202304006	4770	2,338	0	PT
97.067		Okanogan County Sheriff	4770	38,980	0	PT
97.067		OPSG FY20 LOU WDFW	4770	21,718	0	PT
<b>Federal Program 97.067 Total</b>				<b>14,517,415</b>	<b>12,759,258</b>	
97.082	Earthquake State Assistance		2450	131,431	0	
<b>Federal Program 97.082 Total</b>				<b>131,431</b>	<b>0</b>	
97.091	Homeland Security Biowatch Program	GVL23566	3030	657,666	0	PT
<b>Federal Program 97.091 Total</b>				<b>657,666</b>	<b>0</b>	
97.137	State and Local Cybersecurity Grant Program Tribal		2450	37,595	0	
<b>Federal Program 97.137 Total</b>				<b>37,595</b>	<b>0</b>	
97.U01	Homeland Security - Unknown ALN	Agreement	4770	50,438	0	
<b>Federal Program 97.U01 Total</b>				<b>50,438</b>	<b>0</b>	
97.U02	Homeland Security - Unknown ALN	C1A4000200	3600	14,680	0	PT
<b>Federal Program 97.U02 Total</b>				<b>14,680</b>	<b>0</b>	
97.U03	Homeland Security - Unknown ALN	"G14823W9974"	3650	39,242	0	PT
<b>Federal Program 97.U03 Total</b>				<b>39,242</b>	<b>0</b>	
<b>Dept of Homeland Security Total</b>				<b>508,945,762</b>	<b>302,946,264</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**U.S. Agency for International Development**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
98.001	USAID Foreign Assistance for Programs Overseas	1024620010020011244000	3600	26,292	0	PT
98.001			3650	6,260,846	3,756,188	
98.001		"119339Z9003301	3650	78,924	0	PT
98.001		"WSU004120	3650	202,770	0	PT
<b>Federal Program 98.001 Total</b>				<b>6,568,832</b>	<b>3,756,188</b>	
98.U01	US Agency for Internat Develop - Unknown ALN "19390031245514"		3650	53,531	0	PT
<b>Federal Program 98.U01 Total</b>				<b>53,531</b>	<b>0</b>	
<b>U.S. Agency for International Development Total</b>				<b>6,622,363</b>	<b>3,756,188</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Federal Programs Not Clustered**

**Undetermined Fed Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
99.U01	Unknown Fed Agency Unknown ALN	221290120000000	3600	19,414	0	
<b>Federal Program 99.U01 Total</b>				<b>19,414</b>	<b>0</b>	
99.U02	Unknown Fed Agency Unknown ALN	Highline	6990	1,302,696	0	
<b>Federal Program 99.U02 Total</b>				<b>1,302,696</b>	<b>0</b>	
<b>Undetermined Fed Agency Total</b>				<b>1,322,110</b>	<b>0</b>	
<b>Federal Programs Not Clustered Total</b>				<b>9,301,983,925</b>	<b>3,698,577,202</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.001	Agricultural Research_Basic and Applied Research		3600	73,082	0	
10.001		DAA919653831MOD5	3600	68,280	0	PT
10.001		G20221269598	3600	190,398	9,526	PT
10.001			3650	4,300,078	10,255	
10.001		130576006	3650	77,523	0	PT
10.001		138557	3650	23,551	0	PT
10.001		28377	3650	30,005	0	PT
10.001		29021	3650	23,276	0	PT
10.001		36780	3650	31,087	0	PT
10.001		A009917401	3650	7,694	0	PT
10.001		R0783AA	3650	40,036	0	PT
10.001		R0813AH	3650	61,691	0	PT
10.001			3800	17,800	0	
10.001			4950	64,997	0	
<b>Federal Program 10.001 Total</b>				<b>5,009,498</b>	<b>19,781</b>	
<b>Agricultural Research Service Total</b>				<b>5,009,498</b>	<b>19,781</b>	
10.170	Specialty Crop Block Grant Program - Farm Bill	A210144S002AM03	3600	96,368	0	PT
<b>Federal Program 10.170 Total</b>				<b>96,368</b>	<b>0</b>	
10.174	Acer Access Development Program		3600	250,428	18,497	
<b>Federal Program 10.174 Total</b>				<b>250,428</b>	<b>18,497</b>	
10.176	Dairy Business Innovation Initiatives	SC3511202208	3650	8,854	0	PT
<b>Federal Program 10.176 Total</b>				<b>8,854</b>	<b>0</b>	
<b>Agricultural Marketing Service Total</b>				<b>355,650</b>	<b>18,497</b>	
10.200	Grants for Agricultural Research, Special Research		3600	1,010,479	450,772	
10.200			3650	1,141,424	743,144	
10.200		A201347S062	3650	9	0	PT
10.200		A201347S063	3650	176	0	PT
10.200		A21-3578-S005	3650	6,915	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.200	Grants for Agricultural Research, Special Research	A213578S030	3650	58,303	0	PT
10.200		A221241S002	3650	40,053	0	PT
10.200		AP4292870302	3650	(581)	0	PT
10.200		AP5081870745	3650	17,099	0	PT
10.200		AP5923870186	3650	39,011	0	PT
10.200		RC110588WSU	3650	5,997	0	PT
<b>Federal Program 10.200 Total</b>				<b>2,318,885</b>	<b>1,193,916</b>	
10.202	Cooperative Forestry Research		3600	505,080	0	
10.202			3650	307,136	0	
<b>Federal Program 10.202 Total</b>				<b>812,216</b>	<b>0</b>	
10.203	Payments to Agricultural Experiment Stations Under	NRSP8	3600	9,893	0	PT
10.203			3650	3,085,741	0	
<b>Federal Program 10.203 Total</b>				<b>3,095,634</b>	<b>0</b>	
10.207	Animal Health and Disease Research		3650	127,844	0	
<b>Federal Program 10.207 Total</b>				<b>127,844</b>	<b>0</b>	
10.210	Higher Education - Graduate Fellowships Grant Prog		3600	86,119	0	
<b>Federal Program 10.210 Total</b>				<b>86,119</b>	<b>0</b>	
10.212	Small Business Innovation Research	139060001	3650	122,261	0	PT
10.212		139870001	3650	23,109	0	PT
10.212		141837001	3650	14,425	0	PT
10.212		20213941235662	3650	7,845	0	PT
<b>Federal Program 10.212 Total</b>				<b>167,640</b>	<b>0</b>	
10.215	Sustainable Agriculture Research and Education	201207548	3650	(438)	0	PT
10.215		201207564	3650	(10,449)	0	PT
10.215		G10822W8612	3650	67,865	0	PT
10.215		G12623W921	3650	24,077	0	PT
10.215		G13020W7504	3650	7,370	0	PT
10.215		G13220W7504	3650	(5,158)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.215	Sustainable Agriculture Research and Education	G13520W7507	3650	6,321	6,321	PT
10.215		G15023W9981	3650	31,816	3,675	PT
10.215		G15121W7902	3650	7,390	0	PT
10.215		G16920W7507	3650	603	0	PT
10.215		G20322W7905	3650	23,465	0	PT
10.215		G23422W8615	3650	16,301	0	PT
10.215		G23620W7504	3650	51,583	0	PT
10.215		G23920W7506	3650	(273)	0	PT
10.215		G25421W7904	3650	15,824	0	PT
10.215		G26022W8618	3650	6,447	0	PT
10.215		G29323W9981	3650	6,543	0	PT
10.215		G29423W9988	3650	2,059	0	PT
10.215		G36521W8617	3650	44,392	0	PT
10.215		G36722W9209	3650	21,067	0	PT
10.215		G36921W8612	3650	63,935	6,273	PT
10.215		ONE19350B33243	3650	3,015	0	PT
<b>Federal Program 10.215 Total</b>				<b>383,755</b>	<b>16,269</b>	
10.217	Higher Education - Institution Challenge Grants Pr		3600	7,585	2,671	
<b>Federal Program 10.217 Total</b>				<b>7,585</b>	<b>2,671</b>	
10.219	Biotechnology Risk Assessment Research		3650	82,189	6,185	
<b>Federal Program 10.219 Total</b>				<b>82,189</b>	<b>6,185</b>	
<b>National Institute of Food and Agriculture Total</b>				<b>7,081,867</b>	<b>1,219,041</b>	
10.250	Agricultural and Rural Economic Research		3650	73,394	6,884	
<b>Federal Program 10.250 Total</b>				<b>73,394</b>	<b>6,884</b>	
<b>Economic Research Service Total</b>				<b>73,394</b>	<b>6,884</b>	
10.307	Organic Agriculture Research and Extension Initiat		3650	477,606	89,446	
10.307		202524666	3650	24,979	0	PT
10.307		FAR0035170	3650	94,204	0	PT

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10.307	Organic Agriculture Research and Extension Initiat	G19419W7408	3650	10,450	0	PT
10.307		UMS1389	3650	7,873	0	PT
10.307		WSU004151	3650	(231)	0	PT
<b>Federal Program 10.307 Total</b>				<b>614,881</b>	<b>89,446</b>	
10.310	Agriculture and Food Research Initiative (AFRI)		3600	1,120,073	365,318	
10.310		0001110480	3600	31,958	0	PT
10.310		0001110486	3600	42,228	0	PT
10.310		20142DRESCHLERNIFAA	3600	315,164	0	PT
10.310		60080949SPC1000004542	3600	28,026	0	PT
10.310		A584843AM01	3600	485	0	PT
10.310		P008176601AM01	3600	24,658	0	PT
10.310			3650	10,440,530	2,637,839	
10.310		0000000930	3650	2,784	0	PT
10.310		0000002631	3650	12,678	0	PT
10.310		023423A	3650	21,192	0	PT
10.310		09486017405	3650	11,756	0	PT
10.310		09974217884	3650	102,040	0	PT
10.310		102117659	3650	1	0	PT
10.310		20160356617	3650	52	0	PT
10.310		2023184701	3650	4,053	0	PT
10.310		21A550	3650	25,518	0	PT
10.310		21A59702	3650	49,913	0	PT
10.310		21A60401	3650	370	0	PT
10.310		24012W	3650	43,758	0	PT
10.310		2M0127531	3650	96,953	0	PT
10.310		3TC156	3650	17,271	0	PT
10.310		8605PO137170	3650	1,775	0	PT
10.310		9500092668	3650	3,265	0	PT
10.310		9500092915	3650	43,350	0	PT
10.310		A211270S001	3650	17,173	0	PT
10.310		A221483S020	3650	44,202	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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10.310	Agriculture and Food Research Initiative (AFRI)	AG5936848689	3650	5,656	0	PT
10.310		AWD00000384SUB0000019	3650	36,478	0	PT
10.310		AWD10040101	3650	231	0	PT
10.310		BJKQ80SB001	3650	3,455	0	PT
10.310		C0564AA	3650	61,037	0	PT
10.310		C0597BD	3650	291,346	0	PT
10.310		C4996	3650	76,725	0	PT
10.310		FAR0033162	3650	30,799	0	PT
10.310		G5016903	3650	25,351	0	PT
10.310		M1903768	3650	(30,454)	0	PT
10.310		NR6185691597	3650	15,819	0	PT
10.310		RC104967WSU	3650	(566)	0	PT
10.310		RC111302G	3650	199,342	0	PT
10.310		S002184USDA	3650	10,565	0	PT
10.310		3200003877-21-271 /	3800	33,766	0	PT
10.310			4950	76,810	45,870	
10.310			6990	84,908	0	
<b>Federal Program 10.310 Total</b>				<b>13,422,494</b>	<b>3,049,027</b>	
10.320	Sun Grant Program		3650	72,251	43,650	
10.320		U1408CC	3650	142,592	0	PT
10.320		U1522CD	3650	87,012	0	PT
10.320		U1522CF	3650	36,692	0	PT
<b>Federal Program 10.320 Total</b>				<b>338,547</b>	<b>43,650</b>	
10.331	Food Insecurity Nutrition Incentive Grants Program	GUSNIPUW1050	3600	2,371	0	PT
<b>Federal Program 10.331 Total</b>				<b>2,371</b>	<b>0</b>	
<b>National Institute of Food and Agriculture Total</b>				<b>14,378,293</b>	<b>3,182,123</b>	
10.674	Wood Utilization Assistance	4023285801	3600	15,238	0	PT
10.674		WAS210106010WOODINN	3600	32,301	0	PT
<b>Federal Program 10.674 Total</b>				<b>47,539</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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10.675	Urban and Community Forestry Program	95176Z5220201	3600	917	0	PT
<b>Federal Program 10.675 Total</b>				<b>917</b>	<b>0</b>	
10.680	Forest Health Protection		3650	27,341	0	
10.680		18CA11062765726	3650	(6)	0	PT
10.680			4900	162,101	0	
10.680			4950	98,756	20,604	
<b>Federal Program 10.680 Total</b>				<b>288,192</b>	<b>20,604</b>	
10.684	International Forestry Programs		3600	392,858	0	
<b>Federal Program 10.684 Total</b>				<b>392,858</b>	<b>0</b>	
10.699	Partnership Agreements	1005290UW	3600	12,132	0	PT
<b>Federal Program 10.699 Total</b>				<b>12,132</b>	<b>0</b>	
<b>Forest Service Total</b>				<b>741,638</b>	<b>20,604</b>	
<b>Dept of Agriculture Total</b>				<b>27,640,340</b>	<b>4,466,930</b>	

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**Dept of Commerce**

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11.011	Ocean Exploration		3600	476,127	52,510	
11.011		18120501MOD01	3600	8,387	0	PT
11.011		24185600AM02	3600	27,908	0	PT
<b>Federal Program 11.011 Total</b>				<b>512,422</b>	<b>52,510</b>	
11.012	Integrated Ocean Observing System (IOOS)		3600	4,191,592	1,841,790	
11.012		H3152AM01	3600	103,382	0	PT
<b>Federal Program 11.012 Total</b>				<b>4,294,974</b>	<b>1,841,790</b>	
<b>National Oceanic and Atmospheric Administration (N Total)</b>				<b>4,807,396</b>	<b>1,894,300</b>	
11.016	Statistical, Research, and Methodology Assistance		3600	985,567	0	
<b>Federal Program 11.016 Total</b>				<b>985,567</b>	<b>0</b>	
<b>U.S. Census Bureau Total</b>				<b>985,567</b>	<b>0</b>	
11.417	Sea Grant Support		3600	4,158,095	732,324	
11.417	COVID-19 – Sea Grant Support		3600	15,607	11,955	
11.417	Sea Grant Support	364379AM04	3600	9,060	0	PT
11.417		426131AM03	3600	11,386	0	PT
11.417		705227AM01	3600	8,254	0	PT
11.417		A211572S002AM03	3600	49,326	0	PT
<b>Federal Program 11.417 Total</b>				<b>4,251,728</b>	<b>744,279</b>	
11.419	Coastal Zone Management Administration Awards	SUBK00014242AM01	3600	6,647	0	PT
<b>Federal Program 11.419 Total</b>				<b>6,647</b>	<b>0</b>	
11.420	Coastal Zone Management Estuarine Research Reserve		3600	55,862	0	
11.420			4610	961,401	0	
<b>Federal Program 11.420 Total</b>				<b>1,017,263</b>	<b>0</b>	
11.427	Fisheries Development and Utilization Research and		3600	117,910	0	
11.427		959902300	3600	25,517	0	PT
11.427		UA210120AM01	3600	16,941	0	PT
11.427			3800	23,551	0	

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<b>Federal Program 11.427 Total</b>				<b>183,919</b>	<b>0</b>	
11.431	Climate and Atmospheric Research		3600	2,480,630	236,483	
11.431		NA345AAAM01	3600	1,331	0	PT
<b>Federal Program 11.431 Total</b>				<b>2,481,961</b>	<b>236,483</b>	
11.432	National Oceanic and Atmospheric Administration (N		3600	19,820,786	1,119,050	
<b>Federal Program 11.432 Total</b>				<b>19,820,786</b>	<b>1,119,050</b>	
11.437	Pacific Fisheries Data Program	22055GAM01	3600	88,984	0	PT
11.437		23016GJOB115B23	3600	47,556	0	PT
<b>Federal Program 11.437 Total</b>				<b>136,540</b>	<b>0</b>	
11.459	Weather and Air Quality Research		3600	542,436	269,365	
<b>Federal Program 11.459 Total</b>				<b>542,436</b>	<b>269,365</b>	
11.467	Meteorologic and Hydrologic Modernization Development		2450	845,832	28,446	
<b>Federal Program 11.467 Total</b>				<b>845,832</b>	<b>28,446</b>	
11.468	Applied Meteorological Research		3600	112,739	0	
<b>Federal Program 11.468 Total</b>				<b>112,739</b>	<b>0</b>	
11.472	Unallied Science Program	NA18NMF7420007	3050	52,491	0	PT
11.472		177508AM06	3600	42,887	0	PT
11.472		180801AM03	3600	(2,387)	0	PT
11.472		1914B	3600	11,134	0	PT
11.472		2003B	3600	133,586	0	PT
11.472		2004G1AM03	3600	6,377	0	PT
11.472		2006AAM02	3600	84,997	0	PT
11.472		2006B	3600	106,237	0	PT
11.472		2008	3600	40,665	0	PT
11.472		21146GAM01	3600	48,275	0	PT
11.472		2202	3600	48,866	0	PT
11.472		228108	3600	68,686	0	PT
11.472		COOP18082AM06	3600	208,869	0	PT
11.472		IERP61F960101	3600	20,450	0	PT

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11.472	Unallied Science Program	IERP62F216203AM01	3600	4,019	0	PT
11.472		L3601BAM01	3600	9,990	0	PT
11.472		2108 / F9108-00	3800	96,006	0	PT
11.472		L37-02D	3800	92,282	0	PT
11.472			4770	459,251	0	
11.472		0303.22.073537	4770	58,490	0	PT
11.472		J2391A-C	4770	2,596	0	PT
<b>Federal Program 11.472 Total</b>				<b>1,593,767</b>	<b>0</b>	
11.477	Fisheries Disaster Relief	23077G	3600	32,055	0	PT
11.477		23084G	3600	3,762	0	PT
11.477		23087G	3600	5,587	0	PT
<b>Federal Program 11.477 Total</b>				<b>41,404</b>	<b>0</b>	
11.478	Center for Sponsored Coastal Ocean Research_Coastal		3600	966,772	417,538	
11.478		NA355AAAM04	3600	81,240	0	PT
11.478		UW664469	3600	421	0	PT
<b>Federal Program 11.478 Total</b>				<b>1,048,433</b>	<b>417,538</b>	
<b>National Oceanic and Atmospheric Administration (N Total)</b>				<b>32,083,455</b>	<b>2,815,161</b>	
11.609	Measurement and Engineering Research and Standards		3600	186,122	0	
<b>Federal Program 11.609 Total</b>				<b>186,122</b>	<b>0</b>	
<b>National Institute of Standards and Technology (Ni Total)</b>				<b>186,122</b>	<b>0</b>	
11.RD	Commerce - Unknown ALN	1305M318PNFFS0284P2300	3600	6,087	0	
11.RD		1305M321CNFFN0034P230	3600	123,088	0	
11.RD		AC2104A	3600	101,317	0	PT
<b>Federal Program 11.RD Total</b>				<b>230,492</b>	<b>0</b>	
<b>Commerce Contract Number Only Provided Total</b>				<b>230,492</b>	<b>0</b>	
<b>Dept of Commerce Total</b>				<b>38,293,032</b>	<b>4,709,461</b>	

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12.005	Conservation and Rehabilitation of Natural Resources		3600	139,347	0	
<b>Federal Program 12.005 Total</b>				<b>139,347</b>	<b>0</b>	
<b>DOD Undetermined Total</b>				<b>139,347</b>	<b>0</b>	
12.114	Collaborative Research and Development		3760	23	0	
<b>Federal Program 12.114 Total</b>				<b>23</b>	<b>0</b>	
<b>Department of the Army, Office of the Chief of Eng Total</b>				<b>23</b>	<b>0</b>	
12.300	Basic and Applied Scientific Research		3600	23,351,195	1,225,682	
12.300		111181	3600	12,041	0	PT
12.300		1140209405780AM07	3600	89,273	0	PT
12.300		1140217441214AM04	3600	235,517	0	PT
12.300		13294800AM08	3600	49,737	0	PT
12.300		202201601UW	3600	468,616	0	PT
12.300		417318URFAOGR510770A	3600	47,687	0	PT
12.300		5126684	3600	93,324	0	PT
12.300		572339AM08	3600	180,283	0	PT
12.300		62733327220488AM03	3600	13,533	0	PT
12.300		7855910699AM08	3600	64,014	0	PT
12.300		7855910699N00014161261	3600	49,395	0	PT
12.300		A10145413260300AM05	3600	82,600	0	PT
12.300		A10146213296800AM03	3600	52,369	0	PT
12.300		E2045223AM06	3600	390,372	0	PT
12.300		F116803AM06	3600	163,643	0	PT
12.300		G5732103	3600	31,379	0	PT
12.300		KK2108AM01	3600	22,355	0	PT
12.300		MES202001AM03	3600	137,392	0	PT
12.300		N0326AAAM01	3600	54,657	0	PT
12.300		N0357AAAM01	3600	262,718	0	PT
12.300		N0357AAAM02	3600	38,378	0	PT
12.300		N0373AA	3600	36,178	0	PT
12.300		R1687AM01	3600	11,124	0	PT
12.300		SMC7XOBO54	3600	64,424	0	PT

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12.300	Basic and Applied Scientific Research	UA220028PO554891	3600	30,688	0	PT
12.300		UA220028PO554891AM01	3600	175,231	0	PT
12.300		UA230023AM01	3600	106,107	0	PT
12.300		UA230027P0562613	3600	7,520	0	PT
12.300		UW666204	3600	112,047	0	PT
12.300			3650	1,138,967	0	
12.300		N6833522C0647	3650	30,028	0	PT
12.300			4770	196,703	0	
<b>Federal Program 12.300 Total</b>				<b>27,799,495</b>	<b>1,225,682</b>	
<b>Department of the Navy, Office of the Chief of Nav Total</b>				<b>27,799,495</b>	<b>1,225,682</b>	
12.351	Scientific Research - Combating Weapons of		3600	2,316,193	132,946	
12.351		60060420UWA03	3600	140,776	0	PT
12.351			3650	596,699	8,963	
12.351		07137709652346	3650	228,925	0	PT
12.351		2004721972	3650	177,360	0	PT
12.351		BS12NBODTR002DTR0020	3650	38,598	0	PT
<b>Federal Program 12.351 Total</b>				<b>3,498,551</b>	<b>141,909</b>	
<b>Office of the Secretary of Defense Total</b>				<b>3,498,551</b>	<b>141,909</b>	
12.420	Military Medical Research and Development		3600	16,312,765	1,059,998	
12.420		0000984530AM03	3600	64,926	0	PT
12.420		0001039633AM02	3600	231,429	0	PT
12.420		0001042755AM003	3600	2,572	0	PT
12.420		0001042759AM04	3600	3,478	0	PT
12.420		0001128445	3600	23,929	0	PT
12.420		0258A9214605	3600	156	0	PT
12.420		0258A9214609	3600	202,362	0	PT
12.420		08027000X17501AM01	3600	4,885	0	PT
12.420		1001453UWA	3600	80,695	0	PT
12.420		1001453UWAAM01	3600	205,843	0	PT
12.420		10566SCAM05	3600	5,767	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.420	Military Medical Research and Development	11281SCAM03	3600	3,054	0	PT
12.420		11281SCAM04	3600	9,876	0	PT
12.420		115002	3600	518,399	0	PT
12.420		11948SCAM005	3600	91,691	0	PT
12.420		12187179901GIAM07	3600	197,655	0	PT
12.420		12287SUBMOD02	3600	117,442	0	PT
12.420		1719GWB554AM03	3600	4,632	0	PT
12.420		2004338156AM04	3600	12,340	0	PT
12.420		203758UWAM03	3600	(4,537)	0	PT
12.420		27R49457AM02	3600	(216)	0	PT
12.420		3RME5	3600	39,087	0	PT
12.420		5770PO1030289HJF66716	3600	212,334	0	PT
12.420		60054759UWAMA01	3600	18,790	0	PT
12.420		7045313551UW	3600	3,562	0	PT
12.420		7045313551UWAM01	3600	16,272	0	PT
12.420		8058311223AM07	3600	102,681	0	PT
12.420		AGMT00005361	3600	56,616	0	PT
12.420		AWD000755G2	3600	51,291	0	PT
12.420		CNTR20PROP05AM01	3600	233,896	0	PT
12.420		FP00013312SA002AM02	3600	159,548	14,518	PT
12.420		GJ112UW1AM02	3600	4,387	0	PT
12.420		GJ112UW1AM03	3600	27,436	0	PT
12.420		MSRCFY1601MOD03	3600	219,590	15,585	PT
12.420		PO66220AM02	3600	283,599	0	PT
12.420		RC108014UWAM01	3600	(124)	0	PT
12.420		UW631034	3600	5,486	0	PT
12.420		UW665710	3600	4,545	0	PT
12.420		UWA28151901AM02	3600	54,456	0	PT
12.420		W81XWH221075501001	3600	36,659	0	PT
12.420			3650	1,506,269	13,684	
<b>Federal Program 12.420 Total</b>				<b>21,125,523</b>	<b>1,103,785</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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June 30, 2023  
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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>U.S. Army Medical Command Total</b>				<b>21,125,523</b>	<b>1,103,785</b>	
12.431	Basic Scientific Research		3600	3,379,065	184,174	
12.431		ASUB00000760AM03	3600	348,312	0	PT
12.431		FT1921207AM01	3600	277,740	225,000	PT
12.431		GG12239PO2275765AM02	3600	73,885	0	PT
12.431		KK1810AM10	3600	100,914	0	PT
12.431		S4661PO236230AM03	3600	94,048	0	PT
12.431		S4661PO236230AM09	3600	97,839	0	PT
12.431		SCON00002261AM02	3600	209,639	0	PT
12.431			3650	518,478	90,322	
12.431		06080336152701	3650	341,728	0	PT
12.431		A210235S001	3650	3,138	0	PT
12.431		SUBK00016350	3650	192,744	0	PT
<b>Federal Program 12.431 Total</b>				<b>5,637,530</b>	<b>499,496</b>	
<b>U.S. Army Materiel Command Total</b>				<b>5,637,530</b>	<b>499,496</b>	
12.432	U.S. Military Academy Athletic Programs At West PO	A10158978752516	3600	10,917	0	PT
<b>Federal Program 12.432 Total</b>				<b>10,917</b>	<b>0</b>	
<b>DOD Undetermined Total</b>				<b>10,917</b>	<b>0</b>	
12.630	Basic, Applied, and Advanced Research in Science A		3600	814,754	71,394	
12.630		PO145723	3600	71,424	0	PT
12.630		PO401183821	3600	137,518	0	PT
12.630			3650	74,974	0	
<b>Federal Program 12.630 Total</b>				<b>1,098,670</b>	<b>71,394</b>	
<b>Office of the Secretary of Defense Total</b>				<b>1,098,670</b>	<b>71,394</b>	
12.750	Uniformed Services University Medical Research Pro	5414PO1001209AM01	3600	172	0	PT
12.750		5768PO1024199HJFAWD66	3600	41,895	0	PT
12.750		S1056101	3600	6,248	0	PT
12.750		S1115001AM03	3600	68,268	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 12.750 Total</b>				<b>116,583</b>	<b>0</b>	
<b>Uniformed Services University of the Health Scienc Total</b>				<b>116,583</b>	<b>0</b>	
12.800	Air Force Defense Resch Sciences Program		3600	5,878,841	1,513,314	
12.800		00010733AM01	3600	152,858	0	PT
12.800		00010733AM03	3600	367,287	0	PT
12.800		000531881SC001AM01	3600	92,670	0	PT
12.800		0205GYD166AM02	3600	124,700	0	PT
12.800		204282UWAM02	3600	84,014	0	PT
12.800		707824874JAM12	3600	986	0	PT
12.800		89660Z8261201AMB	3600	23,168	0	PT
12.800		AWD004055G4	3600	83,083	0	PT
12.800			3650	89,705	26,056	
12.800		10059059WSU	3650	366,891	0	PT
12.800		SA10012021MM0336	3650	737,851	102,346	PT
<b>Federal Program 12.800 Total</b>				<b>8,002,054</b>	<b>1,641,716</b>	
<b>Department of the Air Force, Materiel Command Total</b>				<b>8,002,054</b>	<b>1,641,716</b>	
12.902	Information Security Grant Program		3600	37,374	17,172	
12.902			6990	1,583,442	0	
<b>Federal Program 12.902 Total</b>				<b>1,620,816</b>	<b>17,172</b>	
12.905	Cybersecurity CORE Curriculum		3600	44,808	1,871	
<b>Federal Program 12.905 Total</b>				<b>44,808</b>	<b>1,871</b>	
<b>National Security Agency Total</b>				<b>1,665,624</b>	<b>19,043</b>	
12.910	Research and Technology Development		3600	7,731,072	1,277,937	
12.910		00010533AM04	3600	522,971	0	PT
12.910		28M1802338AM08	3600	91,901	0	PT
12.910		UTAUSSUB00000953	3600	23,340	0	PT
12.910			3650	211,272	0	
<b>Federal Program 12.910 Total</b>				<b>8,580,556</b>	<b>1,277,937</b>	
<b>Advanced Research Projects Agency Total</b>				<b>8,580,556</b>	<b>1,277,937</b>	
12.RD	DOD - Unknown ALN	K13138	2250	43,849	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.RD	DOD - Unknown ALN	K17969	2250	229,773	0	
12.RD		0000003350PROJECT10172	3600	6,597	0	PT
12.RD		000002SOW001A	3600	33,508	0	PT
12.RD		000002SOW001AAM1	3600	36,037	0	PT
12.RD		10062	3600	33,754	0	PT
12.RD		11154SCW81XWH1590001	3600	146,034	0	PT
12.RD		162643010000010040C1	3600	6,000	0	PT
12.RD		162643010000010043C1	3600	6,363	0	PT
12.RD		1626431926C1MOD11	3600	60,086	0	PT
12.RD		177830MOD02	3600	33,608	0	PT
12.RD		18323	3600	31,468	0	PT
12.RD		1940000022008STARUWM	3600	42,599	0	PT
12.RD		20200043MOD05	3600	150,080	0	PT
12.RD		20200043MOD06	3600	127,487	0	PT
12.RD		20210023MOD05	3600	303,617	0	PT
12.RD		2021010MOD07	3600	180,944	0	PT
12.RD		20230007	3600	34,459	0	PT
12.RD		4021615801	3600	63,381	0	PT
12.RD		4021615801AM01	3600	84,674	0	PT
12.RD		69333Z8133201AMF	3600	30,063	0	PT
12.RD		6H84UWMOD02	3600	20,000	0	PT
12.RD		90185MOD01	3600	45,790	0	PT
12.RD		90280PO4202746832	3600	134,963	0	PT
12.RD		A159116	3600	121,908	0	PT
12.RD		A161935	3600	201,819	0	PT
12.RD		A177459	3600	69,999	0	PT
12.RD		A184160	3600	39,742	0	PT
12.RD		AM01	3600	169,077	0	PT
12.RD		AM04	3600	15,152	0	PT
12.RD		AM05	3600	(3,620)	0	PT
12.RD		AM06	3600	61,624	0	PT
12.RD		AWD000298811PRIMEW81	3600	123,274	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.RD	DOD - Unknown ALN	CS20180009AM01	3600	210,685	0	PT
12.RD		FA489019PA002	3600	92,016	0	
12.RD		FY22891024FY23891028A	3600	16,624	0	PT
12.RD		H9823019C0445	3600	137,297	0	
12.RD		HR001121C0171	3600	4,221,912	0	
12.RD		HR00112290005	3600	959,879	530,792	
12.RD		MA1677AM01	3600	115,489	0	PT
12.RD		N0001417C7033	3600	142,213	0	
12.RD		N0001419C2054	3600	440,710	0	
12.RD		N0001419C2076	3600	2,046,273	0	
12.RD		N0001421C2021	3600	32,462	0	
12.RD		N0002410D6318N0002418F	3600	262,003	0	
12.RD		N0002410D6318N0002419F	3600	345,125	230,883	
12.RD		N0002410D6318N0002420F	3600	2,324,744	1,130,663	
12.RD		N0002421D6400N0002421F	3600	10,706,588	1,695,545	
12.RD		N0002421D6400N0002422F	3600	15,237,438	2,371,935	
12.RD		N0002421D6400N0002423F	3600	1,395,090	0	
12.RD		N3943022P2400	3600	54,628	0	
12.RD		N624732220006	3600	6,233	0	
12.RD		N6600121P6330	3600	93,829	0	
12.RD		NC6833517C0553	3600	4,997	0	PT
12.RD		P010262074MOD05	3600	486,043	0	PT
12.RD		PE26UW1AM02	3600	520,123	0	PT
12.RD		PO15945SD50MOD01	3600	81,500	0	PT
12.RD		PO17508C001	3600	3,165	0	PT
12.RD		PO20170059	3600	92,489	0	PT
12.RD		PO20220110MOD01	3600	80,373	0	PT
12.RD		PO20220110MOD02	3600	275,689	0	PT
12.RD		PO401153010AM02	3600	154,004	0	PT
12.RD		PO4202338794MOD12	3600	101,908	0	PT
12.RD		PO44989MOD11	3600	6,140	0	PT
12.RD		PO47109MOD07	3600	268,297	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.RD	DOD - Unknown ALN	PO57718MOD04	3600	237,693	0	PT
12.RD		PORAPT10000002548AM01	3600	39,998	0	PT
12.RD		PROJECT20008000000214	3600	17,000	0	PT
12.RD		PROJECT200080000002146	3600	332	0	PT
12.RD		PROJECTARM279	3600	10,649	0	PT
12.RD		RAPTR10000000061MOD0	3600	72,337	0	PT
12.RD		ROS002904AM06POROS07	3600	(1)	0	PT
12.RD		S200335004250UWA	3600	496,757	0	PT
12.RD		S729PO108018AM07	3600	24,017	0	PT
12.RD		SC00031AM02	3600	163,699	0	PT
12.RD		SC1712603MOD05	3600	(121,762)	0	PT
12.RD		SCN09841MOD08	3600	35,569	0	PT
12.RD		SCN09848MOD02	3600	4,256,014	0	PT
12.RD		SCN09848MOD03	3600	5,777,215	0	PT
12.RD	COVID-19 – DOD - Unknown ALN	SCOV2AGOTC2AM05	3600	795,856	0	PT
12.RD	DOD - Unknown ALN	SD00040F05IMEA02UW	3600	165,983	0	PT
12.RD		SD001830000305UWPO220	3600	90,566	0	PT
12.RD		SOCIALITESC01MOD03	3600	280,536	0	PT
12.RD		SUBCONTRACT89236AM0	3600	1,924	0	PT
12.RD		SUBCONTRACT89236AM0	3600	1,590	0	PT
12.RD		UW669711	3600	8,063	0	PT
12.RD		UW686205	3600	30,178	0	PT
12.RD		UW687893	3600	8,456	0	PT
12.RD		W81K0222P0094	3600	42,398	0	
12.RD		W81XWH22C0134	3600	445,883	0	
12.RD		W911NF17C0043	3600	559,324	6,945	
12.RD		W912CG20C0032	3600	114,210	25,258	
12.RD		W912HQ18C0023	3600	59,579	0	
12.RD		W912HQ18C0067	3600	60,218	0	
12.RD		W912HQ19C0058	3600	127,159	0	
12.RD		W912HQ20C0061	3600	300,865	0	
12.RD		W912HQ20C0072	3600	64,341	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Defense**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.RD	DOD - Unknown ALN	W912HQ20P0067	3600	7,412	0	
12.RD		W912HQ22C0046	3600	82,199	30,000	
12.RD		W912HQ23C0029	3600	235,182	0	
12.RD		W912HQ23P0033	3600	2,520	0	
12.RD		WASH2110460MOD2	3600	214,122	0	PT
12.RD		143751001	3650	31,566	0	PT
12.RD		19400036138901	3650	109,537	0	PT
12.RD		19400036139301	3650	317,619	0	PT
12.RD		20010	3650	70,304	0	PT
12.RD		21177P	3650	(83)	0	PT
12.RD		22160P	3650	109,602	0	PT
12.RD		23141P	3650	17,682	0	PT
12.RD		42177	3650	(5,631)	0	PT
12.RD		ARM212WSU	3650	(4,856)	0	PT
12.RD		EXMATWSU122C001	3650	238,550	0	PT
12.RD		EXMATWSU20P0004	3650	(244)	0	PT
12.RD		HT942520C0124	3650	3,258	0	
12.RD		22-161P	4770	(39,325)	0	PT
12.RD		Agreement	4770	62,269	0	
12.RD		ESI_2022-11	4770	30,150	0	PT
12.RD		N62473-20-2-0005	4770	10,655	0	
12.RD		W9127N-20-C-0015	4770	433,384	0	
12.RD		W9127N23R0004	4770	163,788	0	
12.RD		W912DW21P0019	4770	37,255	0	
<b>Federal Program 12.RD Total</b>				<b>59,893,636</b>	<b>6,022,021</b>	
<b>DOD Contract Number Only Provided Total</b>				<b>59,893,636</b>	<b>6,022,021</b>	
<b>Dept of Defense Total</b>				<b>137,568,509</b>	<b>12,002,983</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.232	Joint Fire Science Program		3600	43,053	0	
<b>Federal Program 15.232 Total</b>				<b>43,053</b>	<b>0</b>	
15.245	Plant Conservation and Restoration Management		3600	17,974	0	
<b>Federal Program 15.245 Total</b>				<b>17,974</b>	<b>0</b>	
15.246	Threatened and Endangered Species		3600	22,088	0	
<b>Federal Program 15.246 Total</b>				<b>22,088</b>	<b>0</b>	
15.248	National Landscape Conservation System		3600	(411)	0	
<b>Federal Program 15.248 Total</b>				<b>(411)</b>	<b>0</b>	
<b>Bureau of Land Management Total</b>				<b>82,704</b>	<b>0</b>	
15.424	Marine Minerals Activities		3600	(782)	0	
<b>Federal Program 15.424 Total</b>				<b>(782)</b>	<b>0</b>	
<b>Minerals Management Service Total</b>				<b>(782)</b>	<b>0</b>	
15.512	Central Valley Improvement Act, Title XXXIV		3600	468,176	0	
<b>Federal Program 15.512 Total</b>				<b>468,176</b>	<b>0</b>	
15.517	Fish and Wildlife Coordination Act		3600	96	0	
<b>Federal Program 15.517 Total</b>				<b>96</b>	<b>0</b>	
15.560	Secure Water Act - Research Agreements		3600	37,475	0	
<b>Federal Program 15.560 Total</b>				<b>37,475</b>	<b>0</b>	
<b>Bureau of Reclamation Total</b>				<b>505,747</b>	<b>0</b>	
15.615	Cooperative Endangered Species Conservation Fund	4384010C	3600	702	0	PT
15.615		4384010C	3600	287,102	0	PT
<b>Federal Program 15.615 Total</b>				<b>287,804</b>	<b>0</b>	
15.654	National Wildlife Refuge System Enhancements		3600	18,726	0	
<b>Federal Program 15.654 Total</b>				<b>18,726</b>	<b>0</b>	
15.657	Endangered Species Recovery Implementation		3600	197,510	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 15.657 Total</b>				<b>197,510</b>	<b>0</b>	
15.664	Fish and Wildlife Coordination and Assistance Program		4670	336,553	57,721	
15.664			4770	136,522	0	
<b>Federal Program 15.664 Total</b>				<b>473,075</b>	<b>57,721</b>	
15.678	Cooperative Ecosystem Studies Unit		3600	33,266	0	
<b>Federal Program 15.678 Total</b>				<b>33,266</b>	<b>0</b>	
<b>Fish and Wildlife Service Total</b>				<b>1,010,381</b>	<b>57,721</b>	
15.805	Assistance to State Water Resources Research Insti		3650	111,087	8,899	
<b>Federal Program 15.805 Total</b>				<b>111,087</b>	<b>8,899</b>	
15.807	Earthquake Hazards Program Assistance		3600	114,376	0	
<b>Federal Program 15.807 Total</b>				<b>114,376</b>	<b>0</b>	
15.808	U.S. Geological Survey_ Research and Data Collecti		3600	312,709	185,857	
15.808		SCON00003733	3600	35,229	0	PT
15.808			3650	139,586	0	
15.808			3700	36,952	0	
15.808			3750	369,042	0	
15.808			3800	28,603	0	
15.808			4610	96,282	0	
15.808			4900	95,787	0	
<b>Federal Program 15.808 Total</b>				<b>1,114,190</b>	<b>185,857</b>	
15.812	Cooperative Research Units Program		3600	870,227	0	
<b>Federal Program 15.812 Total</b>				<b>870,227</b>	<b>0</b>	
15.820	National and Regional Climate Adaptation Science C		3600	2,149,913	866,484	
<b>Federal Program 15.820 Total</b>				<b>2,149,913</b>	<b>866,484</b>	
<b>U.S. Geological Survey Total</b>				<b>4,359,793</b>	<b>1,061,240</b>	
15.945	Cooperative Research & Training Program Resources Na		3600	148,000	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.945	Cooperative Research & Training Program Resources Na		3650	90,015	0	
15.945			3750	6,185	0	
15.945			3760	8,286	0	
15.945			3800	30,366	0	
<b>Federal Program 15.945 Total</b>				<b>282,852</b>	<b>0</b>	
<b>National Park Service Total</b>				<b>282,852</b>	<b>0</b>	
15.RD	Department of the Interior - Unknown ALN	A180234MOD01	3600	112,754	0	PT
15.RD		AM05	3600	(70)	0	PT
15.RD		UW635685	3600	20,628	0	PT
15.RD		UW668574	3600	35,306	0	PT
15.RD		UW800619	3600	14,011	0	PT
<b>Federal Program 15.RD Total</b>				<b>182,629</b>	<b>0</b>	
<b>DOI Contract Number Only Provided Total</b>				<b>182,629</b>	<b>0</b>	
<b>Dept of the Interior Total</b>				<b>6,423,324</b>	<b>1,118,961</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Justice**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.026	OVW Research and Evaluation Program		3600	168,636	0	
<b>Federal Program 16.026 Total</b>				<b>168,636</b>	<b>0</b>	
16.525	Grants to Reduce Domestic Violence, Dating Violence		3600	112,098	0	
<b>Federal Program 16.525 Total</b>				<b>112,098</b>	<b>0</b>	
<b>Violence Against Women Office Total</b>				<b>280,734</b>	<b>0</b>	
16.560	National Institute of Justice Research, Evaluation		2250	3,776	0	
16.560			3600	882,838	112,659	
16.560			3650	338,977	0	
16.560		43685200002	3650	2,902	0	PT
<b>Federal Program 16.560 Total</b>				<b>1,228,493</b>	<b>112,659</b>	
<b>National Institute of Justice Total</b>				<b>1,228,493</b>	<b>112,659</b>	
<b>Dept of Justice Total</b>				<b>1,509,227</b>	<b>112,659</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of State**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
19.009	Academic Exchange Programs - Undergraduate Program	IDEAS21UWASH01	3600	5,853	0	PT
<b>Federal Program 19.009 Total</b>				<b>5,853</b>	<b>0</b>	
<b>Bureau of Educational and Cultural Affairs Total</b>				<b>5,853</b>	<b>0</b>	
<b>Dept of State Total</b>				<b>5,853</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Research and Development**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.108	Aviation Research Grants		3600	485,775	295,064	
<b>Federal Program 20.108 Total</b>				<b>485,775</b>	<b>295,064</b>	
20.109	Air Transportation Centers of Excellence		3600	249,018	0	
20.109			3650	1,172,901	0	
<b>Federal Program 20.109 Total</b>				<b>1,421,919</b>	<b>0</b>	
<b>Federal Aviation Administration (Faa) Total</b>				<b>1,907,694</b>	<b>295,064</b>	
20.200	Highway Research and Development Program		3600	2,696,594	953,802	
20.200		HR17100POSUB0001800	3600	99,364	21,102	PT
20.200		1033080	3650	88	0	PT
20.200		1047787	3650	15,290	0	PT
20.200		1047792	3650	30,486	0	PT
20.200			4050	3,664,231	0	
<b>Federal Program 20.200 Total</b>				<b>6,506,053</b>	<b>974,904</b>	
20.205	Highway Planning and Construction	22018837941	3600	21,197	0	PT
20.205		22028839821	3600	8,810	0	PT
20.205		UW666487	3600	28,151	0	PT
<b>Federal Program 20.205 Total</b>				<b>58,158</b>	<b>0</b>	
<b>Federal Highway Administration (FHWA) Total</b>				<b>6,564,211</b>	<b>974,904</b>	
20.701	University Transportation Centers Program		3600	2,417,558	1,202,274	
20.701		000582AM06	3600	89,547	0	PT
20.701		17175AM06PTE69A355174	3600	433,888	24,070	PT
20.701		F874103	3600	48,486	0	PT
20.701		F874103AM01	3600	28,480	0	PT
20.701		F874103AM06	3600	98,033	0	PT
20.701		UAF18005469A3551747129	3600	148,050	0	PT
<b>Federal Program 20.701 Total</b>				<b>3,264,042</b>	<b>1,226,344</b>	
<b>Research and Innovative Technology Administration Total</b>				<b>3,264,042</b>	<b>1,226,344</b>	
20.935	State and Local Government Data Analysis Tools for	UW684356	3600	(39)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 20.935 Total</b>				<b>(39)</b>	<b>0</b>	
<b>Off of Secretary (OST) Administration Secretariate Total</b>				<b>(39)</b>	<b>0</b>	
20.RD	Department of Transportation - Unknown ALN	160140TASKORDER029M	3600	149	0	PT
20.RD		743493POUS001000074349	3600	67,537	0	PT
20.RD		POUS0010000778774	3600	65,693	0	PT
20.RD		US0010000778774MOD06	3600	42,664	0	PT
<b>Federal Program 20.RD Total</b>				<b>176,043</b>	<b>0</b>	
<b>DOT Contract Number Only Provided Total</b>				<b>176,043</b>	<b>0</b>	
<b>Dept of Transportation Total</b>				<b>11,911,951</b>	<b>2,496,312</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**Dept of the Treasury**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
21.008	Low Income Taxpayer Clinics		3600	105,280	0	
<b>Federal Program 21.008 Total</b>				<b>105,280</b>	<b>0</b>	
<b>Internal Revenue Service (IRS) Total</b>				<b>105,280</b>	<b>0</b>	
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	KC000635139216	3600	71,030	0	PT
<b>Federal Program 21.027 Total</b>				<b>71,030</b>	<b>0</b>	
<b>Undetermined Total</b>				<b>71,030</b>	<b>0</b>	
<b>Dept of the Treasury Total</b>				<b>176,310</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Aeronautics & Space Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.001	Science		3600	15,056,549	2,147,911	
43.001		0000001801AM02	3600	183,639	0	PT
43.001		00001738AM03	3600	28,663	0	PT
43.001		100436602AM03	3600	17,713	0	PT
43.001		1110244437124AM03	3600	73,976	0	PT
43.001		1559326AM04	3600	33,244	0	PT
43.001		1562400AM01	3600	12,596	0	PT
43.001		1657584MOD01	3600	30,980	0	PT
43.001		1668318	3600	23,032	0	PT
43.001		1670442	3600	607	0	PT
43.001		1675036MOD01	3600	3	0	PT
43.001		1675068	3600	(302)	0	PT
43.001		1685887	3600	22,124	0	PT
43.001		1695761	3600	31,316	0	PT
43.001		201950AM05	3600	15,047	0	PT
43.001		2020241UWAM05	3600	165,437	0	PT
43.001		21M14AM02	3600	21,921	0	PT
43.001		239700AAM05	3600	84,545	0	PT
43.001		391477AM02	3600	6,523	0	PT
43.001		3GG015418AM04	3600	101,463	0	PT
43.001		5111900AM04	3600	1,904	0	PT
43.001		5121651AM01	3600	63,963	0	PT
43.001		5127073	3600	10,112	0	PT
43.001		555432AM03	3600	54,162	0	PT
43.001		62488AM03	3600	56,616	0	PT
43.001		AWD102489SUB00000614A	3600	32,056	0	PT
43.001		AWD103070G2PO5067106	3600	(226)	0	PT
43.001		C000774066AM01	3600	5,242	0	PT
43.001		G23819W7767AM03	3600	159,122	0	PT
43.001		G23819W7767AM04	3600	33,540	0	PT
43.001		GO122080XAM02	3600	24,765	0	PT
43.001		GO223096X	3600	2,564	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Research and Development**

**National Aeronautics & Space Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.001	Science	GRT00206W2AM01	3600	33,427	0	PT
43.001		HSTAR15800002AAM05	3600	866	0	PT
43.001		HSTAR16120005A	3600	2,020	0	PT
43.001		HSTAR16122002AAM02	3600	35,759	0	PT
43.001		HSTAR16144009A	3600	314	0	PT
43.001		HSTAR16611003A	3600	42,904	0	PT
43.001		HSTAR16635002AAM02	3600	100,248	0	PT
43.001		HSTAR16640003AAM01	3600	31,716	0	PT
43.001		HSTAR17040003A	3600	10,143	0	PT
43.001		HSTGO1205501AAM13	3600	109,141	0	PT
43.001		HSTGO14610001AAM03	3600	116,508	0	PT
43.001		HSTGO15216004AAM004	3600	3,537	0	PT
43.001		HSTGO15302004AAM005	3600	19,774	0	PT
43.001		HSTGO15703001AAM01	3600	338	0	PT
43.001		HSTGO15875004AAM02	3600	38,997	0	PT
43.001		HSTGO15877005AAM06	3600	95,711	0	PT
43.001		HSTGO15891005AAM04	3600	16,186	0	PT
43.001		HSTGO15912006AAM02	3600	14,415	0	PT
43.001		HSTGO15932005AAM03	3600	16,186	0	PT
43.001		HSTGO16046001AAM01	3600	4,236	0	PT
43.001		HSTGO16162007AAM01	3600	16,186	0	PT
43.001		HSTGO16165006A	3600	8,280	0	PT
43.001		HSTGO16185013A	3600	3,959	0	PT
43.001		HSTGO16191016A	3600	6,011	0	PT
43.001		HSTGO16222003A	3600	8,845	0	PT
43.001		HSTGO16292007A	3600	3,077	0	PT
43.001		HSTGO16293004AAM01	3600	15,304	0	PT
43.001		HSTGO16301005A	3600	7,169	0	PT
43.001		HSTGO16513009A	3600	8,629	0	PT
43.001		HSTGO16650001AAM01	3600	89,119	0	PT
43.001		HSTGO16679001A	3600	38,678	0	PT
43.001		HSTGO16730010A	3600	4,727	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Aeronautics & Space Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.001	Science	HSTGO16778001A	3600	144,367	0	PT
43.001		HSTGO17203006A	3600	2,552	0	PT
43.001		HSTHF251471001AAM02	3600	122,238	0	PT
43.001		JWSTERS01334007A	3600	8,067	0	PT
43.001		JWSTGO02128005A	3600	6,154	0	PT
43.001		MA1314AM07	3600	16,416	0	PT
43.001		NASA000402AM05	3600	76,094	0	PT
43.001		NS343ABAM02	3600	10,732	0	PT
43.001		R200020AM02	3600	95,863	0	PT
43.001		R230064	3600	4,340	0	PT
43.001		S001254AM01	3600	36,107	0	PT
43.001		SC3365MOD005	3600	64,901	0	PT
43.001		SC3365MOD08	3600	19,018	0	PT
43.001		SOF070149MOD04	3600	2,032	0	PT
43.001		SUBAWD002083MOD03	3600	15,419	0	PT
43.001		SUBAWD002895M01	3600	61,235	0	PT
43.001		UAF200140AM03	3600	25,473	0	PT
<b>Federal Program 43.001 Total</b>				<b>17,966,314</b>	<b>2,147,911</b>	
43.002	Aeronautics		3600	917,988	369,836	
<b>Federal Program 43.002 Total</b>				<b>917,988</b>	<b>369,836</b>	
43.003	Exploration		3600	120,477	57,260	
43.003		7000001754	3600	9,999	0	PT
43.003		7000001853	3600	203,943	0	PT
43.003		EXP0010PO7000001663AM	3600	76,843	0	PT
<b>Federal Program 43.003 Total</b>				<b>411,262</b>	<b>57,260</b>	
43.008	Office of Stem Engagement (OSTEM)		3600	1,032,115	270,451	
<b>Federal Program 43.008 Total</b>				<b>1,032,115</b>	<b>270,451</b>	
43.009	Safety, Security and Mission Services		3600	33	0	
43.009			3650	2,024	0	
<b>Federal Program 43.009 Total</b>				<b>2,057</b>	<b>0</b>	
43.012	Space Technology		3600	462,033	6,983	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Aeronautics & Space Admin**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.012	Space Technology	1110257461316	3600	4,232	0	PT
<b>Federal Program 43.012 Total</b>				<b>466,265</b>	<b>6,983</b>	
<b>National Aeronautic &amp; Space Administration Total</b>				<b>20,796,001</b>	<b>2,852,441</b>	
43.RD	National Aeronautics and Space Administration - Un	10160	3600	34,669	0	PT
43.RD		120233MOD14	3600	47,004	0	PT
43.RD		1303809MOD36	3600	56,758	0	PT
43.RD		1318945MOD31	3600	135,878	0	PT
43.RD		1587724MOD04	3600	(2,815)	0	PT
43.RD		1634821MOD03	3600	(808)	(808)	PT
43.RD		1655697MOD12	3600	455,644	0	PT
43.RD		1665856MOD1	3600	43,019	0	PT
43.RD		1686173	3600	64,268	0	PT
43.RD		230083	3600	56,070	0	PT
43.RD		PO20170057	3600	32,425	0	PT
43.RD		UW663240	3600	136,916	0	PT
43.RD		UW663895	3600	68,060	0	PT
43.RD		UW665850	3600	31,672	0	PT
<b>Federal Program 43.RD Total</b>				<b>1,158,760</b>	<b>(808)</b>	
<b>NASA Contract Number Only Provided Total</b>				<b>1,158,760</b>	<b>(808)</b>	
<b>National Aeronautics &amp; Space Admin Total</b>				<b>21,954,761</b>	<b>2,851,633</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Foundation on the Arts and the Humanities**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
45.160	Promotion of the Humanities Fellowships and Stipend		3600	60,006	0	
<b>Federal Program 45.160 Total</b>				<b>60,006</b>	<b>0</b>	
<b>National Endowment for the Humanities Total</b>				<b>60,006</b>	<b>0</b>	
45.312	National Leadership Grants		3600	226,615	23,825	
45.312		3211505985S01	3600	39,315	0	PT
45.312	COVID-19 – National Leadership Grants	A158437	3600	11,650	0	PT
<b>Federal Program 45.312 Total</b>				<b>277,580</b>	<b>23,825</b>	
45.313	Laura Bush 21st Century Librarian Program		3600	370,822	0	
45.313		414313UWAM01	3600	19,669	0	PT
45.313		RE248876OLSUW	3600	66,970	0	PT
<b>Federal Program 45.313 Total</b>				<b>457,461</b>	<b>0</b>	
<b>Institute of Museum and Library Services Total</b>				<b>735,041</b>	<b>23,825</b>	
<b>National Foundation on the Arts and the Humanities Total</b>				<b>795,047</b>	<b>23,825</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.041	Engineering		3600	16,548,050	1,954,048	
47.041	COVID-19 – Engineering		3600	4,811	0	
47.041	Engineering	00010849AM02	3600	113,438	0	PT
47.041		10001604005AM02	3600	10,178	0	PT
47.041		10343318508AM02	3600	3,333	0	PT
47.041		1240505104118AM07	3600	37,852	0	PT
47.041		1556900AM02	3600	7,718	0	PT
47.041		1563013	3600	79,021	0	PT
47.041		2019UWALGBTQMOD03	3600	7,334	0	PT
47.041		2020IRES764UW	3600	10,069	0	PT
47.041		4500003860AM01	3600	26,903	0	PT
47.041		60059495UWAMA01	3600	7,512	0	PT
47.041		7692104	3600	98,289	0	PT
47.041		7692106	3600	62,826	0	PT
47.041		8901911283AM03	3600	99,745	0	PT
47.041		A160090S001AM04	3600	5,210	0	PT
47.041		A160090S001AM05	3600	23,945	0	PT
47.041		A170680	3600	(20,979)	0	PT
47.041		A211719S002AM01	3600	47,552	0	PT
47.041		AWD000065100128544	3600	10,772	0	PT
47.041		GR105156CON80001606A	3600	13,825	0	PT
47.041		GR128185SPC1000006851	3600	2,512	0	PT
47.041		S2239AAAM01	3600	26,727	0	PT
47.041		UTA20000984UTAUSUB0	3600	37,954	0	PT
47.041		UW639554	3600	36,867	0	PT
47.041		UW684085	3600	13,991	0	PT
47.041			3650	2,422,331	150,611	
47.041		135456004	3650	130,534	0	PT
47.041		140108001	3650	72,100	0	PT
47.041		358007874P	3650	139,803	0	PT
47.041		7692069	3650	132,512	0	PT
47.041		FY2020018	3650	55,980	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.041	Engineering	AWD00006510 (012854-1)	3700	329	0	PT
47.041		S2746.1-01-00	3750	21,914	0	PT
47.041			3800	65,611	0	
<b>Federal Program 47.041 Total</b>				<b>20,356,569</b>	<b>2,104,659</b>	
47.049	Mathematical and Physical Sciences		3600	20,910,771	2,823,077	
47.049		00010006AM03	3600	200,934	0	PT
47.049		203405468AM05	3600	35,987	0	PT
47.049		3332770AM01	3600	206,295	0	PT
47.049		63016A20	3600	52,735	0	PT
47.049		A374567AM05	3600	48,484	0	PT
47.049		AWD068599SUB00000622A	3600	269,556	0	PT
47.049		MA1713AM01	3600	26,874	0	PT
47.049		N00017343C	3600	817,975	0	PT
47.049		N51948CAM10	3600	2,929,482	0	PT
47.049		RC104177UWAM08	3600	49,121	0	PT
47.049		S2270BOAM02	3600	40,238	0	PT
47.049			3650	1,906,376	0	
47.049		920202	3650	1,044	0	PT
47.049			3700	75,257	0	
47.049			3750	336,779	0	
47.049			3800	1,858,949	0	
<b>Federal Program 47.049 Total</b>				<b>29,766,857</b>	<b>2,823,077</b>	
47.050	Geosciences		3600	23,593,687	605,467	
47.050		0000000506AM03	3600	42,836	0	PT
47.050		024680A	3600	18,300	0	PT
47.050		0796UWAM01	3600	27,358	0	PT
47.050		1243705118902AM01	3600	111,713	0	PT
47.050		18352AM04	3600	9,554	0	PT
47.050		18352AM05	3600	24,900	0	PT
47.050		202111AM02	3600	105,485	0	PT
47.050		20DGG00939304AM01	3600	33,495	0	PT
47.050		2110911AM01	3600	235,946	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.050	Geosciences	22295CD	3600	18,368	0	PT
47.050		5857UWNSF8934AM06	3600	90,225	0	PT
47.050		A101403	3600	1,864,836	0	PT
47.050		A101403AM08	3600	494,179	0	PT
47.050		A101403AM13	3600	1,653,869	0	PT
47.050		A101403AMEND13	3600	1,665,799	0	PT
47.050		A101403AMEND15	3600	175	0	PT
47.050		A101403AMEND18	3600	4,939,660	0	PT
47.050		A101403AMEND19	3600	15,160	0	PT
47.050		AWD002863G1AM01	3600	140,031	0	PT
47.050		E2048691AM03	3600	9,519	0	PT
47.050		KK2137AM01	3600	23,765	0	PT
47.050		KK2329	3600	10,162	0	PT
47.050		KR704187AM002	3600	1,670	0	PT
47.050		PO2011050	3600	3,957,596	0	PT
47.050		PO2011050MOD06	3600	357,050	0	PT
47.050		PO2110546AM01	3600	385,998	0	PT
47.050		S2119AAAM02	3600	13,055	0	PT
47.050		S2119AAAM03	3600	4,816	0	PT
47.050		S2295CD	3600	1,043,794	0	PT
47.050		S2295CDAM02	3600	13,775	0	PT
47.050		S2295CDAM03	3600	175,502	0	PT
47.050		S431504AM002	3600	6,003	0	PT
47.050		SIPN213310832	3600	5,181	0	PT
47.050		SU19100107UWATO104	3600	32,849	0	PT
47.050		SU19100107UWATO105	3600	31,615	0	PT
47.050		SUBAWD001365MOD02	3600	4,452	0	PT
47.050		SUBAWD003261	3600	169,788	0	PT
47.050			3650	2,027,444	51,762	
47.050		S2295CE	3650	16,446	0	PT
47.050			3750	139,142	0	
47.050		5862-CWU-NSF-8934	3750	15,928	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**National Science Foundation**

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47.050	Geosciences	S18-EAR1724794-S1	3750	122,052	0	PT
47.050			3800	1,301,653	0	
47.050		EEID_DIMOND_01	3800	3,982	0	PT
47.050		SAPO G17260 53B(GG00	3800	37,755	0	PT
47.050			6990	13,451	0	
<b>Federal Program 47.050 Total</b>				<b>45,010,019</b>	<b>657,229</b>	
47.070	Computer and Information Science and Engineering		3600	20,779,384	2,308,984	
47.070		00010972AM01	3600	21,910	0	PT
47.070		000431AM04	3600	1,477	0	PT
47.070		1121PO1215394MOD05	3600	119,340	0	PT
47.070		1122928460436	3600	111,562	0	PT
47.070		121847117MPINVS9002372	3600	284,552	0	PT
47.070		1556133AM06	3600	139,574	0	PT
47.070		1562954	3600	18,851	0	PT
47.070		2006061Z4AM04	3600	152,895	0	PT
47.070		201242480AM005	3600	7,775	0	PT
47.070		2021CIFUWASHINGTON29	3600	128,478	0	PT
47.070		2021CIFUWASHINGTON66	3600	125,651	0	PT
47.070		203405442AM003	3600	8,321	0	PT
47.070		21S24AM01	3600	1,496	0	PT
47.070		61688AM01	3600	186,044	0	PT
47.070		CIF2020UW53AM01	3600	58,067	0	PT
47.070		S5834PO824664	3600	50,370	0	PT
47.070		SPC1000005464GR124632A	3600	68,155	0	PT
47.070		SUB0000281AM05	3600	142,892	0	PT
47.070		UTA20000943AM03	3600	857,319	0	PT
47.070			3650	1,028,170	99,493	
47.070		A230007S011	3650	5,120	0	PT
47.070		ASUB00001062	3650	19,683	0	PT
47.070		Z0051A-B	3650	118,854	0	PT
47.070			3760	8,490	0	

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**Research and Development**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.070	Computer and Information Science and Engineering		3800	163,346	0	
<b>Federal Program 47.070 Total</b>				<b>24,607,776</b>	<b>2,408,477</b>	
47.074	Biological Sciences		3600	6,638,894	414,037	
47.074	COVID-19 – Biological Sciences		3600	(39)	0	
47.074	Biological Sciences	0002	3600	20,209	0	PT
47.074		1658PO1392504MOD03	3600	8,571	0	PT
47.074		170251616821AM04	3600	13,979	0	PT
47.074		3004946906AM02	3600	57,167	0	PT
47.074		493174AM04	3600	34,590	0	PT
47.074		91874Z3500201AMC	3600	49,072	0	PT
47.074		A230252S001	3600	2,621	0	PT
47.074		C000509742AM006	3600	19,201	0	PT
47.074		C000671931AM01	3600	35,619	0	PT
47.074		J201611557186AM04	3600	1,914	0	PT
47.074		KK2128AM02	3600	40,142	0	PT
47.074		S5173PO524705AM03	3600	209,161	0	PT
47.074			3650	4,560,376	850,710	
47.074		17014S1	3650	(26)	0	PT
47.074		20171	3650	63,217	0	PT
47.074		2125182S1	3650	61,290	0	PT
47.074		425338GR425286YR1WSU	3650	161,889	0	PT
47.074		5GG014070	3650	17,764	0	PT
47.074		9500073626	3650	17,687	0	PT
47.074		A230010S002	3650	98,654	0	PT
47.074		C000573932	3650	(11)	0	PT
47.074		C000622112	3650	167,475	0	PT
47.074			3700	174,934	0	
47.074		RR167-627/S000812	3750	10,880	0	PT
47.074			3760	21,646	0	
47.074			3800	805,160	0	
47.074		UAF 18-0059/P0521291	3800	149,448	0	PT

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**State of Washington  
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**National Science Foundation**

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<b>Federal Program 47.074 Total</b>				<b>13,441,484</b>	<b>1,264,747</b>	
47.075	Social, Behavioral, and Economic Sciences		3600	1,934,208	87,984	
47.075		3029105288S01AM04	3600	37,447	0	PT
47.075		3230106033S01	3600	16,266	0	PT
47.075		PO0000137333AM03	3600	31,202	0	PT
47.075	COVID-19 – Social, Behavioral, and Economic Sciences	PO0000137333AM03	3600	16,000	0	PT
47.075	Social, Behavioral, and Economic Sciences	UW664661	3600	17,581	0	PT
47.075			3650	418,032	0	
47.075		40460WSU	3650	9,132	0	PT
47.075			3800	158,629	0	
47.075		577846/PO 4598691	3800	549	0	PT
<b>Federal Program 47.075 Total</b>				<b>2,639,046</b>	<b>87,984</b>	
47.076	Stem Education (Formerly Education and Human Resou		3600	17,236,264	1,447,292	
47.076		0000001018AM05	3600	141,032	0	PT
47.076		007800	3600	15,438	0	PT
47.076		0499000001AM02	3600	23,012	0	PT
47.076		09546417496AM03	3600	2,035	0	PT
47.076		1562797	3600	5,916	0	PT
47.076		18717UW	3600	17,775	0	PT
47.076		190115665485949AM03	3600	12,096	0	PT
47.076		2012U0BAM02	3600	22,527	0	PT
47.076		206002CAM02	3600	99,569	0	PT
47.076		210148807001AM03	3600	38,022	0	PT
47.076		21COSAM200840UWAAM0	3600	21,799	0	PT
47.076		21COSAM200840UWAAM0	3600	141,943	0	PT
47.076		226100996P	3600	410	0	PT
47.076		2466B	3600	37,462	0	PT
47.076		3270403	3600	9,240	0	PT
47.076		3332804AM01	3600	227,262	0	PT
47.076		5126006	3600	43,340	0	PT

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**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.076	Stem Education (Formerly Education and Human Resou	769UWWA	3600	5,029	0	PT
47.076		920152	3600	2,676	0	PT
47.076		A170794	3600	88,518	0	PT
47.076		EDC12423GN1850447	3600	1,379	0	PT
47.076		KK1938AM001	3600	1,700	0	PT
47.076		R0337992P0566343	3600	3,322	0	PT
47.076		R1340094	3600	12,474	0	PT
47.076		R220003AM02	3600	10,566	0	PT
47.076		SUB00002722	3600	21,945	0	PT
47.076		UW668074	3600	50,840	0	PT
47.076			3650	2,089,217	217,911	
47.076		0499000002	3650	58,397	0	PT
47.076		134038001	3650	5,025	0	PT
47.076		138306-001	3650	16,195	0	PT
47.076		138714002	3650	10,763	0	PT
47.076		139000	3650	28,841	0	PT
47.076		139764002	3650	18	0	PT
47.076		139764004	3650	10,826	0	PT
47.076		140002	3650	7,844	0	PT
47.076		141748001	3650	8,888	0	PT
47.076		142263	3650	2,516	0	PT
47.076		CRESCENT-01	3650	145,380	0	PT
47.076		DUE1700496WSU	3650	47,730	0	PT
47.076		DUE2202038001	3650	24,753	0	PT
47.076		PS957605	3650	21,039	0	PT
47.076		WSU003988	3650	(326)	0	PT
47.076		WSU004153	3650	122,885	0	PT
47.076		WSUMATEEVALUATECO	3650	14,661	0	PT
47.076			3700	278,529	0	
47.076		ED6357-726951 PTE:V210	3700	65,371	0	PT
47.076		SUBAWARD 402139-EWU	3700	46,283	0	PT
47.076			3750	590,741	223,660	

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**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.076	Stem Education (Formerly Education and Human Resou	0499000004	3750	8,635	0	PT
47.076		ESC-20-1	3760	1,355	0	PT
47.076		NSF00099-05	3760	2,853	0	PT
47.076			3800	1,227,013	0	
47.076		00010783 / BB0163696	3800	52,707	0	PT
47.076		1826637 / WWU-18-2	3800	4,400	0	PT
47.076		499000003	3800	4,106	0	PT
47.076			6990	6,368,289	0	
47.076		1798705410	6990	44,290	0	PT
47.076		1902568	6990	16,506	0	PT
47.076		2000281	6990	152,108	0	PT
47.076		2055722	6990	11,123	0	PT
47.076		21601	6990	1,546	0	PT
47.076		21620	6990	22,834	0	PT
<b>Federal Program 47.076 Total</b>				<b>29,806,932</b>	<b>1,888,863</b>	
47.078	Polar Programs		3600	3,408,413	184,132	
47.078		2500181700AAM01	3600	23,111	0	PT
47.078		S2306BN	3600	333,298	0	PT
47.078		S2306LNAME01	3600	95,602	0	PT
47.078		S2306LNAME02	3600	420,910	0	PT
47.078		S2306ME	3600	293,545	0	PT
47.078		S2319AAAM01	3600	15,673	0	PT
47.078		SUB0000386AM02	3600	667,631	0	PT
47.078		SUB0000386AM04	3600	480,225	0	PT
47.078			3650	666,276	0	
47.078			3750	101,148	0	
47.078			3800	288,840	0	
<b>Federal Program 47.078 Total</b>				<b>6,794,672</b>	<b>184,132</b>	
47.079	Office of International Science and Engineering		3600	434,183	0	
47.079		FP065300C54405486012AM	3600	306,583	0	PT

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**Research and Development**

**National Science Foundation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.079	COVID-19 – Office of International Science and Engineering	G20201267159MOD03	3600	8,962	0	PT
47.079	Office of International Science and Engineering		3650	187,773	0	
<b>Federal Program 47.079 Total</b>				<b>937,501</b>	<b>0</b>	
47.083	Integrative Activities		3600	3,960,099	1,805,897	
47.083		S5461PO661477	3600	82,300	0	PT
47.083		S5582PO725677	3600	32,976	0	PT
47.083		SUBK00015725	3600	40,168	0	PT
47.083		UNIV62475AM01	3600	96,390	0	PT
47.083		0000001914	3650	57,419	0	PT
47.083	COVID-19 – Integrative Activities		3800	540,598	0	
<b>Federal Program 47.083 Total</b>				<b>4,809,950</b>	<b>1,805,897</b>	
47.084	NSF Technology, Innovation, and Partnerships		3600	1,270,869	503,671	
47.084		204694838	3600	17,329	0	PT
47.084		A176690	3600	1,827	0	PT
47.084		UNIV62475AM01	3600	143,441	0	PT
47.084		UW667836	3600	84,784	0	PT
<b>Federal Program 47.084 Total</b>				<b>1,518,250</b>	<b>503,671</b>	
<b>National Science Foundation Total</b>				<b>179,689,056</b>	<b>13,728,736</b>	
47.RD	NSF - Unknown ALN	49100421C0036	3600	527,395	451,378	
47.RD		2022N6	3650	30,784	0	
47.RD		2030984	3650	53,345	0	
47.RD		WA190 Col Basin	6990	40,328	0	
<b>Federal Program 47.RD Total</b>				<b>651,852</b>	<b>451,378</b>	
<b>NSF - Contract Number Only Provided Total</b>				<b>651,852</b>	<b>451,378</b>	
<b>National Science Foundation Total</b>				<b>180,340,908</b>	<b>14,180,114</b>	

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**Research and Development**

**Environmental Protection Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.034	Surveys, Studies, Research, Investigations, Demons		4610	881,854	202,850	
<b>Federal Program 66.034 Total</b>				<b>881,854</b>	<b>202,850</b>	
<b>Office of Air and Radiation Total</b>				<b>881,854</b>	<b>202,850</b>	
66.456	National Estuary Program	UW669954	3600	50	0	PT
<b>Federal Program 66.456 Total</b>				<b>50</b>	<b>0</b>	
<b>Office of Water Total</b>				<b>50</b>	<b>0</b>	
66.509	Science to Achieve Results (Star) Research Program		3600	493,419	0	
66.509		A009907501	3600	8,446	0	PT
66.509		P0564947	3600	39,360	0	PT
<b>Federal Program 66.509 Total</b>				<b>541,225</b>	<b>0</b>	
66.511	Office of Research and Development Consolidated Re	4975RFA1912092	3600	39,665	0	PT
66.511		4975RFA1912093	3600	314,524	24,390	PT
66.511		5202	3600	6,991	0	PT
<b>Federal Program 66.511 Total</b>				<b>361,180</b>	<b>24,390</b>	
<b>Office of Research and Development Total</b>				<b>902,405</b>	<b>24,390</b>	
66.962	Geographic Programs - Columbia River Basin Restora		3600	8,355	0	
<b>Federal Program 66.962 Total</b>				<b>8,355</b>	<b>0</b>	
<b>EPA Region 10 Total</b>				<b>8,355</b>	<b>0</b>	
66.RD	Environmental Protection Agy-Unknown ALN	21565084	3600	25,071	0	PT
66.RD		C20190479	3600	9,046	0	PT
66.RD		SUBK00011427AM04	3600	27,975	0	PT
<b>Federal Program 66.RD Total</b>				<b>62,092</b>	<b>0</b>	
<b>EPA Contract Number Only Provided Total</b>				<b>62,092</b>	<b>0</b>	
<b>Environmental Protection Agency Total</b>				<b>1,854,756</b>	<b>227,240</b>	

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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.010	Office of Technology Transitions (OTT)-Technology	UW634329	3600	90,776	0	PT
<b>Federal Program 81.010 Total</b>				<b>90,776</b>	<b>0</b>	
<b>Department of Energy Undetermined Total</b>				<b>90,776</b>	<b>0</b>	
81.049	Office of Science Financial Assistance		3600	23,466,343	1,196,592	
81.049		0000001615MOD01	3600	76,444	0	PT
81.049		10568818689AM01	3600	6,560	0	PT
81.049		1070142464347	3600	98,290	0	PT
81.049		1561326PO1001569134AM0	3600	79,251	0	PT
81.049		1GG014496	3600	27,273	0	PT
81.049		1GG014496AM01	3600	(142)	0	PT
81.049		202123AM02	3600	41,650	0	PT
81.049		20231853	3600	3,860	0	PT
81.049		3GG01449618	3600	6,451	0	PT
81.049		4GG01449638POG17188	3600	396,056	0	PT
81.049		A167035	3600	14,702	0	PT
81.049		A177974	3600	25,420	0	PT
81.049		A180354S002AM05	3600	62,423	0	PT
81.049		AWD004059G1	3600	70,000	0	PT
81.049		C000554181AM04	3600	(10)	0	PT
81.049		C000634211AM02	3600	14,921	0	PT
81.049		CON80004101GR118812	3600	182,614	0	PT
81.049		R000002914AM01	3600	116,569	0	PT
81.049		RC114586UW	3600	1,896	0	PT
81.049		UW667222	3600	37,824	0	PT
81.049			3650	2,783,949	202,015	
81.049		135871	3650	92,884	0	PT
81.049		14000496003	3650	2,368	0	PT
81.049		140937001	3650	129,120	0	PT
81.049		142335001	3650	60,837	0	PT
81.049		23021W	3650	25,954	0	PT
81.049		23217W	3650	243,614	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.049	Office of Science Financial Assistance	2512150123011	3650	810	0	PT
81.049		2512150265008	3650	28,290	0	PT
81.049		4020575801	3650	3,441	0	PT
81.049		531171	3650	21,806	0	PT
81.049		740058874P	3650	60,187	0	PT
81.049		A210036S006	3650	363,846	0	PT
81.049		BJKQ05SB001	3650	(3,929)	0	PT
81.049		EXMATWSUSC0022391	3650	115,797	0	PT
81.049		G14821W8564	3650	279,567	0	PT
81.049		RC105251	3650	85,167	0	PT
81.049		UTAUS-SUB00000654AM1	3650	80,942	0	PT
<b>Federal Program 81.049 Total</b>				<b>29,103,045</b>	<b>1,398,607</b>	
<b>Headquarters Office Total</b>				<b>29,103,045</b>	<b>1,398,607</b>	
81.086	Conservation Research and Development		3600	134,776	0	
81.086			3650	871,493	251,942	
81.086		503048-78051	3650	73,768	0	PT
81.086		23-054 BPA CONTR 74488	3700	22,872	0	PT
81.086		BPA CONTRACT 74488	3700	516	0	PT
81.086		SUBAWARD TSC21-066	3700	186,290	0	PT
<b>Federal Program 81.086 Total</b>				<b>1,289,715</b>	<b>251,942</b>	
81.087	Renewable Energy Research and Development		3600	1,776,842	848,705	
81.087		4012025BAM03	3600	37,362	0	PT
81.087		A164189	3600	5,329	0	PT
81.087		G0152ABAM12	3600	179,647	0	PT
81.087		G0196AAAM01	3600	72,994	0	PT
81.087		G0196AAAM02	3600	32,525	0	PT
81.087		OSPA171190	3600	22,084	0	PT
81.087		SCN1007304AM03	3600	29,940	0	PT
81.087		UW633999	3600	57,786	0	PT
81.087			3650	3,417,075	1,542,623	
81.087		10011557	3650	41,176	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.087	Renewable Energy Research and Development	AWD001575G1	3650	19,495	0	PT
81.087		M1900171	3650	34,819	0	PT
81.087		SUB-2022-10359	3650	2,709	0	PT
81.087		UND0026128S1	3650	189,590	0	PT
81.087		14-2-12-153443-66019	3800	12,707	0	PT
<b>Federal Program 81.087 Total</b>				<b>5,932,080</b>	<b>2,391,328</b>	
<b>Energy Efficiency and Renewable Energy Total</b>				<b>7,221,795</b>	<b>2,643,270</b>	
81.089	Fossil Energy Research and Development	UTA17000308AM09	3600	122,011	0	PT
<b>Federal Program 81.089 Total</b>				<b>122,011</b>	<b>0</b>	
<b>Office of Fossil Energy Total</b>				<b>122,011</b>	<b>0</b>	
81.104	Environmental Remediation and Waste Processing and	74081016	3650	25,057	0	PT
<b>Federal Program 81.104 Total</b>				<b>25,057</b>	<b>0</b>	
<b>Office of Bilingual Education and Minority Language Total</b>				<b>25,057</b>	<b>0</b>	
81.112	Stewardship Science Grant Program	M1803341AM05	3600	81,619	0	PT
<b>Federal Program 81.112 Total</b>				<b>81,619</b>	<b>0</b>	
<b>Electricity Delivery &amp; Energy Reliab 1000 Total</b>				<b>81,619</b>	<b>0</b>	
81.113	Defense Nuclear Nonproliferation Research	AWD000372G1	3650	205,724	0	PT
<b>Federal Program 81.113 Total</b>				<b>205,724</b>	<b>0</b>	
<b>National Nuclear Security Administration Total</b>				<b>205,724</b>	<b>0</b>	
81.117	Energy Efficiency and Renewable Energy Information		3600	293,511	0	
<b>Federal Program 81.117 Total</b>				<b>293,511</b>	<b>0</b>	
<b>Energy Efficiency and Renewable Energy Total</b>				<b>293,511</b>	<b>0</b>	
81.121	Nuclear Energy Research, Development and Demonstration		3600	262,713	0	
<b>Federal Program 81.121 Total</b>				<b>262,713</b>	<b>0</b>	
<b>National Nuclear Security Administration Total</b>				<b>262,713</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.135	Advanced Research Projects Agency - Energy		3600	2,605,503	420,531	
81.135		UW667972	3600	81,212	0	PT
81.135			3650	454,992	240,524	
81.135		0000000025	3650	2,572	0	PT
81.135		ASUB00001315	3650	26,439	0	PT
81.135		SUB00002422	3650	323,003	0	PT
<b>Federal Program 81.135 Total</b>				<b>3,493,721</b>	<b>661,055</b>	
<b>Electricity Delivery &amp; Energy Reliab 1000 Total</b>				<b>3,493,721</b>	<b>661,055</b>	
81.214	Environmental Monitoring/Cleanup Cultural Rsrc Mgt		2450	681,612	332,125	
81.214			3030	925,721	0	
81.214		OSA00000203, PO# P2303	3650	38,232	0	PT
81.214			4610	2,438,837	0	
<b>Federal Program 81.214 Total</b>				<b>4,084,402</b>	<b>332,125</b>	
<b>Savannah River Operations Office Total</b>				<b>4,084,402</b>	<b>332,125</b>	
81.RD	Department of Energy - Unknown ALN	052022	3600	82,707	0	PT
81.RD		082023	3600	49,699	0	PT
81.RD		134124G00397114AM002	3600	211,268	0	PT
81.RD		168751MOD03	3600	86,095	0	PT
81.RD		190039MOD03	3600	65,615	0	PT
81.RD		1F60417M0001	3600	(670)	0	PT
81.RD		1F60592M0003	3600	74,567	0	PT
81.RD		1F60602M0003	3600	16,328	0	PT
81.RD		20220003AM01	3600	9,607	0	PT
81.RD		243766TO257527MOD02	3600	34,961	0	PT
81.RD		252206AM17	3600	109,366	0	PT
81.RD		260424AM02	3600	190,601	0	PT
81.RD		2F60005M0004	3600	202,731	0	PT
81.RD		339224AM08	3600	35,182	0	PT
81.RD		344693AM05	3600	2,529	0	PT
81.RD		344693AM06	3600	6,337	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.RD	Department of Energy - Unknown ALN	344773AM10	3600	12,305	0	PT
81.RD		364211MOD07	3600	98,921	0	PT
81.RD		391075AM05	3600	3,872	0	PT
81.RD		391075AM06	3600	217,944	0	PT
81.RD		3F60043	3600	42,526	0	PT
81.RD		4000193152	3600	136,242	0	PT
81.RD		403709	3600	40,600	0	PT
81.RD		412823MOD02	3600	3,055	0	PT
81.RD		424770	3600	27,221	0	PT
81.RD		507420MOD003	3600	21,138	0	PT
81.RD		571319AM01	3600	20,426	0	PT
81.RD		589676MOD01	3600	167,828	0	PT
81.RD		590135BASIC592837	3600	(29,738)	0	PT
81.RD		613205MOD01	3600	79,630	0	PT
81.RD		618905CONTRACT606219	3600	41,916	0	PT
81.RD		619333MOD02	3600	135,742	0	PT
81.RD		619358	3600	7,947	0	PT
81.RD		619818	3600	103,407	0	PT
81.RD		619818M0D01	3600	27,986	0	PT
81.RD		635949	3600	21,153	0	PT
81.RD		647684MOD01	3600	33,188	0	PT
81.RD		654408MOD1	3600	144,373	0	PT
81.RD		655019MOD01	3600	46,021	0	PT
81.RD		655512	3600	80,883	0	PT
81.RD		655539	3600	23,739	0	PT
81.RD		659770	3600	48,914	0	PT
81.RD		660338M0D01	3600	54,935	0	PT
81.RD		663685	3600	28,005	0	PT
81.RD		665221	3600	7,500	0	PT
81.RD		665638MOD02	3600	15,163	0	PT
81.RD		667498	3600	17,498	0	PT
81.RD		670185	3600	21,568	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.RD	Department of Energy - Unknown ALN	673307	3600	25,512	0	PT
81.RD		676213	3600	1,154	0	PT
81.RD		678162MOD01	3600	229,271	0	PT
81.RD		684431	3600	36,267	0	PT
81.RD		684431AM02	3600	(5,504)	0	PT
81.RD		7374375MOD22	3600	170,162	0	PT
81.RD		7609682MOD01	3600	19,293	0	PT
81.RD		7642072	3600	44,613	0	PT
81.RD		7659890MOD04	3600	339,820	0	PT
81.RD		A151091AM01	3600	24,989	0	PT
81.RD		AM01	3600	108,985	0	PT
81.RD		CHECK316803	3600	1,217	0	
81.RD		CR34856076910REL22	3600	69,137	0	
81.RD		CR34974876910REL18	3600	79,783	0	
81.RD		CR34975176910REL19	3600	124,420	0	
81.RD		CR350133MASTER76910R	3600	223,776	0	
81.RD		CR35013476910REL20	3600	104,569	0	
81.RD		CR35832391129	3600	240,933	0	
81.RD		CR35832491160	3600	232,447	0	
81.RD		CR35947391433	3600	134,788	0	
81.RD		CR35947484060REL001	3600	193,981	0	
81.RD		MA243766TO403450MOD0	3600	6,353	0	PT
81.RD		MA243766TO424177MOD0	3600	31,926	0	PT
81.RD		MA243766TO432652MOD0	3600	(6)	0	PT
81.RD		MA243766TO450523MOD0	3600	203,367	0	PT
81.RD		MA243766TO474096MOD0	3600	(116,837)	0	PT
81.RD		MA243766TO474098MOD0	3600	134,374	0	PT
81.RD		MA243766TO594113	3600	30,118	0	PT
81.RD		MA243766TO618109MOD0	3600	71,714	0	PT
81.RD		MA243766TO624893	3600	118,873	0	PT
81.RD		MA487139TO495959MOD0	3600	41,710	0	PT
81.RD		MA487139TO500469	3600	1,531	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.RD	Department of Energy - Unknown ALN	MA487139TO516639MOD0	3600	225,904	0	PT
81.RD		MA487139TO534807MOD0	3600	1,995	0	PT
81.RD		MA487139TO535499MOD0	3600	123,242	0	PT
81.RD		MA487139TO539234	3600	4,082	0	PT
81.RD		MA487139TO539234MOD1	3600	1,286	0	PT
81.RD		MA487139TO545987MOD0	3600	9,239	0	PT
81.RD		MA487139TO549009MOD0	3600	143,587	0	PT
81.RD		MA487139TO554401MOD0	3600	30,490	0	PT
81.RD		MA487139TO555131MOD0	3600	174,160	391	PT
81.RD		MA487139TO564330MOD0	3600	25,238	0	PT
81.RD		MA487139TO574823MOD0	3600	70,629	0	PT
81.RD		MA487139TO581504MOD0	3600	33,868	0	PT
81.RD		MA487139TO590896MOD0	3600	77,528	0	PT
81.RD		MA487139TO592008	3600	251,668	0	PT
81.RD		MA487139TO592008MOD0	3600	419,262	0	PT
81.RD		MA487139TO592419MOD0	3600	52,151	0	PT
81.RD		MA487139TO593646	3600	8,167	0	PT
81.RD		MA487139TO593867MOD0	3600	10,462	0	PT
81.RD		MA487139TO602492MOD0	3600	109,443	0	PT
81.RD		MA487139TO604621MOD0	3600	17,256	0	PT
81.RD		MA487139TO609131MOD0	3600	45,818	0	PT
81.RD		MA487139TO610217MOD0	3600	38,145	0	PT
81.RD		MA487139TO618328	3600	(1,101)	0	PT
81.RD		MA487139TO621497MOD1	3600	73,988	0	PT
81.RD		MA487139TO624984	3600	17,238	0	PT
81.RD		MA487139TO625962	3600	17,238	0	PT
81.RD		MA487139TO630347MOD0	3600	81,615	0	PT
81.RD		MA487139TO632001MOD0	3600	151,052	0	PT
81.RD		MA487139TO646189	3600	9,998	0	PT
81.RD		MA487139TO646741MOD0	3600	67,631	0	PT
81.RD		MA612906	3600	33,535	0	PT
81.RD		MA650145	3600	7,689	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Energy**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.RD	Department of Energy - Unknown ALN	MA650145MOD02	3600	41,230	0	PT
81.RD		MTA487139TO620416	3600	13,840	0	PT
81.RD		PO2294283	3600	100,526	0	PT
81.RD		PO2322648REV01	3600	130,178	0	PT
81.RD		PO2445018	3600	2,899	0	PT
81.RD		PO2445269	3600	595	0	PT
81.RD		PO2460409	3600	28,027	0	PT
81.RD		PO2478645	3600	20,816	0	PT
81.RD		S017997MOD1	3600	25,974	0	PT
81.RD		S220349	3600	30,898	0	PT
81.RD		SUB202210073MOD01	3600	39,702	0	PT
81.RD		SUB202210174MOD1	3600	29,087	0	PT
81.RD		TEAMERTBUW	3600	49,343	0	PT
81.RD		TO647365MA487139	3600	52,941	0	PT
81.RD		UW800761	3600	3,344	0	PT
81.RD		UW800776	3600	9,355	0	PT
81.RD		UW800777	3600	3,344	0	PT
81.RD		UW800857	3600	44,805	0	PT
81.RD		UW800859	3600	33,008	0	PT
81.RD		UW800866	3600	47,220	0	PT
81.RD		UW800876	3600	47,220	0	PT
81.RD		UW800877	3600	47,220	0	PT
81.RD		UW807440	3600	(2,384)	0	PT
<b>Federal Program 81.RD Total</b>				<b>8,933,258</b>	<b>391</b>	
<b>DOE Contract Number Only Provided Total</b>				<b>8,933,258</b>	<b>391</b>	
<b>Dept of Energy Total</b>				<b>53,917,632</b>	<b>5,035,448</b>	

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**Research and Development**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.015	National Resource Centers Program for Foreign Lang	84.015A	3600	712,821	0	
84.015		84.015B	3600	16,007	0	
<b>Federal Program 84.015 Total</b>				<b>728,828</b>	<b>0</b>	
84.019	Overseas Programs - Faculty Research Abroad	84.019A	3600	2,835	0	
<b>Federal Program 84.019 Total</b>				<b>2,835</b>	<b>0</b>	
84.022	Overseas Programs - Doctoral Dissertation Research	84.022A	3600	37,112	0	
84.022			3650	23,909	0	
<b>Federal Program 84.022 Total</b>				<b>61,021</b>	<b>0</b>	
84.116	Fund for the Improvement of Postsecondary Education	A009744602AM01	3600	29,540	0	PT
<b>Federal Program 84.116 Total</b>				<b>29,540</b>	<b>0</b>	
<b>Office of Postsecondary Education Total</b>				<b>822,224</b>	<b>0</b>	
84.149	Migrant Education_College Assistance Migrant Program	84.149A	3600	451,697	0	
<b>Federal Program 84.149 Total</b>				<b>451,697</b>	<b>0</b>	
<b>Office of Elementary and Secondary Education Total</b>				<b>451,697</b>	<b>0</b>	
84.305	Education Research, Development and Dissemination	0440100001MOD04	3600	24,784	0	PT
84.305		35802UWA	3600	66,592	0	PT
84.305		84.305A	3600	375,265	0	PT
84.305		84.305A	3600	879,376	213,307	
84.305		84.305B	3600	293,921	0	
84.305		84.305D	3600	185,694	112,914	
84.305			3650	634,225	175,040	
<b>Federal Program 84.305 Total</b>				<b>2,459,857</b>	<b>501,261</b>	
<b>Office of Educational Research and Improvement Total</b>				<b>2,459,857</b>	<b>501,261</b>	
84.324	Research in Special Education	0438500001MOD04	3600	233,436	0	PT
84.324		84.305A	3600	142,173	0	PT

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**Research and Development**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.324	Research in Special Education	84.324A	3600	(9,126)	0	PT
84.324		84.324A	3600	1,081,929	47,412	
<b>Federal Program 84.324 Total</b>				<b>1,448,412</b>	<b>47,412</b>	
84.325	Special Education - Personnel Development to Impro	84.325D	3600	134,087	0	
84.325		84.325K	3600	222,735	0	
<b>Federal Program 84.325 Total</b>				<b>356,822</b>	<b>0</b>	
84.326	Special Education_Technical Assistance and Dissemi	84.326M	3600	381,243	0	
<b>Federal Program 84.326 Total</b>				<b>381,243</b>	<b>0</b>	
<b>Office of Special Education and Rehabilitative Ser Total</b>				<b>2,186,477</b>	<b>47,412</b>	
84.365	English Language Acquisition State Grants	84.365Z	3600	305,303	0	
<b>Federal Program 84.365 Total</b>				<b>305,303</b>	<b>0</b>	
<b>Office of English Language Acquisition Total</b>				<b>305,303</b>	<b>0</b>	
<b>Dept of Education Total</b>				<b>6,225,558</b>	<b>548,673</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.068	Chronic Diseases: Research, Control, and Prevention	G157UWA03AM01	3600	65,832	0	PT
93.068		G289UWOPHTAL01	3600	8,148	0	PT
<b>Federal Program 93.068 Total</b>				<b>73,980</b>	<b>0</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>73,980</b>	<b>0</b>	
93.077	Family Smoking Prevention & Tobacco Cont Reg Research	R1302620	3600	15,319	0	PT
93.077		R1335499AM01	3600	4,976	0	PT
<b>Federal Program 93.077 Total</b>				<b>20,295</b>	<b>0</b>	
<b>National Institutes of Health Total</b>				<b>20,295</b>	<b>0</b>	
93.079	Cooperative Agreements to Promote Adolescent Health	903402UWASH	3600	136,136	19,695	PT
<b>Federal Program 93.079 Total</b>				<b>136,136</b>	<b>19,695</b>	
93.080	Blood Disorder Program: Prevention, Surveillance,	12047SCAM02	3600	1,711	0	PT
93.080		12047SCAM03	3600	3,954	0	PT
<b>Federal Program 93.080 Total</b>				<b>5,665</b>	<b>0</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>141,801</b>	<b>19,695</b>	
93.103	Food and Drug Administration_Research		3030	426,710	0	
93.103		G-2211-03621	3030	33,744	0	PT
93.103		G-2303-03969	3030	3,340	0	PT
93.103		G-SE-2204-03345	3030	22,186	0	PT
93.103		N/A	3030	15,617	0	PT
93.103			3600	180,534	0	
93.103		12439SUBAM02	3600	14,381	0	PT
93.103		12512SUBMOD02	3600	21,499	0	PT
93.103		SUB00000226URFAOGR53	3600	21,889	0	PT
93.103		SUB00000445URFAOGR53	3600	64,945	0	PT
93.103			3650	145,869	0	
93.103			4770	13,001	0	
93.103			4950	1,927,400	23,239	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.103 Total</b>				<b>2,891,115</b>	<b>23,239</b>	
<b>Food and Drug Administration Total</b>				<b>2,891,115</b>	<b>23,239</b>	
93.110	Maternal and Child Health Federal Consolidated Pro	13517SC	3600	2,471	0	PT
93.110		1920GWA101AM04	3600	486	0	PT
93.110		1920GWA101AM05	3600	23,584	0	PT
<b>Federal Program 93.110 Total</b>				<b>26,541</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>26,541</b>	<b>0</b>	
93.113	Environmental Health		3600	7,922,968	1,224,591	
93.113		1021982UWA	3600	16,686	0	PT
93.113		110056808AM04	3600	42,543	0	PT
93.113	COVID-19 – Environmental Health	12947SUB	3600	11,075	0	PT
93.113	Environmental Health	13053SUB	3600	6,021	0	PT
93.113		1553GZE171AM01	3600	157,851	0	PT
93.113		1GG01304701AM04	3600	16,785	0	PT
93.113		3419052249011AM03	3600	29,461	0	PT
93.113		4500002762AM04	3600	22,058	0	PT
93.113		671400S001AM03	3600	104,763	0	PT
93.113		9157UW01	3600	13,609	0	PT
93.113		GR104703CON80001507A	3600	30,185	0	PT
93.113		R1281337AM01	3600	35,057	0	PT
93.113		S0146401AM03	3600	316,100	0	PT
93.113		SCON00004419	3600	31,801	0	PT
93.113		SUBK00010622AM05	3600	29,494	0	PT
93.113		UW2020082001AM02	3600	(6,368)	0	PT
93.113		UW2020082001AM03	3600	103,268	0	PT
93.113		WU18174MOD4AM04	3600	93,970	0	PT
93.113		WU20253MOD01	3600	26,003	0	PT
93.113			3650	1,536,686	240,675	
93.113		141566002	3650	33,027	0	PT
93.113		P0516AA	3650	110	0	PT
93.113		P0516BA	3650	71,088	0	PT

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.113 Total</b>				<b>10,644,241</b>	<b>1,465,266</b>	
93.121	Oral Diseases and Disorders Research		3600	5,371,558	1,100,692	
93.121		121660AM03	3600	126,439	0	PT
93.121		12732SUBMOD02	3600	3,073	0	PT
93.121		12999SUB	3600	10,788	0	PT
93.121		13590SC	3600	139,235	0	PT
93.121		171865171864	3600	13,603	0	PT
93.121		234245AM01	3600	2,730	0	PT
93.121		PO20437170AM1	3600	83,287	0	PT
93.121		S0330001AM01	3600	80,006	0	PT
93.121		SUB00000291	3600	24,670	0	PT
93.121		UW667483	3600	76,251	0	PT
93.121		UWASH0238102665AM06	3600	80,951	0	PT
93.121		UWASH0261862635AM005	3600	5,204	0	PT
93.121		UWASH0312742770AM01	3600	21,342	0	PT
93.121			3650	314,607	0	
<b>Federal Program 93.121 Total</b>				<b>6,353,744</b>	<b>1,100,692</b>	
<b>National Institutes of Health Total</b>				<b>16,997,985</b>	<b>2,565,958</b>	
93.135	Centers for Research and Demonstration for Health		3600	2,618,529	303,074	
93.135	COVID-19 – Centers for Research and Demonstration for Health		3600	73,553	0	
93.135	Centers for Research and Demonstration for Health	SUB00000099	3600	36,522	0	PT
93.135		SUB00000099AM02	3600	88,543	0	PT
<b>Federal Program 93.135 Total</b>				<b>2,817,147</b>	<b>303,074</b>	
93.136	Injury Prevention and Control Research and State A		3030	6,292,042	2,269,546	
93.136	COVID-19 – Injury Prevention and Control Research and State A		3030	19,939	0	
93.136	Injury Prevention and Control Research and State A		3600	1,885,785	551,795	
93.136		173606	3600	24,000	0	PT

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.136	Injury Prevention and Control Research and State A	SUBK00013121AM01	3600	185,852	0	PT
<b>Federal Program 93.136 Total</b>				<b>8,407,618</b>	<b>2,821,341</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>11,224,765</b>	<b>3,124,415</b>	
93.142	NIEHS Hazardous Waste Worker Health and Safety Tra	2105GZA509AM03	3600	291,481	0	PT
<b>Federal Program 93.142 Total</b>				<b>291,481</b>	<b>0</b>	
93.143	NIEHS Superfund Hazardous Substances_Basic Research		3600	189,717	0	
<b>Federal Program 93.143 Total</b>				<b>189,717</b>	<b>0</b>	
<b>National Institutes of Health Total</b>				<b>481,198</b>	<b>0</b>	
93.155	Rural Health Research Centers		3030	158	0	
93.155			3600	698,604	0	
93.155		02900HRSARCORPEVALW	3600	786,902	0	PT
93.155			3650	162,754	0	
<b>Federal Program 93.155 Total</b>				<b>1,648,418</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>1,648,418</b>	<b>0</b>	
93.172	Human Genome Research		3600	23,318,708	2,739,682	
93.172		00010386AM01	3600	3,110	0	PT
93.172		00010386AM03	3600	43,859	0	PT
93.172		0255C6214609AM003	3600	1,142	0	PT
93.172		0255C6214609AM04	3600	146,382	0	PT
93.172		1090708456851AM02	3600	200,522	0	PT
93.172		131153455AM02	3600	26,623	0	PT
93.172		2021411AM04	3600	678	0	PT
93.172		210314052303AM03	3600	568,889	0	PT
93.172		210368022306	3600	99,031	0	PT
93.172		210368022415	3600	33,570	0	PT
93.172		50082978051	3600	155,704	0	PT
93.172		5124212AM01	3600	25,827	0	PT
93.172		5127823AM2	3600	7,396	0	PT

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93.172	Human Genome Research	584857AM01	3600	89,114	0	PT
93.172		5GG01308001	3600	60,934	0	PT
93.172		62305015135394AM03	3600	177,866	0	PT
93.172		A138585	3600	37,058	0	PT
93.172		A138585AM05	3600	58,800	0	PT
93.172		A187626	3600	168,823	0	PT
93.172		A200450S005P0727662AM0	3600	485,025	0	PT
93.172		A210187S001POP0753656A	3600	69,572	0	PT
93.172		OOS030229UWAM08	3600	(200)	0	PT
93.172		OOS030229UWAM12	3600	6,233	0	PT
93.172		OS00001098	3600	228,451	0	PT
93.172		PO7000001243AM02	3600	32,982	0	PT
93.172		RNG209827UWAM0420214	3600	14,013	0	PT
93.172		UW684576	3600	39,658	0	PT
93.172		VUMC100326AM01	3600	305,009	0	PT
93.172		"000525321002	3650	74,410	0	PT
<b>Federal Program 93.172 Total</b>				<b>26,479,189</b>	<b>2,739,682</b>	
93.173	Research Related to Deafness and Communication DIS		3600	5,904,804	680,710	
93.173		0001120511	3600	40,919	0	PT
93.173		0601146324AM03	3600	(14)	0	PT
93.173		0601146325AM05	3600	206,287	85,414	PT
93.173		1017309UWAAM002	3600	12,751	0	PT
93.173		1019479UW	3600	81,610	0	PT
93.173		2109403POS339385AM02	3600	32,986	0	PT
93.173		260885UWAM03	3600	42,169	0	PT
93.173		417738GURFAOGR511053	3600	101,467	0	PT
93.173		4500004019AM001	3600	157,709	0	PT
93.173		ASUB00001274AM01	3600	9,851	0	PT
93.173		CM0000882200	3600	6,635	0	PT
93.173		SP0034193PROJ0009132A	3600	16,606	0	PT
93.173		WU1845MOD7AM07	3600	34,594	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.173 Total</b>				<b>6,648,374</b>	<b>766,124</b>	
<b>National Institutes of Health Total</b>				<b>33,127,563</b>	<b>3,505,806</b>	
93.178	Nursing Workforce Diversity		3600	504,759	80,236	
<b>Federal Program 93.178 Total</b>				<b>504,759</b>	<b>80,236</b>	
93.191	Graduate Psychology Education		3600	409,049	0	
<b>Federal Program 93.191 Total</b>				<b>409,049</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>913,808</b>	<b>80,236</b>	
93.213	Research and Training in Complementary and Alterna		3600	4,282,751	917,102	
93.213		303000821	3600	24,757	0	PT
93.213		4R44AT01159302	3600	145,534	0	PT
93.213		A032242AM03	3600	3,793	0	PT
93.213		A032242AM5	3600	71,321	0	PT
93.213		A035392	3600	4,254	0	PT
93.213			3650	2,469,803	1,371,286	
93.213		"1022162_WSU	3650	28,732	0	PT
93.213		"62266166139496	3650	106,954	0	PT
<b>Federal Program 93.213 Total</b>				<b>7,137,899</b>	<b>2,288,388</b>	
<b>National Institutes of Health Total</b>				<b>7,137,899</b>	<b>2,288,388</b>	
93.225	National Research Service Awards_Health Services R		3600	485,142	0	
<b>Federal Program 93.225 Total</b>				<b>485,142</b>	<b>0</b>	
93.226	Research on Healthcare Costs, Quality and Outcomes		3600	1,944,465	10,246	
93.226		00001745AM03	3600	39,483	0	PT
93.226		127946	3600	121,475	0	PT
93.226		706002AM001	3600	106,199	0	PT
93.226		RNG210906BUDG04UW	3600	42,855	0	PT
93.226		RNG210906BUDG05UW	3600	110,955	0	PT
93.226		RNG211586BUDG04UW	3600	39,518	0	PT
93.226		RNG211586BUDG05UWA	3600	61,123	0	PT

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93.226	Research on Healthcare Costs, Quality and Outcomes	RNG211909UW	3600	18,998	0	PT
93.226		RNG211909UWAM01	3600	5,116	0	PT
<b>Federal Program 93.226 Total</b>				<b>2,490,187</b>	<b>10,246</b>	
<b>Agency for Health Care Policy and Research Total</b>				<b>2,975,329</b>	<b>10,246</b>	
93.231	Epidemiology Cooperative Agreements	C2237AM02	3600	99,917	0	PT
<b>Federal Program 93.231 Total</b>				<b>99,917</b>	<b>0</b>	
<b>Indian Health Service Total</b>				<b>99,917</b>	<b>0</b>	
93.233	National Center on Sleep Disorders Research		3600	166,141	14,189	
93.233		126816AM01	3600	23,425	0	PT
93.233		PO41897AM03	3600	38,344	0	PT
93.233			3650	325,664	0	
93.233		"A190461S002	3650	(800)	0	PT
<b>Federal Program 93.233 Total</b>				<b>552,774</b>	<b>14,189</b>	
93.242	Mental Health Research Grants		3600	32,648,517	4,471,509	
93.242	COVID-19 – Mental Health Research Grants		3600	41,551	0	
93.242	Mental Health Research Grants	000014266A	3600	18,252	0	PT
93.242		000014266AAM01	3600	90,793	0	PT
93.242		00001791AM01	3600	15,376	0	PT
93.242		100156AM03	3600	7,767	0	PT
93.242		1006129802UWAM1	3600	153,550	0	PT
93.242		12185SUBMOD04	3600	49,256	0	PT
93.242		122074AM03	3600	10,373	0	PT
93.242		123215UW02	3600	243,003	0	PT
93.242		12376SUBAM01	3600	4,707	0	PT
93.242		12662SUBMOD01	3600	59,825	0	PT
93.242		12724SUBMOD01	3600	171,676	0	PT
93.242		15340251110110002MOD02	3600	637,214	0	PT
93.242		2000GWE286AM03	3600	159,061	0	PT
93.242		20193804AM02	3600	500,000	0	PT

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93.242	Mental Health Research Grants	20200613AM01	3600	62,952	0	PT
93.242		20200613AM03	3600	137,086	0	PT
93.242		20210606AM01	3600	120,421	0	PT
93.242		20210747AM02	3600	204,196	0	PT
93.242		20220630	3600	176,706	0	PT
93.242		20220630AM01	3600	357,577	0	PT
93.242		2022100101	3600	2,480	0	PT
93.242		223004B01AM06	3600	3,609	0	PT
93.242	COVID-19 – Mental Health Research Grants	22A0001007616AM01	3600	24,227	0	PT
93.242	Mental Health Research Grants	242599	3600	64,372	0	PT
93.242		3C202201	3600	50,934	0	PT
93.242		401664AM01	3600	257	0	PT
93.242		401664AM02	3600	376,623	0	PT
93.242		401664AM03	3600	71,001	0	PT
93.242		4500004584	3600	101,254	0	PT
93.242		5111740AM03	3600	6,251	0	PT
93.242		5115684AM03	3600	2,989	0	PT
93.242		5124471AM01	3600	16,644	0	PT
93.242		626514UOW04AM05	3600	358,436	0	PT
93.242		626514UW04S3AM3	3600	37,146	0	PT
93.242		62723866144480AM01	3600	32,431	0	PT
93.242		62825646144480AM01	3600	122,520	0	PT
93.242		A006759602AM06	3600	36,368	0	PT
93.242		A032074AM05	3600	47,359	0	PT
93.242		A613986AM1	3600	21,216	0	PT
93.242		AM01	3600	332,281	0	PT
93.242		CE21SAMSTC1SIBCR	3600	4,474	0	PT
93.242		CE21UW4AM02	3600	21,257	0	PT
93.242		CON80003878GR117213A	3600	893,320	0	PT
93.242		D919803SA951A05A945A7	3600	50,639	0	PT
93.242		FP00011780SA003AM02	3600	27,729	0	PT
93.242		FY21930001FY22930004A	3600	85,609	0	PT

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93.242	Mental Health Research Grants	GB10691PO2133382AM04	3600	7,160	0	PT
93.242		KR705212AM01	3600	140,290	0	PT
93.242		RES515454AM02	3600	87,166	0	PT
93.242		RNG210241BUDG01UW01	3600	8,514	0	PT
93.242		RNG210241BUDG01UW01	3600	106,023	0	PT
93.242		RNG211557UW	3600	11,735	0	PT
93.242		RNG211557UWAM02	3600	106,640	0	PT
93.242		RNG211559UWAM01	3600	35,493	0	PT
93.242		RNG211559UWAM03	3600	73,226	0	PT
93.242		RNG211561UW	3600	17,796	0	PT
93.242		RNG211561UWAM02	3600	121,139	0	PT
93.242		RNG211776UW	3600	38,417	0	PT
93.242		RNG211929UWAM02	3600	6,465	0	PT
93.242		RNG211941UWAM01	3600	24,497	0	PT
93.242		RNG212027UW	3600	9,260	0	PT
93.242		RNG212110UWAM01	3600	19,756	0	PT
93.242		UTAUSSUB00000385AM1	3600	19,831	0	PT
93.242		UW631055	3600	30,609	0	PT
93.242		UW637661	3600	63,442	0	PT
93.242		UW667839	3600	103,421	0	PT
93.242		UW687527	3600	52,006	0	PT
93.242		WU18449MOD5	3600	27,693	0	PT
93.242		WU19307MOD5	3600	33,202	0	PT
93.242		WU19408MOD3	3600	311,228	0	PT
93.242		WU19409MOD3	3600	6,890	0	PT
93.242		WU20497MOD2	3600	99,590	0	PT
93.242			3650	1,904,087	364,453	
93.242		"FY18001018	3650	168,347	0	PT
<b>Federal Program 93.242 Total</b>				<b>42,295,208</b>	<b>4,835,962</b>	
<b>National Institutes of Health Total</b>				<b>42,847,982</b>	<b>4,850,151</b>	
93.243	Substance Abuse and Mental Health Services_Project		3600	2,031,270	0	

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.243	Substance Abuse and Mental Health Services_Project	0011857500079829	3600	277,611	0	PT
93.243		0012188600081904AM2	3600	4,027	0	PT
93.243		2004352474AM03	3600	11,717	0	PT
93.243		4312021718665733LMOD05	3600	202,310	0	PT
<b>Federal Program 93.243 Total</b>				<b>2,526,935</b>	<b>0</b>	
<b>Substance Abuse and Mental Health Services Adminis Total</b>				<b>2,526,935</b>	<b>0</b>	
93.250	Geriatric Academic Career Awards		3600	83,272	0	
<b>Federal Program 93.250 Total</b>				<b>83,272</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>83,272</b>	<b>0</b>	
93.262	Occupational Safety and Health Program		2350	425,983	0	
93.262	COVID-19 – Occupational Safety and Health Program		2350	156,132	0	
93.262	Occupational Safety and Health Program		3600	3,490,594	320,353	
93.262		1019570UWA	3600	8,013	0	PT
93.262		1019570UWAAM01	3600	16,360	0	PT
93.262		SPC1000007189GR129302	3600	11,874	0	PT
93.262		"3001110301	3650	(45)	0	PT
<b>Federal Program 93.262 Total</b>				<b>4,108,911</b>	<b>320,353</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>4,108,911</b>	<b>320,353</b>	
93.266	Health Systems Strengthening and HIV/AIDS Prevention	582025AM01	3600	33,216	0	PT
<b>Federal Program 93.266 Total</b>				<b>33,216</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>33,216</b>	<b>0</b>	
93.273	Alcohol Research Programs		3600	6,960,214	814,957	
93.273	COVID-19 – Alcohol Research Programs		3600	249,371	0	
93.273	Alcohol Research Programs	028400874JAM004	3600	38,488	0	PT
93.273		1031MOD02	3600	59,979	0	PT
93.273		2005307204	3600	32,994	0	PT
93.273		2005307204AM01	3600	161,658	0	PT
93.273		2005466982	3600	89,022	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.273	Alcohol Research Programs	2005466982AM1	3600	204,859	0	PT
93.273		2005638482	3600	53,023	0	PT
93.273		2405520007002	3600	13,888	0	PT
93.273		2GG01720401POG15741A	3600	32,048	0	PT
93.273		320000508723091	3600	4,981	0	PT
93.273		5124241	3600	26,866	0	PT
93.273		5127059	3600	5,118	0	PT
93.273		5127063	3600	3,412	0	PT
93.273		5127495AM01	3600	12,787	0	PT
93.273		5207UWASH05NCEA3AM0	3600	10,535	0	PT
93.273		554169AM04	3600	7,396	0	PT
93.273		555002	3600	6,041	0	PT
93.273		6523UWASH01	3600	15,816	0	PT
93.273		7017137290AM05	3600	11,084	0	PT
93.273		70171375971AM02	3600	4,396	0	PT
93.273		7584PO100250561AM002	3600	26,309	0	PT
93.273		91395UNIVOFWASHINGT	3600	21,737	0	PT
93.273		A482233AM08	3600	(1)	0	PT
93.273		A500607	3600	32	0	PT
93.273		A733286	3600	68,862	0	PT
93.273		D994403SA640A559355E7	3600	476	0	PT
93.273		D994403SA640A559355E78	3600	20,640	0	PT
93.273		NJ13KELLYM1SIBCRM0D	3600	8,854	0	PT
93.273		NJ13KELLYM2SIBCR	3600	44,271	0	PT
93.273		NJ13NJ11SIBCRM0D2	3600	1,412	0	PT
93.273		NJ13NJ12SIBCR	3600	17,061	0	PT
93.273		NJ13SCSG31SIBCR	3600	2,899	0	PT
93.273		NJ13SCSG32SIBCR	3600	11,955	0	PT
93.273		NJ13WILLIR2SIBCR	3600	5,947	0	PT
93.273		RF0012320180189AM06	3600	6,894	0	PT
93.273		RF0012320180189AM07	3600	56,013	0	PT
93.273		RF0014320180407AM04	3600	69,119	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.273	Alcohol Research Programs	RF0022520210283AM3	3600	22,026	0	PT
93.273		SA0000640AM005	3600	765	0	PT
93.273		SP0001494702AM01	3600	56,010	0	PT
93.273		SUB00002521	3600	18,658	0	PT
93.273		SUBK00014818AM01	3600	(15)	0	PT
93.273			3650	2,489,035	362,956	
93.273		"10532SC	3650	7,676	0	PT
<b>Federal Program 93.273 Total</b>				<b>10,960,611</b>	<b>1,177,913</b>	
93.279	Drug Abuse and Addiction Research Programs	R01DA052975	1070	57,446	0	PT
93.279			3600	20,610,666	3,057,620	
93.279		00001314AM03	3600	875	0	PT
93.279		000517103SC003AMA04	3600	119,684	0	PT
93.279		000536334SC003	3600	76,154	12,810	PT
93.279		052020ADDENDUMNO2A	3600	73,755	0	PT
93.279		052020AM02	3600	2,033	0	PT
93.279		12750SUBMOD02	3600	80,141	0	PT
93.279		12902SUB	3600	104,667	0	PT
93.279		19914REQUEST2698AM01	3600	57,231	0	PT
93.279		2000001005210AM01	3600	30,834	0	PT
93.279		2000001005210AM02	3600	26,199	0	PT
93.279		20210469AMO2	3600	59,118	0	PT
93.279		22010291AM01	3600	235,155	0	PT
93.279		2203981AM02	3600	(24,311)	0	PT
93.279	COVID-19 – Drug Abuse and Addiction Research Programs	2274511AM03	3600	43,745	0	PT
93.279	Drug Abuse and Addiction Research Programs	230533AM03	3600	18,778	0	PT
93.279		3124512010000550092AM0	3600	(5,005)	0	PT
93.279		41251319124AM01	3600	337,419	0	PT
93.279		60062766UWASH	3600	7,929	0	PT
93.279		7147185HEJ	3600	1,785	0	PT
93.279		A000322S004AM01	3600	17,770	0	PT

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.279	Drug Abuse and Addiction Research Programs	AM05	3600	16,818	0	PT
93.279		CON80003828GR117123A	3600	131,017	0	PT
93.279		CON80003828GR117123A	3600	(12,570)	0	PT
93.279		CON80004014GR118359A	3600	218,797	0	PT
93.279		CON80004215GR119404A	3600	90,292	0	PT
93.279		D010059602	3600	34,626	0	PT
93.279		ERS2198744197AM04	3600	101,315	0	PT
93.279		GMO230918PO0000002777	3600	383,712	0	PT
93.279		GMO230918PO0000002777	3600	202,177	0	PT
93.279		GR01325220R02581AM02	3600	31,546	0	PT
93.279		GR403953UWAM03	3600	28,923	0	PT
93.279		N008205101AM01	3600	22,029	0	PT
93.279		NJ12BERGKD1SIBCRM0D	3600	726	0	PT
93.279		NJ12BERGKD2SIBCR	3600	71,478	0	PT
93.279		NJ12KELLYM2SIBCR	3600	77,444	0	PT
93.279		NJ12NJ11SIBCRM0D1	3600	166	0	PT
93.279		NJ12NJ12SIBCRM0D1	3600	20,345	0	PT
93.279		NJ12RANSOS2SIBCR	3600	1,561	0	PT
93.279		NJ12RIEGEN1SIBCRM0D	3600	488	0	PT
93.279		NJ12RIEGEN2SIBCR	3600	41,804	0	PT
93.279		NJ12SCSG32SIBCR	3600	29,316	0	PT
93.279		PO155581AM02	3600	377,885	0	PT
93.279		RNG210129UWAM03	3600	26,724	0	PT
93.279		RNG210129UWAM04	3600	12,419	0	PT
93.279		RNG210715UW01AM01	3600	11,315	0	PT
93.279		RNG210715UW01AM02	3600	6,209	0	PT
93.279		RNG210930UWWILLIAMS	3600	12,724	0	PT
93.279		SCON00002498AM02	3600	15,844	0	PT
93.279		T855321AM055R01DA0456	3600	38,431	0	PT
93.279			3650	1,912,497	228,137	
93.279		"011130003	3650	17,010	0	PT
93.279		"11725SC	3650	9,100	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.279	Drug Abuse and Addiction Research Programs	"12539SC	3650	6,576	0	PT
93.279		"3RGH5C	3650	77,669	0	PT
93.279		"62930019146563	3650	123,817	0	PT
93.279		"BS202301	3650	10,817	0	PT
93.279		"SUB00000164	3650	1,944	0	PT
93.279		"WAS297565	3650	20,362	0	PT
93.279			3800	67,925	0	
<b>Federal Program 93.279 Total</b>				<b>26,173,346</b>	<b>3,298,567</b>	
<b>National Institutes of Health Total</b>				<b>37,133,957</b>	<b>4,476,480</b>	
93.283	Centers for Disease Control and Prevention_Investi	"139903004	3650	43,054	0	PT
<b>Federal Program 93.283 Total</b>				<b>43,054</b>	<b>0</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>43,054</b>	<b>0</b>	
93.286	Discovery and Applied Research for Technological I		3600	5,928,190	1,059,354	
93.286	COVID-19 – Discovery and Applied Research for Technological I		3600	44,322	0	
93.286	Discovery and Applied Research for Technological I	177701	3600	49,763	0	PT
93.286		2004999881AM02	3600	39,344	0	PT
93.286		590063AM2	3600	141,762	0	PT
93.286		A008521201AM1REV	3600	160,218	0	PT
93.286		A454269AM01	3600	104,182	0	PT
93.286		A580773	3600	18,485	0	PT
93.286		A580773AM01	3600	96,962	0	PT
93.286		AM02	3600	39,359	0	PT
93.286		UW667397	3600	33,834	0	PT
93.286			3650	844,439	0	
<b>Federal Program 93.286 Total</b>				<b>7,500,860</b>	<b>1,059,354</b>	
<b>National Institutes of Health Total</b>				<b>7,500,860</b>	<b>1,059,354</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.300	National Center for Health Workforce Analysis		3600	1,205,351	11,996	
93.300	COVID-19 – National Center for Health Workforce Analysis	P010074161	3600	41,133	0	PT
<b>Federal Program 93.300 Total</b>				<b>1,246,484</b>	<b>11,996</b>	
<b>Health Resources and Services Administration Total</b>				<b>1,246,484</b>	<b>11,996</b>	
93.307	Minority Health and Health Disparities Research		3600	1,420,226	314,425	
93.307		00002096AM1	3600	14,364	0	PT
93.307		00002251AM01	3600	8,375	0	PT
93.307		0202UW05386AM01	3600	4,699	0	PT
93.307		12723SUBMOD03	3600	105,229	0	PT
93.307		1920GXA148AM03	3600	24,338	0	PT
93.307		303000172AM01	3600	47,251	0	PT
93.307		303000924	3600	110,085	0	PT
93.307		4500003777AM02	3600	3,133	0	PT
93.307		577433AM05	3600	81,339	0	PT
93.307		583611AM01	3600	92,207	0	PT
93.307		OSP2017201AM06	3600	29,881	0	PT
93.307		RNG210374UW02AM02	3600	29,486	0	PT
93.307		S0342001AM01	3600	12,520	0	PT
93.307		SUBK00016457AM01	3600	10,704	0	PT
93.307		UW660430	3600	159,570	0	PT
93.307			3650	1,787,296	682,610	
93.307		"A220004S002	3650	85,566	0	PT
93.307		"FY001031	3650	6,052	0	PT
93.307		"FY18001024	3650	222,589	0	PT
93.307		"FY21001030	3650	9,138	0	PT
93.307		"FY22.1146.002	3650	39,479	0	PT
<b>Federal Program 93.307 Total</b>				<b>4,303,527</b>	<b>997,035</b>	
93.310	Trans-NIH Research Support		3600	18,310,831	6,379,275	
93.310	COVID-19 – Trans-NIH Research Support		3600	1,688,419	188,387	
93.310	Trans-NIH Research Support	0000002440	3600	65,925	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.310	Trans-NIH Research Support	1005478202UWAM02	3600	308,976	0	PT
93.310		220419001	3600	3,318	0	PT
93.310		220419001AM01	3600	140,159	0	PT
93.310		303001154	3600	27,549	0	PT
93.310		312044AM04	3600	10,632	0	PT
93.310		312228AM05	3600	29,818	0	PT
93.310		62984393248018	3600	7,966	0	PT
93.310		900168AMO7	3600	65,759	0	PT
93.310		900244AM08	3600	119,817	0	PT
93.310		A035261	3600	9,071	0	PT
93.310		PO623517538A	3600	335,252	0	PT
93.310		S408790AM004	3600	(178,726)	0	PT
93.310	COVID-19 – Trans-NIH Research Support		3650	1,701,956	979,609	
93.310	Trans-NIH Research Support	"303001184	3650	9,952	0	PT
93.310		"303001261	3650	3,744	0	PT
<b>Federal Program 93.310 Total</b>				<b>22,660,418</b>	<b>7,547,271</b>	
93.350	National Center for Advancing Translational Science		3600	16,759,003	3,441,489	
93.350		12663SUB	3600	2,206	0	PT
93.350		12880SUB	3600	22,154	0	PT
93.350		2005069333AM01	3600	(188)	0	PT
93.350		AWD000061711384872	3600	155,735	0	PT
93.350		FY221126015AM03	3600	41,487	0	PT
93.350		UW664714	3600	280,349	0	PT
93.350		UW669521	3600	288,208	0	PT
93.350		WU230355MOD01	3600	96,298	0	PT
<b>Federal Program 93.350 Total</b>				<b>17,645,252</b>	<b>3,441,489</b>	
93.351	Research Infrastructure Programs		3600	23,433,598	122,396	
93.351		1021707UW	3600	3,838	0	PT
93.351			3650	258,437	0	
<b>Federal Program 93.351 Total</b>				<b>23,695,873</b>	<b>122,396</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.353	21st Century Cures Act-Beau Biden Cancer Moonshot		3600	2,501,262	977,349	
93.353		0001091776	3600	(1,200)	0	PT
93.353		C21868057AM06	3600	53,106	0	PT
<b>Federal Program 93.353 Total</b>				<b>2,553,168</b>	<b>977,349</b>	
93.361	Nursing Research		3600	5,097,111	1,377,951	
93.361		0255E1114609AM01	3600	3,726	0	PT
93.361		12523SUBMOD01	3600	2,309	0	PT
93.361		12695SUBAM01	3600	18,427	0	PT
93.361		2022394AM01	3600	13,858	0	PT
93.361		22010705SUB02	3600	8,188	0	PT
93.361		7000000671AM05	3600	207,564	0	PT
93.361		7000001179AM02	3600	9,923	0	PT
93.361		7000001179AM3	3600	9,847	0	PT
93.361		CCF23314268	3600	57,206	0	PT
93.361		RES516447AM01	3600	8,806	0	PT
93.361			3650	293,285	33,760	
93.361		"5106247	3650	3,706	0	PT
<b>Federal Program 93.361 Total</b>				<b>5,733,956</b>	<b>1,411,711</b>	
93.368	21st Century Cures Act-Precision Medicine Initiative		3600	16,909,298	0	
<b>Federal Program 93.368 Total</b>				<b>16,909,298</b>	<b>0</b>	
93.393	Cancer Cause and Prevention Research		3600	7,122,214	2,755,892	
93.393		0000001490	3600	4,904	0	PT
93.393		0000001865	3600	3,868	0	PT
93.393		0000002424	3600	22,822	0	PT
93.393		0001110006	3600	7,958	0	PT
93.393		0001110334	3600	16,835	0	PT
93.393		0001112846	3600	32,260	0	PT
93.393		0001119473AM1	3600	78,297	0	PT
93.393		0001124896AM01	3600	31,425	0	PT
93.393		0001126857	3600	241,944	0	PT

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93.393	Cancer Cause and Prevention Research	0001126923	3600	11,367	0	PT
93.393		0001128477	3600	16,600	0	PT
93.393		0001134124	3600	35,473	0	PT
93.393		0001134550	3600	31,612	0	PT
93.393		0001150154	3600	7,354	0	PT
93.393		1004305702AM07	3600	152,490	0	PT
93.393		1557GVC172AM07	3600	177,906	0	PT
93.393		1557GWA025AM04	3600	186,455	0	PT
93.393		17093AM07	3600	2,247	0	PT
93.393		20160369613A180177S004	3600	7,976	0	PT
93.393		20231891	3600	10,366	0	PT
93.393		3803204110000114410AM0	3600	10,723	0	PT
93.393		425074GR413943UW	3600	35,739	5,986	PT
93.393		44956AM06	3600	19,011	0	PT
93.393		A167755	3600	84,844	0	PT
93.393		A200145S001P0726832AM0	3600	1,698	0	PT
93.393		A221534S011	3600	260,854	0	PT
93.393		AM01	3600	78,195	0	PT
93.393		AWD00000046SUB0000001	3600	16,574	0	PT
93.393		AWD000006641328812AM0	3600	7,381	0	PT
93.393		AWD102024SUB00000502A	3600	11,518	0	PT
93.393		CK11SWE32SIBCR	3600	1,734	0	PT
93.393		CK11WE33SIBCR	3600	2,316	0	PT
93.393		CK11WE34SIBCR	3600	11,136	0	PT
93.393		CRASCR202110	3600	3,744	0	PT
93.393		GJ116GJ14SIBCR	3600	11,045	0	PT
93.393		GJ116GJ15SIBCR	3600	2,159	0	PT
93.393		GJ116HERODM3SIBCR	3600	27,401	0	PT
93.393		GJ116UW4AM02	3600	43,355	0	PT
93.393		N008519501AM01	3600	193,140	0	PT
93.393		RNG210178UWAM05	3600	109,254	0	PT
93.393		RNG211580UW	3600	9,221	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.393	Cancer Cause and Prevention Research	RNG211580UWAM02	3600	109,630	0	PT
93.393		RNG211637UW	3600	4,283	0	PT
93.393		S0135401AM03	3600	63,289	0	PT
93.393		SPC1000006686GR127438	3600	27,711	0	PT
93.393		SPC1000007321GR130873	3600	20,463	0	PT
93.393		SUB00002526	3600	17,044	0	PT
93.393		UWCA237153AM05	3600	52,108	0	PT
93.393			3650	1,169,625	63,278	
<b>Federal Program 93.393 Total</b>				<b>10,607,568</b>	<b>2,825,156</b>	
93.394	Cancer Detection and Diagnosis Research		3600	6,975,418	2,025,925	
93.394		0001109989AM01	3600	75,607	0	PT
93.394		0001110230AM01	3600	38,242	0	PT
93.394		0001110231AM01	3600	12,221	0	PT
93.394		0001110262	3600	117,855	0	PT
93.394		0001110263	3600	12,510	0	PT
93.394		0001110269	3600	4,614	0	PT
93.394		0001110419	3600	8,287	0	PT
93.394		0001119691	3600	33,122	0	PT
93.394		0001120450AM01	3600	4,338	0	PT
93.394		0001126555AM01	3600	246,252	0	PT
93.394		0001126557	3600	24,121	0	PT
93.394		0001129932	3600	45,117	0	PT
93.394		0001130627	3600	8,155	0	PT
93.394		0001131546	3600	12,388	0	PT
93.394		0001133478	3600	47,076	0	PT
93.394		0001134168	3600	8,588	0	PT
93.394		0001136315AM01	3600	50,685	0	PT
93.394		1018110UWAAM02	3600	58,537	0	PT
93.394		1018110UWAAM04	3600	79,577	0	PT
93.394		11124SCAM03	3600	8,460	0	PT
93.394		1557GVB811AM05	3600	54,189	0	PT
93.394		20210016AM01	3600	72,594	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.394	Cancer Detection and Diagnosis Research	20220011	3600	26,752	0	PT
93.394		62539499182191AM02	3600	105,958	0	PT
93.394		62969778182562	3600	5,080	0	PT
93.394		637262011293669303	3600	7,002	0	PT
93.394		7137836	3600	15,399	0	PT
93.394		76215071UWASH03A3AM0	3600	1,566	0	PT
93.394		A147966A161226AM02	3600	118,640	0	PT
93.394		A147966AM01	3600	28,704	0	PT
93.394		A164794	3600	215,997	0	PT
93.394		NIH204AM1	3600	99,719	0	PT
93.394		PO7000000939AM04	3600	31,916	0	PT
93.394		SUBK00013600AM01	3600	64,921	0	PT
93.394			3650	363,760	58,837	
93.394		"TULHSC5585862021	3650	30,179	0	PT
93.394	COVID-19 – Cancer Detection and Diagnosis Research	"TULHSC5606252223	3650	97,289	0	PT
93.394		"TULHSC5609942223	3650	27,718	0	PT
<b>Federal Program 93.394 Total</b>				<b>9,238,553</b>	<b>2,084,762</b>	
93.395	Cancer Treatment Research		3600	7,417,131	2,595,833	
93.395		0001020248AM02	3600	(17,374)	0	PT
93.395		0001077860	3600	(2,451)	0	PT
93.395		0001102734	3600	(3,522)	0	PT
93.395		0001109949	3600	32,661	0	PT
93.395		0001109962	3600	4,171	0	PT
93.395		0001110046	3600	27,881	0	PT
93.395		0001110173	3600	(4,627)	0	PT
93.395		0001110497	3600	104,291	0	PT
93.395		0001120564	3600	2,599	0	PT
93.395		0001124579	3600	41,379	0	PT
93.395		0001124766	3600	27,536	0	PT
93.395		0001125412	3600	56,287	0	PT
93.395		0001125412AM1	3600	39,864	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.395	Cancer Treatment Research	0001125685	3600	1,070	0	PT
93.395		0001125910	3600	7,411	0	PT
93.395		0001127840	3600	62,702	0	PT
93.395		0001130175	3600	280,272	0	PT
93.395		0001131243	3600	8,694	0	PT
93.395		0001131362	3600	50,000	0	PT
93.395		0001131481	3600	5,237	0	PT
93.395		0001131482	3600	111,488	0	PT
93.395		0001135465AM01	3600	8,625	0	PT
93.395		0001142735	3600	16,102	0	PT
93.395		0001143014	3600	111,418	0	PT
93.395		0001143572	3600	32,917	0	PT
93.395		0001144264	3600	9,402	0	PT
93.395		0129403S02	3600	89,701	0	PT
93.395		1013080UWACHIOREAN	3600	8,355	0	PT
93.395		11539SUBMOD06	3600	1,870	0	PT
93.395		12740SUBMOD3	3600	18,762	0	PT
93.395		13765MOD01	3600	60,840	0	PT
93.395		1516300YR02MOD1AM1	3600	4,729	0	PT
93.395		1516301	3600	686	0	PT
93.395		239887	3600	32,647	0	PT
93.395		5UM1CA12194716MOD2	3600	84,464	0	PT
93.395		A147165AM01	3600	45,021	0	PT
93.395		A151430AM04	3600	15,002	0	PT
93.395		AWD102398G1AM05PO500	3600	37,091	0	PT
93.395		BMXMBM001AM02	3600	20,150	0	PT
93.395		U10CA1808200106WASH1	3600	10,846	0	PT
93.395		U10CA18082006WASH1CA	3600	5,114	0	PT
93.395		U10CA18082006WASH2CA	3600	10,017	0	PT
93.395		U10CA18082009WASH3C	3600	16,228	0	PT
93.395		UW663295	3600	123,365	0	PT
93.395		UW665818	3600	12,549	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.395	Cancer Treatment Research		3650	100,348	(11,084)	
93.395		"11515SUB	3650	533	0	PT
<b>Federal Program 93.395 Total</b>				<b>9,129,482</b>	<b>2,584,749</b>	
93.396	Cancer Biology Research		3600	6,490,414	915,172	
93.396		0001110445	3600	132,529	0	PT
93.396		0001133041	3600	171,113	0	PT
93.396		0001135299	3600	15,101	0	PT
93.396		01063973AM03	3600	63,696	0	PT
93.396		08003800S37701AM02	3600	13,612	0	PT
93.396		1719GXB208AM02	3600	10,744	0	PT
93.396		18A1001000999AM06	3600	121,141	0	PT
93.396		60068579AM03	3600	35,196	0	PT
93.396		62435605142396AM03	3600	7,937	0	PT
93.396		GRT65240AM04	3600	64,884	0	PT
93.396			3650	564,267	0	
93.396		"080038000S37701	3650	4,369	0	PT
<b>Federal Program 93.396 Total</b>				<b>7,695,003</b>	<b>915,172</b>	
93.397	Cancer Centers Support Grants		3600	55,515	55,515	
93.397		0001110178	3600	(68)	0	PT
93.397		0001110181AM01	3600	(2,636)	0	PT
93.397		0001110182AM01	3600	6,798	0	PT
93.397		0001110293	3600	22,569	0	PT
93.397		0001110368	3600	40,540	0	PT
93.397		0001110388	3600	13,053	0	PT
93.397		0001110399	3600	139,870	0	PT
93.397		0001110401	3600	54,634	0	PT
93.397		0001110409	3600	80,155	0	PT
93.397		0001110414	3600	18,397	0	PT
93.397		0001110481	3600	(1,376)	0	PT
93.397		0001118707	3600	20,038	0	PT
93.397		0001118708	3600	14,931	0	PT
93.397		0001118709	3600	23,522	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.397	Cancer Centers Support Grants	0001118940	3600	10,315	0	PT
93.397		0001118941	3600	40,205	0	PT
93.397		0001118968	3600	17,020	0	PT
93.397		0001118987	3600	11,893	0	PT
93.397		0001118988	3600	301,934	0	PT
93.397		0001119751	3600	120,131	0	PT
93.397		0001119886	3600	92,876	0	PT
93.397		0001120346	3600	38,046	0	PT
93.397		0001120346AM01	3600	24,001	0	PT
93.397		0001120359	3600	59,289	0	PT
93.397		0001120360	3600	85,458	0	PT
93.397		0001122164	3600	134,542	0	PT
93.397		0001123050	3600	30,746	0	PT
93.397		0001123631	3600	6,042	0	PT
93.397		0001123633	3600	32,216	0	PT
93.397		0001126802	3600	25,922	0	PT
93.397		0001128373	3600	46,508	0	PT
93.397		0001128374	3600	61,011	0	PT
93.397		0001130254	3600	202,459	0	PT
93.397		0001130273	3600	32,148	0	PT
93.397		0001130275	3600	37,122	0	PT
93.397		0001130660	3600	20,602	0	PT
93.397		0001130661	3600	18,291	0	PT
93.397		0001130670	3600	2,580	0	PT
93.397		0001130672	3600	14,531	0	PT
93.397		0001130674	3600	19,427	0	PT
93.397		0001130675	3600	29,705	0	PT
93.397		0001130676	3600	35,001	0	PT
93.397		0001130677	3600	11,426	0	PT
93.397		0001130726	3600	16,039	0	PT
93.397		0001138716	3600	6,535	0	PT
93.397		0001139391	3600	59,885	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.397	Cancer Centers Support Grants	0001139413	3600	11,785	0	PT
93.397		0001139414	3600	20,044	0	PT
93.397		0001139419	3600	17,164	0	PT
93.397		0001139495	3600	22,910	0	PT
93.397		0001139496	3600	27,886	0	PT
93.397		0001139497	3600	16,350	0	PT
93.397		0001139498	3600	8,367	0	PT
93.397		0001139499	3600	38,805	0	PT
93.397		0001139500	3600	62,937	0	PT
93.397		0001139502	3600	177,097	0	PT
93.397		0001139511	3600	38,967	0	PT
93.397		0001139513	3600	40,398	0	PT
93.397		0001140451	3600	92,216	0	PT
93.397		0001140712	3600	266,415	0	PT
93.397		0001140767	3600	114,661	0	PT
93.397		0001140818	3600	42,082	0	PT
93.397		0001140820	3600	175,294	0	PT
93.397		0001141174	3600	25,150	0	PT
93.397		0001141229	3600	90,799	0	PT
93.397		0001148996	3600	4,021	0	PT
93.397		0001148997	3600	52,123	0	PT
93.397		0001148999	3600	28,291	0	PT
93.397		0001149002	3600	9,369	0	PT
93.397		0001150563	3600	2,850	0	PT
93.397		001028765AM02	3600	7,083	0	PT
93.397		13790SC	3600	19,678	0	PT
93.397		TBCRC051MC1831AM01	3600	11,375	0	PT
<b>Federal Program 93.397 Total</b>				<b>3,553,965</b>	<b>55,515</b>	
93.398	Cancer Research Manpower		3600	2,327,658	369,495	
<b>Federal Program 93.398 Total</b>				<b>2,327,658</b>	<b>369,495</b>	
93.399	Cancer Control		3600	1,309,225	782,811	
93.399		0000001922	3600	2,188	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.399	Cancer Control	0000002405	3600	4,625	0	PT
93.399		0000002458	3600	3,859	0	PT
93.399		0000002459	3600	125,447	0	PT
93.399		0001110374	3600	8,090	0	PT
93.399		0001128098	3600	9,284	0	PT
93.399		0001134687	3600	44,716	0	PT
93.399		3004538756AM08	3600	45,050	0	PT
<b>Federal Program 93.399 Total</b>				<b>1,552,484</b>	<b>782,811</b>	
<b>National Institutes of Health Total</b>				<b>137,606,205</b>	<b>24,114,911</b>	
93.421	COVID-19 – Strengthening Public Health Systems and Services	AWD00000288SUB0000013	3600	1,633	0	PT
93.421	Strengthening Public Health Systems and Services	G1782AG035200395AM02	3600	11,050	0	PT
93.421		G2088AG0704	3600	46,070	0	PT
93.421		G2142AG0764AM02	3600	323,933	0	PT
93.421		G2463AG1094	3600	760,699	0	PT
93.421		G2586AG1221	3600	23,015	0	PT
93.421	COVID-19 – Strengthening Public Health Systems and Services	PO8067	3600	69,863	0	PT
93.421	Strengthening Public Health Systems and Services	REQUISITION0118	3600	141,236	0	PT
<b>Federal Program 93.421 Total</b>				<b>1,377,499</b>	<b>0</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>1,377,499</b>	<b>0</b>	
93.433	ACL National Institute on Disability, Independent		3600	1,110,627	0	
93.433		000532312SC001A01	3600	8,486	0	PT
93.433		2022YR51800UWASHADA	3600	951	0	PT
93.433		2023YR1ADAPARCUWAS	3600	3,869	0	PT
93.433		2694UWBY2AM04	3600	11,573	0	PT
93.433		2694UWBY3AM05	3600	42,453	0	PT
93.433		7258AM04	3600	102,918	0	PT
93.433		7258AM05	3600	289,059	0	PT
93.433		8699AM02	3600	2,752	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.433	ACL National Institute on Disability, Independent	8699PO0384123AM001	3600	1,894	0	PT
<b>Federal Program 93.433 Total</b>				<b>1,574,582</b>	<b>0</b>	
<b>Administration for Community Living Total</b>				<b>1,574,582</b>	<b>0</b>	
93.516	Public Health Training Centers Program		3600	938,927	34,889	
<b>Federal Program 93.516 Total</b>				<b>938,927</b>	<b>34,889</b>	
<b>Health Resources and Services Administration Total</b>				<b>938,927</b>	<b>34,889</b>	
93.564	Child Support Enforcement Research		3000	421,108	2,193	
<b>Federal Program 93.564 Total</b>				<b>421,108</b>	<b>2,193</b>	
93.652	Adoption Opportunities	90CO11340201AM01	3600	67,337	24,755	PT
93.652		AM01	3600	137,850	0	PT
93.652		HHS2021ACFACYFCW192	3600	1,735	0	PT
93.652		HHS2021ACFACYFCW192	3600	345,218	58,910	PT
93.652		UW633294	3600	184,217	61,721	PT
<b>Federal Program 93.652 Total</b>				<b>736,357</b>	<b>145,386</b>	
<b>Administration for Children and Families Total</b>				<b>1,157,465</b>	<b>147,579</b>	
93.732	Mental and Behavioral Health Education and Training	710072122200	3600	44,511	0	PT
93.732		710072122300AM01	3600	5,306	0	PT
<b>Federal Program 93.732 Total</b>				<b>49,817</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>49,817</b>	<b>0</b>	
93.772	Tribal Public Health Capacity Building and Quality	AM03	3600	12,090	0	PT
<b>Federal Program 93.772 Total</b>				<b>12,090</b>	<b>0</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>12,090</b>	<b>0</b>	
93.788	Opioid STR	0010960000077332	3600	89,720	0	PT
93.788		0010981200077332AM03	3600	25,007	0	PT
<b>Federal Program 93.788 Total</b>				<b>114,727</b>	<b>0</b>	
<b>Substance Abuse and Mental Health Services Adminis Total</b>				<b>114,727</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.825	COVID-19 – National Ebola Training and Education Center (NETEC)	3401143001102AM03	3600	295,158	0	PT
93.825		3401143001102AM04	3600	283,998	30,000	PT
93.825	National Ebola Training and Education Center (NETEC)	UW669337	3600	24,068	0	PT
<b>Federal Program 93.825 Total</b>				<b>603,224</b>	<b>30,000</b>	
<b>Office of the Secretary Total</b>				<b>603,224</b>	<b>30,000</b>	
93.837	Cardiovascular Diseases Research		3600	32,258,789	5,198,684	
93.837		01460400002	3600	20,844	0	PT
93.837		08018007S27801AM06	3600	50,925	0	PT
93.837		122387691POS9002468AM0	3600	69,147	0	PT
93.837		12730SUBMOD01	3600	113,613	0	PT
93.837		12920SCAM01	3600	16,564	0	PT
93.837		13078SCAM01	3600	3,695	0	PT
93.837		13369SCAM01	3600	21,105	0	PT
93.837		1R43HL15632701A1	3600	35,190	0	PT
93.837		2004073037AM003	3600	17,816	0	PT
93.837		2005511521	3600	113,997	0	PT
93.837		218518601AM02	3600	206,397	0	PT
93.837		236957AM02	3600	46,417	0	PT
93.837		242757	3600	1,840	0	PT
93.837		3147003UWPO23006024A	3600	3,777	0	PT
93.837		3147003UWPO23006024A	3600	62,185	0	PT
93.837		5113177AM04	3600	49,441	0	PT
93.837		580479PO4700953AM02	3600	11,375	0	PT
93.837		580479PO4700953PRIOR46	3600	1,842	0	PT
93.837		580479PO4700955AM02	3600	11,123	0	PT
93.837		580479PO4700955PRIOR46	3600	(2,477)	0	PT
93.837		60058454UOWA03	3600	132,319	44,351	PT
93.837		679447	3600	75,006	0	PT
93.837		704820AM01	3600	227,611	0	PT
93.837		7312021703065767LMOD00	3600	2,609	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.837	Cardiovascular Diseases Research	7312021703065767LMOD04	3600	35,483	0	PT
93.837		900087AM02	3600	19,003	0	PT
93.837		A033025AM03	3600	78,354	0	PT
93.837		A138591	3600	40,005	0	PT
93.837		AM09	3600	23,710	0	PT
93.837		ASUB00000241AM004	3600	23,239	0	PT
93.837		AWD0000431413860919AA	3600	7,600	0	PT
93.837		FP06534702PRAM03	3600	112,091	0	PT
93.837		GMO210303PO0000002279	3600	43,045	0	PT
93.837		GR105731CON80001726A	3600	71,662	0	PT
93.837		OS00000482400515	3600	14,526	0	PT
93.837		PS224978MOD11	3600	19,184	0	PT
93.837		S0045001AM04	3600	17,714	0	PT
93.837		SA0002995	3600	6,496	0	PT
93.837		SUBK00012868003AM002	3600	142,312	0	PT
93.837		SUBK00012868003AM03	3600	1,825	0	PT
93.837		VUMC59733AM08	3600	28	0	PT
93.837		VUMC95800	3600	8,441	0	PT
93.837		VUMC95800AM01	3600	86,594	0	PT
93.837		WU230010	3600	29,407	0	PT
93.837			3650	783,916	141,938	
93.837		"320000360821114	3650	230,665	0	PT
93.837		"599745	3650	123,642	0	PT
<b>Federal Program 93.837 Total</b>				<b>35,470,092</b>	<b>5,384,973</b>	
93.838	Lung Diseases Research		3600	7,042,856	526,895	
93.838		0001110377AM01	3600	238,423	0	PT
93.838		0001110381	3600	2,174	0	PT
93.838		0001131463	3600	197,374	0	PT
93.838		0001131597	3600	12,302	0	PT
93.838		0164103S01	3600	131,389	0	PT
93.838		1018896004UWAAM01	3600	557	0	PT
93.838		1019395UWAAM002	3600	(41,576)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.838	Lung Diseases Research	1021391UWAM01	3600	123,517	0	PT
93.838		1021855UW	3600	63,510	0	PT
93.838		1023342UWA	3600	73,364	0	PT
93.838		20210011MOD05	3600	845,481	0	PT
93.838		21058117	3600	3,276	0	PT
93.838		2146556	3600	4,841	0	PT
93.838		2219634AM01	3600	31,066	0	PT
93.838		224404AM01	3600	44,758	0	PT
93.838		22662817	3600	10,225	0	PT
93.838		239080AM01	3600	48,077	0	PT
93.838	COVID-19 – Lung Diseases Research	239574AM01	3600	2,560	0	PT
93.838	Lung Diseases Research	2GG01166201AM05	3600	51,496	0	PT
93.838		2GG01799801G17046	3600	1,707	0	PT
93.838		303862AM05	3600	92,312	0	PT
93.838	COVID-19 – Lung Diseases Research	32GG01599701POG15284A	3600	45,263	0	PT
93.838	Lung Diseases Research	5122015PREVIOUSLY5119	3600	23,840	0	PT
93.838		5125695PRIOR5122015AM	3600	45,330	0	PT
93.838		582591AM01	3600	43,364	0	PT
93.838		583172	3600	21,133	0	PT
93.838		583172AM01	3600	70,231	0	PT
93.838		62850767151323AM01	3600	30,303	0	PT
93.838		6GG01792901AM01	3600	177,514	0	PT
93.838		7137797	3600	9,008	0	PT
93.838		AM05	3600	7,302	0	PT
93.838		AM6	3600	620	0	PT
93.838		ASUB00000775AM02	3600	102,854	0	PT
93.838		AWD000070291390257	3600	3,433	0	PT
93.838		OS00000404316463AM01	3600	100,766	0	PT
93.838		SUBK00016195AM02	3600	104,277	0	PT
93.838		UW667708	3600	42,561	0	PT
93.838		WU19105MOD5	3600	783	0	PT
93.838		WU230512	3600	11,728	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.838 Total</b>				<b>9,819,999</b>	<b>526,895</b>	
93.839	Blood Diseases and Resources Research		3600	9,005,014	2,922,446	
93.839	COVID-19 – Blood Diseases and Resources Research		3600	(13,092)	0	
93.839	Blood Diseases and Resources Research	0001081416	3600	(116,954)	0	PT
93.839		0001109957AM01	3600	203,593	0	PT
93.839		0001109975	3600	10,770	0	PT
93.839		0001109975AM1	3600	46,492	0	PT
93.839		0001110428AM01	3600	126,958	0	PT
93.839		0001125798	3600	67,516	0	PT
93.839		0001125798AM02	3600	102,185	0	PT
93.839		000533033SC012	3600	75	0	PT
93.839		11685UW147AM03	3600	11,559	0	PT
93.839		12265SUBMOD02	3600	54,711	0	PT
93.839		12393SUBMOD01	3600	34	0	PT
93.839		12394SUBMOD02	3600	11,088	0	PT
93.839		12800SUBMOD01	3600	18,429	0	PT
93.839		12978SUB	3600	69,475	0	PT
93.839		2004868647AM01	3600	1,213	0	PT
93.839		2004868647AM02	3600	116,236	0	PT
93.839		33108SUB52859AM05	3600	113,455	0	PT
93.839		5112806AM03	3600	12,205	0	PT
93.839		883UW2019AM04	3600	36,518	0	PT
93.839		883UW2019AM05	3600	11,325	0	PT
93.839		883UWKONKLE	3600	(2,274)	0	PT
93.839		883UWKONKLEAM01	3600	6,887	0	PT
93.839		883UWKONKLEAM02	3600	2,723	0	PT
93.839		895UW2020AM02	3600	24,376	0	PT
93.839		AM04	3600	343,407	0	PT
93.839		FP066598BAM05	3600	21,642	0	PT
93.839		FP066598DAM05	3600	272	0	PT
93.839		SA0000420AM05	3600	51,610	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.839	Blood Diseases and Resources Research	SCON00003444AM03	3600	476,135	0	PT
93.839		"WSU310374	3650	25,466	0	PT
93.839			3800	148,810	0	
<b>Federal Program 93.839 Total</b>				<b>10,987,859</b>	<b>2,922,446</b>	
93.840	Translation and Implementation Science Research For		3600	1,814,808	845,144	
93.840	COVID-19 – Translation and Implementation Science Research For		3600	326,580	299,891	
93.840	Translation and Implementation Science Research For	AD226SHAHRS4SIBCR	3600	36,139	0	PT
93.840		C0013	3600	53,343	0	PT
93.840		C0013B	3600	195,150	0	PT
93.840		IDRC0003SC	3600	17,088	0	PT
93.840		IDRC0007SC	3600	90,398	0	PT
93.840		OS00000273400187	3600	142,769	0	PT
93.840		VUMC95584AM02	3600	232	0	PT
<b>Federal Program 93.840 Total</b>				<b>2,676,507</b>	<b>1,145,035</b>	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research		3600	9,524,376	1,077,620	
93.846		12568SUBMOD02	3600	141,208	0	PT
93.846		12568SUBMOD03	3600	91,085	0	PT
93.846		2004829001MOD03	3600	32,657	0	PT
93.846		20211473AM03	3600	35,818	0	PT
93.846		5125169AM02	3600	465,757	0	PT
93.846		5125170AM02	3600	117,845	0	PT
93.846		7052813583UW	3600	88,644	0	PT
93.846		90077AM05	3600	173,805	0	PT
93.846		LW143LW12SIBCR	3600	9,269	0	PT
93.846		LW143LW13SIBCR	3600	47,978	0	PT
93.846		LW143UW2AM01	3600	15,083	0	PT
93.846		LW143UW3AM02	3600	80,500	0	PT
93.846		SB226AGELJ2SIBCR	3600	7,030	0	PT
93.846		UNI28975501AM1	3600	99,400	0	PT

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	UNI289755PO68352970	3600	9,891	0	PT
93.846		WU220481MOD1AM01	3600	1,095	0	PT
93.846			3650	1,111,377	27,081	
<b>Federal Program 93.846 Total</b>				<b>12,052,818</b>	<b>1,104,701</b>	
93.847	Diabetes, Digestive, and Kidney Diseases Extramura		3600	33,290,451	5,646,264	
93.847	COVID-19 – Diabetes, Digestive, and Kidney Diseases Extramura		3600	194,315	0	
93.847	Diabetes, Digestive, and Kidney Diseases Extramura	00001250AM05	3600	32,542	0	PT
93.847		00001835AM02	3600	30,146	0	PT
93.847		0001110049AM01	3600	118,614	0	PT
93.847		000524405SC004AM001	3600	(2)	0	PT
93.847		000524405SC004AM02	3600	11,050	0	PT
93.847		096530003326168AM05	3600	8,367	0	PT
93.847		098750003325730AM002	3600	8,300	0	PT
93.847		098750004326938AM03	3600	90,199	0	PT
93.847		10863SCAM06	3600	99,321	0	PT
93.847		11740SCAM03	3600	4,868	0	PT
93.847		11740SCAM04	3600	360,495	0	PT
93.847		12199SUBMOD04	3600	290,259	0	PT
93.847		12681SUBMOD01	3600	(420)	0	PT
93.847		12965SUB	3600	991,687	0	PT
93.847		13049SUB	3600	176,434	0	PT
93.847		1413SUBAM06	3600	45,552	38,985	PT
93.847		1413SUBAM08	3600	67,124	36,765	PT
93.847		16924AM06	3600	3,036	0	PT
93.847		16924AM07	3600	23,575	0	PT
93.847		169762169761	3600	75	0	PT
93.847		2003992125AM03	3600	7,574	0	PT
93.847		2005822121	3600	5,576	0	PT
93.847		235385AM03	3600	87,809	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.847	Diabetes, Digestive, and Kidney Diseases Extramura	238171AM01	3600	11,018	0	PT
93.847		238171AM02	3600	11,687	0	PT
93.847		238587AM01	3600	27,828	0	PT
93.847		3000738402	3600	17,992	0	PT
93.847		363502	3600	80,100	0	PT
93.847		363503AM01	3600	67,106	0	PT
93.847		363504AM01	3600	50,050	0	PT
93.847		5119779AM02	3600	24,889	0	PT
93.847		A547599AM01	3600	3,143	0	PT
93.847		AM01	3600	(6,828)	0	PT
93.847		BJ211BJ25SIBCR	3600	4,338	0	PT
93.847		BJ211BJ26SIBCR	3600	1,035	0	PT
93.847		BJ211SIKKEC4SIBCR	3600	1,177	0	PT
93.847		BW2RE21OMERM2SIBCR	3600	1,312	0	PT
93.847		FP06836601IAM04	3600	(2,541)	0	PT
93.847		FP06836601IAM06	3600	13,221	0	PT
93.847		FP06836601IAM07	3600	190,841	0	PT
93.847		GENFD0002181614AM02	3600	1,614	0	PT
93.847		GMO161129PO000000975G	3600	10,812	0	PT
93.847		GMO200501PO0000001992	3600	218,156	0	PT
93.847		LIN91306401AM03	3600	3,071	0	PT
93.847		LW145BRADYL1SIBCR	3600	30,105	0	PT
93.847		N006254903AM05	3600	(9,642)	0	PT
93.847		R44DK130647	3600	53,709	0	PT
93.847		RESS16361AM01	3600	(797)	0	PT
93.847		RESS16472AM02	3600	11,652	0	PT
93.847		RES600210	3600	217,996	0	PT
93.847		RNG003044UWDREWNO	3600	16,117	0	PT
93.847		S002266DHHSAM01	3600	110,646	0	PT
93.847		SCH228401AM02	3600	31,627	0	PT
93.847		SUB00000252	3600	22,312	0	PT
93.847		SUB00000327AM01	3600	16,149	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.847	Diabetes, Digestive, and Kidney Diseases Extramura	SUBK00012155AM003	3600	20	0	PT
93.847		SUBK00013501AM02	3600	30,896	0	PT
93.847		SUBK00016249	3600	91,951	0	PT
93.847		SUBK00017006AM02	3600	5,455	0	PT
93.847		UK1GRADEKS110SIBCR	3600	3,049	0	PT
93.847		UK1GRADEKS111SIBCR	3600	20,070	0	PT
93.847		UK1GRADEUK18SIBCR	3600	915	0	PT
93.847		UK1GRADEUK19SIBCR	3600	7,317	0	PT
93.847		UW662724	3600	93,339	0	PT
93.847		UW666140	3600	119,729	0	PT
93.847		VUMC101200	3600	38,496	0	PT
93.847		WP21CG11SIBCR	3600	9,477	0	PT
93.847		WP21KS12SIBCR	3600	5,520	0	PT
93.847		WP21UW1	3600	62,713	0	PT
93.847		WP21UW2AM1	3600	30,704	0	PT
93.847		WP21ZS21SIBCR	3600	31,378	0	PT
93.847		WP21ZS22SIBCR	3600	12,470	0	PT
93.847		ZS26ZS21SIBCR	3600	17,573	0	PT
93.847		ZS27ZS21SIBCR	3600	3,037	0	PT
93.847			3650	740,011	7,296	
93.847		"401536	3650	79,396	0	PT
93.847		"401707	3650	28,040	0	PT
93.847		"575452	3650	155,408	0	PT
93.847		"FY22001017	3650	23,801	0	PT
93.847		"FY23001021	3650	16,362	0	PT
93.847		"RGF010786A	3650	130,441	0	PT
<b>Federal Program 93.847 Total</b>				<b>38,934,410</b>	<b>5,729,310</b>	
93.853	Extramural Research Programs in the Neurosciences		3600	22,388,916	3,588,636	
93.853		00001110164AM02	3600	165,269	0	PT
93.853		000014737GAM02	3600	9,868	0	PT
93.853		0001121892	3600	105,954	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.853	Extramural Research Programs in the Neurosciences	01063359AM02	3600	1,125	0	PT
93.853		01064176AM03	3600	23,714	0	PT
93.853		010785135574AM02	3600	4,133	0	PT
93.853		011337135574AM01	3600	28,796	0	PT
93.853		012043135574	3600	15,999	0	PT
93.853		012044135574SATURNAM	3600	2,724	0	PT
93.853		012340135574AM01	3600	12,165	0	PT
93.853		013381135574AM01	3600	4,713	0	PT
93.853		013888135574	3600	23,418	0	PT
93.853		0255C8014609AM05	3600	90,044	0	PT
93.853		0255C8014609AM06	3600	266,142	0	PT
93.853		0255G8614609	3600	146,541	0	PT
93.853		1013756UWAAM04	3600	222,225	0	PT
93.853		1015158UWAM02	3600	1,207	0	PT
93.853		1015158UWAM03	3600	18,711	0	PT
93.853		1090654437057	3600	116,364	0	PT
93.853		1090654437057AM02	3600	125,431	0	PT
93.853		10945SCAM03	3600	46,082	0	PT
93.853		11037SCAM04	3600	838	0	PT
93.853		12753SUBMOD01	3600	129,894	0	PT
93.853		12754SUBMOD1	3600	38,586	0	PT
93.853		12987SCAM01	3600	49,626	0	PT
93.853		1381495122579	3600	42,687	0	PT
93.853		1482SUBAM02	3600	89,174	0	PT
93.853		14942051049390502AM05	3600	63,692	0	PT
93.853		1580GYB506AM02	3600	210,283	0	PT
93.853		168355168352AM02	3600	3,285	0	PT
93.853		170356170353	3600	2,062	0	PT
93.853		170356170353AM02	3600	24,481	0	PT
93.853		1713GZA878	3600	11,234	0	PT
93.853		1713GZA878AM01	3600	36,372	0	PT
93.853		1GG01200604AM06	3600	(663)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.853	Extramural Research Programs in the Neurosciences	1GG01200605AM07	3600	204,377	0	PT
93.853		2021001487	3600	74,848	0	PT
93.853		20210471AM02	3600	296,866	0	PT
93.853		20210503AM01	3600	63,925	0	PT
93.853		20210724AM01	3600	218,802	0	PT
93.853		224652UWAAM04	3600	166,544	0	PT
93.853		240868	3600	202,504	0	PT
93.853		3021754AM04	3600	7,632	0	PT
93.853		3GG01714305AM01	3600	344,176	0	PT
93.853		417793URFAOGR510748A	3600	26,068	0	PT
93.853		428629	3600	96,853	0	PT
93.853		428629AM02	3600	122,005	0	PT
93.853		4410141005203AM01	3600	6,693	0	PT
93.853		572976AM03	3600	(8,078)	0	PT
93.853		583281AM003	3600	16,156	0	PT
93.853		585761AM04	3600	54,521	0	PT
93.853		60054064WASHAMA04	3600	223,844	0	PT
93.853		61855870125439AM07	3600	38,726	0	PT
93.853		7000001516AM01	3600	12,433	0	PT
93.853		800178	3600	20,004	0	PT
93.853		92603UWASH	3600	9,372	0	PT
93.853		9670SCAM10	3600	138,229	0	PT
93.853		A211324S007AM02	3600	31,418	0	PT
93.853		A521966FORMERLYA3653	3600	71,834	0	PT
93.853		DM24UW3AM03	3600	74,606	0	PT
93.853		EN2101TO2MOD01	3600	21,307	0	PT
93.853		FY22ITN396AM2	3600	274	0	PT
93.853		GB10965169717AM01	3600	149,084	0	PT
93.853		KB26BECKR1SIBCR	3600	(1,963)	0	PT
93.853		KB26BECKR2SIBCRMOD1	3600	25,533	0	PT
93.853		KB26BJADHAV2SIBCRM0	3600	40,834	0	PT
93.853		KB26BKB23SIBCR	3600	43,782	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.853	Extramural Research Programs in the Neurosciences	KB26BLEBLAK1SIBCR	3600	16,953	0	PT
93.853		KB26BLEBLAK2SIBCR	3600	1,564	0	PT
93.853		KB26BMCMLP1SIBCR	3600	14,924	0	PT
93.853		PE165IJ21SIBCR	3600	19,650	0	PT
93.853		PE165PK11SIBCR	3600	14,848	0	PT
93.853		PE165REINR1SIBCR	3600	31,025	0	PT
93.853		PE165RM11SIBCR	3600	31,047	0	PT
93.853		PE165SHOFEJ1SIBCR	3600	20,415	0	PT
93.853		PE165SIKKEC1SIBCR	3600	22,074	0	PT
93.853		PO2005467415	3600	5,717	0	PT
93.853		PO2005467415MOD1	3600	111,529	0	PT
93.853		PRIME5R01NS11085603A	3600	1	0	PT
93.853		PRIME5R01NS11085604A	3600	19,655	0	PT
93.853		S397592AM07	3600	227,838	122,319	PT
93.853		S407472AM05	3600	204,956	0	PT
93.853		SUB00000073AM1GURFA	3600	40,664	0	PT
93.853		SUB00000073AM2URFAO	3600	11,409	0	PT
93.853		SUBK00007467AM03	3600	(29,132)	0	PT
93.853		SUBK00007467AM04	3600	343,788	0	PT
93.853		SUBK10405CSPR002	3600	19,020	0	PT
93.853		SUBK10405CSPR002AM00	3600	1,402	0	PT
93.853		TASKORDER01EN2001MO	3600	32,569	0	PT
93.853		TD116HS25SIBCRM02	3600	3,715	0	PT
93.853		TD116HS26SIBCR	3600	13,933	0	PT
93.853		UW664935	3600	10,000	0	PT
93.853		WAS22406306AM06	3600	2,050	0	PT
93.853		WU230464	3600	61,431	0	PT
93.853			3650	1,635,604	270,738	
93.853			3700	20,354	0	
<b>Federal Program 93.853 Total</b>				<b>30,223,304</b>	<b>3,981,693</b>	
93.855	Allergy and Infectious Diseases Research		3600	83,829,972	18,416,434	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	COVID-19 – Allergy and Infectious Diseases Research		3600	4,514,323	1,007,583	
93.855	Allergy and Infectious Diseases Research	0000002115	3600	156,425	0	PT
93.855		0000002293	3600	169,953	0	PT
93.855		0000002888	3600	87,707	0	PT
93.855		00002083	3600	26,057	0	PT
93.855		0001012355AM03	3600	(65,729)	0	PT
93.855		0001024201AM03	3600	(23)	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001037385AM02	3600	(1,200)	0	PT
93.855		0001044376AM02	3600	(34,021)	0	PT
93.855	Allergy and Infectious Diseases Research	00010756AM01	3600	17,484	0	PT
93.855		0001101341	3600	(572)	0	PT
93.855		0001102926PROJECT42588	3600	145,509	700	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001107418AM01	3600	97,486	0	PT
93.855		0001107418AM02	3600	90,194	0	PT
93.855	Allergy and Infectious Diseases Research	0001109937AM01	3600	57,380	0	PT
93.855		0001109948AM01	3600	61,897	0	PT
93.855		0001109961	3600	7,721	0	PT
93.855		0001109961AM01	3600	23,338	0	PT
93.855		0001109974AM01	3600	5,653	0	PT
93.855		0001109977	3600	17,044	0	PT
93.855		0001109978	3600	129,633	0	PT
93.855		0001110005	3600	113,178	0	PT
93.855		0001110063AM01	3600	200,085	0	PT
93.855		0001110079	3600	2,430	0	PT
93.855		0001110162	3600	177,515	0	PT
93.855		0001110166	3600	8,435	0	PT
93.855		0001110169	3600	450	0	PT
93.855		0001110203	3600	(1,379)	0	PT
93.855		0001110276	3600	18,042	0	PT
93.855		0001110279AM01	3600	31,894	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	0001110282AM01	3600	75,982	0	PT
93.855		0001110285AM01	3600	546,600	0	PT
93.855		0001110382	3600	764	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001117181	3600	604,625	0	PT
93.855		0001117482	3600	2,758,512	0	PT
93.855		0001117484	3600	2,462,833	0	PT
93.855		0001117494	3600	134,715	0	PT
93.855		0001117495	3600	112,018	0	PT
93.855		0001117496	3600	3,397,801	0	PT
93.855	Allergy and Infectious Diseases Research	0001117500	3600	34,999	0	PT
93.855		0001117543	3600	155,340	0	PT
93.855		0001117585AM01	3600	145,641	0	PT
93.855		0001117844	3600	36,234	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001117845	3600	8,658	0	PT
93.855	Allergy and Infectious Diseases Research	0001117989AM01	3600	140,006	0	PT
93.855		0001120220	3600	336	0	PT
93.855		0001122791AM01	3600	30,891	0	PT
93.855		0001122826AM01	3600	144,126	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001122997	3600	53,238	0	PT
93.855	Allergy and Infectious Diseases Research	0001124580	3600	677,467	0	PT
93.855		0001127020	3600	250,801	0	PT
93.855		0001127578	3600	46,471	0	PT
93.855		0001127578AM01	3600	7,418	0	PT
93.855		0001128715	3600	36,352	0	PT
93.855		0001129517	3600	19,622	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0001129961AM001	3600	47,294	0	PT
93.855	Allergy and Infectious Diseases Research	0001132716	3600	210,983	0	PT
93.855		0001134355	3600	410,494	0	PT
93.855		0001134732AM01	3600	94,367	0	PT
93.855		0001134736AM01	3600	280,827	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	0001136337	3600	70,429	0	PT
93.855		0001137333	3600	11,731	0	PT
93.855		0001138583	3600	174,415	0	PT
93.855		0001138842	3600	880,908	0	PT
93.855		0001141585	3600	42,891	0	PT
93.855		0001143509	3600	99,612	0	PT
93.855		0001144692	3600	324,636	0	PT
93.855		0001144972	3600	581,249	0	PT
93.855		0001144973	3600	4,551	0	PT
93.855		000510836SC006AMA02	3600	1,023,584	0	PT
93.855		000529618SC006R24AI067	3600	276,089	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	0135002S01A01AM02	3600	20,123	0	PT
93.855	Allergy and Infectious Diseases Research	0139201S01AM02	3600	151,306	0	PT
93.855		0139202S01	3600	61,412	0	PT
93.855		100525301	3600	34,137	0	PT
93.855		100525301AM01	3600	371,091	0	PT
93.855		10062083UWAM1	3600	137,210	0	PT
93.855		1006210302UW	3600	265,470	0	PT
93.855		1006210302UWAM01	3600	11,400	0	PT
93.855		1013170UWAAM04	3600	125,786	0	PT
93.855		10182SCAM07	3600	25,654	0	PT
93.855		1020009UWA	3600	22,879	0	PT
93.855		1020009UWAAM01	3600	64,882	0	PT
93.855		1020638UW	3600	9,235	0	PT
93.855		1020638UWAM01	3600	5,372	0	PT
93.855		1022434UWAA3	3600	157,712	0	PT
93.855		10951SCAM04	3600	67,551	0	PT
93.855		11003SCAM06	3600	47,697	0	PT
93.855		11313SCAM07	3600	969,699	23,974	PT
93.855		11645SUBMOD05	3600	42,303	0	PT
93.855		11670SUBMOD05	3600	58,348	0	PT
93.855		11671SUBMOD05	3600	1,058	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	12175SUBMOD04	3600	253,349	0	PT
93.855		12179SUBMOD03	3600	128,244	0	PT
93.855		12234SUBMOD02	3600	390,237	0	PT
93.855		12331SUBMOD02	3600	53,337	0	PT
93.855		12366SUBMOD2	3600	26,622	0	PT
93.855		12490SUBMOD01	3600	132,623	0	PT
93.855		12491SUBMOD02	3600	17,612	0	PT
93.855		12509SUBMOD01	3600	122,896	0	PT
93.855		12509SUBMOD02	3600	323,469	0	PT
93.855		125394	3600	28,961	0	PT
93.855		125980AM01	3600	50,496	0	PT
93.855		12760SUB	3600	228,827	0	PT
93.855		12760SUBMOD01	3600	533,162	0	PT
93.855		12773SUBMOD01	3600	364,244	0	PT
93.855		12783SUBMOD01	3600	79,107	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	12808SUBMOD01	3600	188,659	0	PT
93.855	Allergy and Infectious Diseases Research	12829SUB	3600	52,033	0	PT
93.855		12829SUBMOD1	3600	26,434	0	PT
93.855		12906SCAM01	3600	161,243	0	PT
93.855		12921SUB	3600	71,712	0	PT
93.855		12924SUB	3600	62,583	0	PT
93.855		12944SCAM01	3600	118,802	0	PT
93.855		13150SCAM01	3600	175,264	0	PT
93.855		13738SC	3600	15,977	0	PT
93.855		13889321147AM01	3600	56,518	0	PT
93.855		15126451207350025	3600	36,842	0	PT
93.855		15241651194570021AM01	3600	(502)	0	PT
93.855		1559GXG085AM02	3600	164,875	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	1560BLC850	3600	573,694	0	PT
93.855		1560BLC923AM01	3600	3,765,594	0	PT
93.855	Allergy and Infectious Diseases Research	1560BYC861AM02	3600	(2,448)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	1560BYC861AM04	3600	534,081	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	1560BYC861AM05	3600	256,748	0	PT
93.855		1560BZA310AM01	3600	35,387	0	PT
93.855	Allergy and Infectious Diseases Research	1560GLA568AM01	3600	6,635	0	PT
93.855		1560GLA895	3600	20,870	0	PT
93.855		1560GLC470AM04	3600	13,599	0	PT
93.855		1650GLA201AM01	3600	1,280,321	0	PT
93.855		1R61AI16181101002AM02	3600	30,998	0	PT
93.855		2005307175AM01	3600	626,432	0	PT
93.855		20210003AM01	3600	15,300	0	PT
93.855		202129AM02	3600	52,935	0	PT
93.855		2022372	3600	59,912	0	PT
93.855		203504UWAM04	3600	166,000	0	PT
93.855		2077	3600	(1,511)	0	PT
93.855		20M23AM03	3600	5,999	0	PT
93.855		218514302	3600	10,794	0	PT
93.855		21M118AM02	3600	54,124	0	PT
93.855		2219792AM05	3600	10,037	0	PT
93.855		234124AM01	3600	267,423	0	PT
93.855		2478PO25244955AM01	3600	364,945	0	PT
93.855		2590172324AM01	3600	272,808	0	PT
93.855		26570802UWASHAM02	3600	23,330	0	PT
93.855		2GG01537401AM01	3600	44,178	0	PT
93.855		4695AM04	3600	457	0	PT
93.855		5122353AM03	3600	5,752	0	PT
93.855		5668PO1013805HJF65843	3600	111,207	0	PT
93.855		582399AM01	3600	4	0	PT
93.855		584707AM02	3600	102,672	0	PT
93.855		60060177UWA01	3600	53,152	0	PT
93.855		7137555AM03	3600	49,010	0	PT
93.855		8989WUAM02	3600	43,166	0	PT
93.855		90654UNIVOFWASHINGTON	3600	150,675	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	9167PRIOR9155AM04	3600	265,672	0	PT
93.855		A011120AM03	3600	18,182	0	PT
93.855		A011120AM04	3600	73,141	0	PT
93.855		A147555MOD03	3600	7,766	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	A147555MOD03	3600	606	0	PT
93.855	Allergy and Infectious Diseases Research	A148479AM04	3600	121,936	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	A153251MOD03	3600	170,141	0	PT
93.855	Allergy and Infectious Diseases Research	A390459AM03	3600	182,969	0	PT
93.855		A400416AM03	3600	44,302	0	PT
93.855		A599934AM02FORMERA5	3600	11,620	0	PT
93.855		A603323AM02FORMERA5	3600	5,580	0	PT
93.855		A609557FORMERLYA4165	3600	59,626	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	A611769	3600	46,414	0	PT
93.855		A611940AM03	3600	19,329	0	PT
93.855		A613872	3600	7,549	0	PT
93.855		A644471AM05	3600	15,843	0	PT
93.855	Allergy and Infectious Diseases Research	A675795	3600	424,007	0	PT
93.855		A680754	3600	287,322	0	PT
93.855		A683318	3600	259,226	0	PT
93.855		A704758AM01	3600	44,547	0	PT
93.855		A746868	3600	2,696	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	A750305	3600	17,892	0	PT
93.855	Allergy and Infectious Diseases Research	A756772FORMERLYA6117	3600	21,051	0	PT
93.855		A756995AM02	3600	61,678	0	PT
93.855		A780946FORMERLYA7468	3600	8,686	0	PT
93.855		A803557	3600	2,268	0	PT
93.855		A807049	3600	10,642	0	PT
93.855		ADIUW2020001AM02	3600	21,790	0	PT
93.855		AH6466846139AM01	3600	157,817	0	PT
93.855		AII52646	3600	45,971	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	AM1	3600	37,386	0	PT
93.855		AWD000026821349442AM0	3600	11,888	0	PT
93.855		CB2558SB897826AM07	3600	73,974	0	PT
93.855		FY22ITN293AM03	3600	25,256	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	FY22ITN488FY21ITN488A	3600	9,947	0	PT
93.855		FY22ITN490AM1	3600	1,776	0	PT
93.855		FY22ITN536AM02	3600	167,911	0	PT
93.855	Allergy and Infectious Diseases Research	FY231210001	3600	13,239	0	PT
93.855		FY23ITN293AM4	3600	17,606	0	PT
93.855		G16418W7010AM06	3600	28,376	0	PT
93.855		G16418W7010AM08	3600	29,540	0	PT
93.855		GENFD0002265374	3600	78,504	0	PT
93.855		GMO180806AM05	3600	163,273	0	PT
93.855		GR102740PRIOR60062782	3600	190,521	0	PT
93.855		GRANTIDGRT00001924	3600	9,742	0	PT
93.855		IDGUW03	3600	11,612	0	PT
93.855		LDR02MOD03PO20049080	3600	15,941	0	PT
93.855		LDR02PO2004908062MOD	3600	22,925	0	PT
93.855		MOD02	3600	83,885	0	PT
93.855		OSP2018036AM008	3600	19,655	0	PT
93.855		P0515AAAM02	3600	4,345	0	PT
93.855		PO21000543MOD01	3600	16,777	0	PT
93.855		PO21000543MOD4	3600	16,038	0	PT
93.855		R1629	3600	2,384	0	PT
93.855		RESS10939AM04	3600	(7,635)	0	PT
93.855		RNG210453UWAM02	3600	7,049	0	PT
93.855		RNG210453UWAM3	3600	10,109	0	PT
93.855		S001012AM04	3600	151,532	0	PT
93.855		S003033DHHS	3600	104,376	0	PT
93.855		S006256	3600	49,293	0	PT
93.855		SCON00002206AM02	3600	47,266	0	PT
93.855		TBC2022UOW	3600	237,713	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy and Infectious Diseases Research	UCT00035674	3600	387	0	PT
93.855		UM1AI068632MOD01	3600	88,400	0	PT
93.855		UW637043	3600	13,363	0	PT
93.855		UW637454	3600	192,049	0	PT
93.855		UW661158	3600	286,341	0	PT
93.855		UW661774	3600	49,652	0	PT
93.855		UW662945	3600	52,856	0	PT
93.855		UW684572	3600	3,821	0	PT
93.855		VUMC101103AM02	3600	34,884	0	PT
93.855		VUMC101103AM03	3600	39	0	PT
93.855		VUMC101103AM3	3600	15,578	0	PT
93.855		VUMC74709AM04	3600	249,903	0	PT
93.855		VUMC85048AM02	3600	83,387	0	PT
93.855		VUMC85657AM02	3600	(3,396)	0	PT
93.855		VUMC85657AM03	3600	145,653	0	PT
93.855			3650	5,911,223	1,206,639	
93.855		"11312021753066834L	3650	25,242	0	PT
93.855		"31162B	3650	111,803	0	PT
93.855		"3453012214001	3650	179,996	0	PT
93.855	COVID-19 – Allergy and Infectious Diseases Research	"43120217530	3650	5,834	0	PT
93.855	Allergy and Infectious Diseases Research	"5106846	3650	44,361	0	PT
93.855		"H009691402	3650	53,503	0	PT
93.855		"MO070619	3650	26,221	0	PT
93.855		"TULHSC5605792223	3650	19,940	0	PT
93.855		"WAS255636	3650	115,189	0	PT
<b>Federal Program 93.855 Total</b>				<b>133,595,324</b>	<b>20,655,330</b>	
93.856	Microbiology and Infectious Diseases Research		3650	275,462	0	
<b>Federal Program 93.856 Total</b>				<b>275,462</b>	<b>0</b>	
93.859	Biomedical Research and Research Training		3600	31,989,561	1,017,704	
93.859		00002186	3600	22,646	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.859	Biomedical Research and Research Training	0001135621	3600	8,839	0	PT
93.859		000577AM01	3600	53,156	0	PT
93.859		1004493208AM006	3600	1,569	0	PT
93.859		20190005AM03	3600	125,649	0	PT
93.859		2021466	3600	4,403	0	PT
93.859		2021468	3600	4,584	0	PT
93.859		2022010	3600	3,267	0	PT
93.859		2022214PRIOR2021370AM	3600	15,214	0	PT
93.859		2022417	3600	57,891	0	PT
93.859		2022505AM01	3600	87,614	0	PT
93.859		2022506AMEND2021466A	3600	34,528	0	PT
93.859		62244825136718AM01	3600	172,038	0	PT
93.859		62244825136718AM03	3600	66,878	0	PT
93.859		62244825136718AM06	3600	382,341	0	PT
93.859		FY2023059	3600	56,320	0	PT
93.859	COVID-19 – Biomedical Research and Research Training	G26622W9487AM02	3600	243,603	0	PT
93.859	Biomedical Research and Research Training	S002007DHHSAM01	3600	83,714	0	PT
93.859		SUB00003607	3600	53,150	0	PT
93.859		UNIV60752AM03	3600	(3,460)	0	PT
93.859		UWOSPA161600AM01	3600	102,844	0	PT
93.859			3650	4,148,242	355,725	
93.859		"139375	3650	525,033	0	PT
93.859		"CM00008490	3650	8,923	0	PT
93.859		"G0019077500	3650	60,509	0	PT
93.859		"M2100083	3650	65,761	0	PT
93.859		"NWIC24230SAWSU	3650	270,076	0	PT
93.859		"R15GM132845WSU	3650	29,869	0	PT
93.859		621-003-01	3750	35,563	0	PT
93.859			3800	113,466	0	
93.859		205cre480	6990	32,027	0	PT
<b>Federal Program 93.859 Total</b>				<b>38,855,818</b>	<b>1,373,429</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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June 30, 2023  
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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.865	Child Health and Human Development Extramural Rese		3600	23,937,624	4,273,822	
93.865		0001027004AM03	3600	(163,256)	0	PT
93.865		0001109966AM01	3600	317,660	0	PT
93.865		0001127576AM01	3600	338,534	0	PT
93.865		100495102	3600	16,379	0	PT
93.865		11726702875119062	3600	1,638	0	PT
93.865		11726703875119062	3600	20,415	0	PT
93.865		12119SUBMOD04	3600	19,514	0	PT
93.865		12380SUBMOD02	3600	3,235	0	PT
93.865		125594AM02	3600	68,920	0	PT
93.865		12567SUBMOD1	3600	7,944	0	PT
93.865		12733SUBMOD01	3600	48,669	0	PT
93.865		12870SUBMOD01	3600	256,385	0	PT
93.865		12871SUBAWD00000304M	3600	33,938	0	PT
93.865		12952SUBMOD01	3600	217,980	0	PT
93.865		13005SUB	3600	91,420	0	PT
93.865		134751633AM03	3600	90,561	3,296	PT
93.865		1920GUA066AM05	3600	34,752	0	PT
93.865		20221728	3600	48,852	0	PT
93.865		238626306	3600	177,687	0	PT
93.865		239457AM01	3600	51,017	0	PT
93.865		49001	3600	14,440	0	PT
93.865		500180103	3600	(48)	0	PT
93.865		500180103AM02	3600	228,923	0	PT
93.865		500180103AM03	3600	80,970	0	PT
93.865		5109092AM03	3600	7,028	0	PT
93.865		5109092AM04	3600	24,927	0	PT
93.865		5126130	3600	19,964	0	PT
93.865		5126131	3600	145,532	0	PT
93.865		618B4436SE49714971AM03	3600	79,015	0	PT
93.865		82326UWY2	3600	3,161	0	PT
93.865		82326UWY2A1AM01	3600	11,569	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.865	Child Health and Human Development Extramural Rese	A220163S002	3600	14,874	0	PT
93.865		AH19105003A4AM04	3600	7,203	0	PT
93.865		AM01	3600	261,729	0	PT
93.865		AWD0000318841932613	3600	5,482	0	PT
93.865		AWD002298G2AM02	3600	21,681	0	PT
93.865		C000753817AM01	3600	(4,342)	0	PT
93.865		C000793527	3600	136,160	0	PT
93.865		IJ14GRANTA1SIBCR	3600	10,552	0	PT
93.865		IJ25IJ22SIBCR	3600	4,036	0	PT
93.865		R000003132	3600	3,412	0	PT
93.865		R000003162	3600	9,962	0	PT
93.865		SHEP230005	3600	1,726	0	PT
93.865		SUBK00009201AM05	3600	20,280	0	PT
93.865		SUBK00013590AM02	3600	28,199	0	PT
93.865		SUBK00016114AM02	3600	218,087	0	PT
93.865		UW664451	3600	36,697	0	PT
93.865		UW665699	3600	176,695	0	PT
93.865		WU19329MOD4	3600	322,772	0	PT
93.865		WU220482MOD2	3600	517,387	0	PT
93.865			3650	3,522,101	943,562	
93.865		"ASUB00000308	3650	(11,885)	0	PT
<b>Federal Program 93.865 Total</b>				<b>31,538,157</b>	<b>5,220,680</b>	
93.866	Aging Research		3600	55,629,841	11,886,394	
93.866		000000685AM03	3600	14,677	0	PT
93.866		000001964AM02	3600	38,247	0	PT
93.866		000002701	3600	14,874	0	PT
93.866		00001958AM01	3600	46,315	0	PT
93.866		00002080AM01	3600	191,994	96,261	PT
93.866		00002197	3600	41,256	0	PT
93.866		01064588	3600	24,004	0	PT
93.866		0255B7414609AM05	3600	166,964	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	0255B8514609AM07	3600	82,934	0	PT
93.866		0255B8514609AM08	3600	111,652	0	PT
93.866		0255E3014609AM01	3600	55,176	0	PT
93.866		1015875UWAAM01	3600	53,610	0	PT
93.866		1015875UWAAM02	3600	155,516	0	PT
93.866		10803366411000000915AM	3600	2,515	0	PT
93.866		10841SCAM04	3600	15,812	0	PT
93.866		109309268AM04	3600	28,225	0	PT
93.866		11024511611000000260	3600	127,292	0	PT
93.866		11075SCAM06	3600	18,736	0	PT
93.866		1143366410000551083AM0	3600	159,223	0	PT
93.866		12347SCAM04	3600	204,350	0	PT
93.866		124009907AM04	3600	23,302	0	PT
93.866		125298AM02	3600	128,108	0	PT
93.866		12773366411000000619	3600	85,147	0	PT
93.866		131446809AM02	3600	945	0	PT
93.866		13303366411000000619	3600	19,067	0	PT
93.866		137298298AM01SCON0000	3600	51,256	0	PT
93.866		137298298AM2	3600	258,855	0	PT
93.866		1558GWA112AM04	3600	11,425	0	PT
93.866		1560BWB288AM04	3600	1,624	0	PT
93.866		164388164378AM06	3600	432,937	0	PT
93.866		168701168699AM02	3600	25,536	0	PT
93.866		17021705SUB04AM02	3600	(1,962)	0	PT
93.866		17104510811000000214	3600	36,135	0	PT
93.866		171841171837	3600	66,191	0	PT
93.866		1GG01479201AM02	3600	58,102	0	PT
93.866		20200009AM01	3600	18,242	0	PT
93.866		210317032204AM01	3600	64,072	0	PT
93.866		218557601	3600	(3,797)	0	PT
93.866		228557602	3600	138,243	0	PT
93.866		280201015S221AM06	3600	181,098	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	30340SUB52029UOFWASH	3600	12,921	0	PT
93.866		3713366410000111041AM0	3600	62,676	0	PT
93.866		378455	3600	20,187	0	PT
93.866		3GG01535303AM01	3600	96,894	0	PT
93.866		3GG01754302AM1	3600	84,513	0	PT
93.866		418400002UWAM04	3600	99,143	0	PT
93.866		4500003041AM05	3600	141,502	0	PT
93.866		4500003082AM04	3600	60,336	0	PT
93.866		4500003432AM003	3600	109,159	0	PT
93.866		4500003470AM03	3600	73,207	0	PT
93.866		4500004111AM004	3600	92,963	0	PT
93.866		4500004405AM006	3600	388,817	0	PT
93.866		4961UWASH03A2AM02	3600	55,105	0	PT
93.866		4GG01512901POG16773A	3600	32,291	0	PT
93.866		5124100AM01	3600	18,266	0	PT
93.866		577437AM04	3600	20,040	0	PT
93.866		580327AM02	3600	19,139	0	PT
93.866		580529AM01	3600	14,137	0	PT
93.866		584640AM03	3600	13,882	0	PT
93.866		584640AM04	3600	26,873	0	PT
93.866		585940	3600	17,565	0	PT
93.866		586117AM2	3600	102,042	0	PT
93.866		587103AM5	3600	5,430	0	PT
93.866		60048332UWA04	3600	(1,134)	0	PT
93.866		60048332UWA05	3600	32,575	0	PT
93.866		60060219UWAA01	3600	109,551	0	PT
93.866		6048329UWA05	3600	3,163	0	PT
93.866		6048330UWA06	3600	6,324	0	PT
93.866		6048331UWA05	3600	3,163	0	PT
93.866		61627910128473AM004	3600	(133)	0	PT
93.866		87749088AM003	3600	1,426	0	PT
93.866		8GG01582206G15783	3600	135,926	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	8GG01582207AM01	3600	1,308	0	PT
93.866		8GG01582207G15783AM02	3600	813	0	PT
93.866		900142AM01	3600	48,253	0	PT
93.866		97832536AM04	3600	(32,368)	0	PT
93.866		A033241AM03	3600	450,731	0	PT
93.866		A142285AM03	3600	29,777	0	PT
93.866		A142285AM04	3600	743,023	0	PT
93.866		A142285AM05	3600	368,786	0	PT
93.866		A546972AM004	3600	98,708	0	PT
93.866		A684278	3600	58,143	0	PT
93.866		A700669FORMERLYA5469	3600	308,880	0	PT
93.866		AWD000035471358751AM0	3600	229,201	0	PT
93.866		AWD000047371370531	3600	16,125	0	PT
93.866		BW218BW25SIBCRM001	3600	23,966	0	PT
93.866		BW218FUJIMT3SIBCR	3600	32,982	0	PT
93.866		BW218OMERM2SIBCRMO	3600	(1,312)	0	PT
93.866		BW218SFUJIMT3SIBCR	3600	14,135	0	PT
93.866		BW218SRE22SIBCR	3600	8,492	0	PT
93.866		CCF22039468AM01	3600	12,366	0	PT
93.866		CD39PARTARM1SIBCR	3600	9,914	0	PT
93.866		CD39UW1	3600	7,298	0	PT
93.866		CD39UW2AM1	3600	28,299	0	PT
93.866		FY19875002FY22875002A	3600	9,848	0	PT
93.866		FY22830001	3600	125,020	0	PT
93.866		FY22830001AM03	3600	382,329	0	PT
93.866		GJ116HERODM4SIBCR	3600	8,520	0	PT
93.866		GJ118GJ13SIBCR	3600	11,045	0	PT
93.866		GJ118GJ14SIBCR	3600	2,109	0	PT
93.866		GJ118HERODM3SIBCR	3600	27,401	0	PT
93.866		GJ118UW2AM02	3600	49,571	0	PT
93.866		GL064596UWSY4AM04	3600	61,247	0	PT
93.866		IJ22IJ24SIBCR	3600	8,693	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	KB210AHANM2SIBCR	3600	16,771	0	PT
93.866		KB210AHANM3SIBCR	3600	12,652	0	PT
93.866		KB210AKB22SIBCR	3600	25,539	0	PT
93.866		KB210AKB23SIBCR	3600	18,242	0	PT
93.866		KB210AMCMILP3SIBCR	3600	20,892	0	PT
93.866		KB210AMCMILP4SIBCR	3600	17,909	0	PT
93.866		LG16IJ21SIBCR	3600	2,354	0	PT
93.866		LN15JADHAV2SIBCR	3600	5,720	0	PT
93.866		LN15LONGA1SIBCR	3600	16,035	0	PT
93.866		LN15LONGA2SIBCR	3600	4,582	0	PT
93.866		LN15TOSCAL2SIBCRM0D	3600	71,798	0	PT
93.866		LN15UW2	3600	99,388	0	PT
93.866		LN15UW2AM01	3600	59,944	0	PT
93.866		P008447401AM01	3600	21,694	0	PT
93.866		PE158PE14SIBCR	3600	16,617	0	PT
93.866		PE163LG12SIBCR	3600	9,042	0	PT
93.866		PE163PE12SIBCR	3600	13,164	0	PT
93.866		RNG209925UWAM07	3600	54,338	0	PT
93.866		RNG211392UWONCAM02	3600	106,266	0	PT
93.866		RNG211393UWOFFCAM02	3600	3,715	0	PT
93.866		RNG211393UWONCAM01	3600	112,054	0	PT
93.866		RNG211393UWONCAM03	3600	158,346	0	PT
93.866		RNG211393UWLSUAM03	3600	117,176	0	PT
93.866		RNG211394UWONCAM01	3600	78,221	0	PT
93.866		RNG211394UWLSUAM02	3600	359,746	0	PT
93.866		RNG211395UWONCAM3	3600	182,140	0	PT
93.866		RNG211396UWOFFCAM02	3600	765,038	0	PT
93.866		RNG211396UWONCAM02	3600	154,810	0	PT
93.866		RNG211397UWONCAM02	3600	74,736	0	PT
93.866		RNG211398UWONCAM01	3600	925,120	0	PT
93.866		RNG211398UWLSU	3600	172,694	0	PT
93.866		RNG211399UWONCAM01	3600	225,246	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research	RNG211399UWSLUAM2	3600	109,851	0	PT
93.866		RNG211400UWOFFCAM02	3600	137,846	0	PT
93.866		RNG211400UWONCAM02	3600	112,744	0	PT
93.866		SCON00004066	3600	30,585	0	PT
93.866		SHL212004AM05	3600	35,372	0	PT
93.866		SUB00002628AM03	3600	27,246	0	PT
93.866		SUBK00009657AM04	3600	83,654	0	PT
93.866		SUBK00011202AM03	3600	140,794	0	PT
93.866		SUBK00016445	3600	38,970	0	PT
93.866		SUBK00017248	3600	6,915	0	PT
93.866		TD112ATD15SIBCR	3600	4,447	0	PT
93.866		TD120ATD12SIBCR	3600	14,265	0	PT
93.866		TD122BHS21SIBCR	3600	12,102	0	PT
93.866		TD122BTD11SIBCR	3600	35,840	0	PT
93.866		TD122BUW1	3600	10,591	0	PT
93.866		TD122HS23SIBCR	3600	1,371	0	PT
93.866		TD122TD13SIBCR	3600	4,712	0	PT
93.866		UNI304383PO69058593	3600	42,908	0	PT
93.866		UNW312328PO000055634	3600	5,139	0	PT
93.866		UOW26313402PO68234536	3600	201,492	0	PT
93.866		UTAUSUB00000895	3600	32,464	0	PT
93.866		UW636835	3600	46,741	0	PT
93.866		UW636837	3600	25,169	0	PT
93.866		UW664737	3600	53,691	0	PT
93.866		UW665882	3600	3,116	0	PT
93.866		VUMC68180AM05	3600	122,552	0	PT
93.866		VUMC95666AM02	3600	12,802	0	PT
93.866		VUMC95855	3600	94,503	0	PT
93.866		VUMC95855AM01	3600	400,614	0	PT
93.866		WAS26313402	3600	40	0	PT
93.866		WU19279MOD6AM06	3600	46,952	0	PT
93.866		WU2042MOD3	3600	3,842	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.866	Aging Research		3650	7,456,987	2,407,678	
93.866		"1GG019220	3650	1,950	0	PT
93.866	COVID-19 – Aging Research	"676032	3650	93,638	0	PT
93.866	Aging Research	"A201801S001	3650	152,520	0	PT
93.866		"FY16001015	3650	9,237	0	PT
<b>Federal Program 93.866 Total</b>				<b>77,314,642</b>	<b>14,390,333</b>	
93.867	Vision Research		3600	14,314,054	1,052,365	
93.867		000521712SC002	3600	93,222	0	PT
93.867		1GG01795901	3600	44,645	0	PT
93.867		2004876349AM04	3600	4,741	0	PT
93.867		2005261524AM02	3600	110,971	0	PT
93.867		20200288AM02	3600	18,310	0	PT
93.867		62015716136077AM003	3600	3,814	0	PT
93.867		62015716136077AM04	3600	51,630	0	PT
93.867		62015716136077AM05	3600	72,019	0	PT
93.867		62066366133041AM05	3600	91,591	0	PT
93.867		62746996206461AM02	3600	105,969	0	PT
93.867		63129299133041	3600	28,587	0	PT
93.867		AM001	3600	5,751	0	PT
93.867		AM002	3600	29,688	0	PT
93.867		AM01	3600	21	0	PT
93.867		F196001AM01	3600	50,509	0	PT
93.867		MSA030	3600	97,400	0	PT
93.867		R1343633	3600	22,954	0	PT
93.867		UG1EY033293	3600	8,864	0	PT
93.867			3650	242,155	3,093	
93.867		"1014154WSU	3650	90,555	0	PT
93.867		"2003370134	3650	(786)	0	PT
93.867		"CB4725897942	3650	24,838	0	PT
93.867		"HHS0009001	3650	253,713	0	PT
<b>Federal Program 93.867 Total</b>				<b>15,765,215</b>	<b>1,055,458</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>National Institutes of Health Total</b>				<b>437,509,607</b>	<b>63,490,283</b>	
93.877	Autism Collaboration, Accountability, Research, Ed	1557PLA58501	3600	18,415	0	PT
<b>Federal Program 93.877 Total</b>				<b>18,415</b>	<b>0</b>	
<b>Health Resources and Services Administration Total</b>				<b>18,415</b>	<b>0</b>	
93.879	Medical Library Assistance		3600	3,347,364	405,341	
93.879		E2048782AM02	3600	2,602	0	PT
93.879		E2060341	3600	49,807	0	PT
93.879		SA0000747AM03	3600	43,264	0	PT
<b>Federal Program 93.879 Total</b>				<b>3,443,037</b>	<b>405,341</b>	
<b>National Institutes of Health Total</b>				<b>3,443,037</b>	<b>405,341</b>	
93.884	Primary Care Training and Enhancement		3600	14,887	6,521	
<b>Federal Program 93.884 Total</b>				<b>14,887</b>	<b>6,521</b>	
<b>Health Resources and Services Administration Total</b>				<b>14,887</b>	<b>6,521</b>	
93.941	HIV Demonstration, Research, Public and Profession		3600	1,138,416	79,359	
<b>Federal Program 93.941 Total</b>				<b>1,138,416</b>	<b>79,359</b>	
<b>Centers for Disease Control and Prevention Total</b>				<b>1,138,416</b>	<b>79,359</b>	
93.989	International Research and Research Training		3600	3,461,919	873,698	
93.989		004AM03	3600	54,669	0	PT
93.989		005AM04	3600	52,946	0	PT
93.989		1005926203POU000334651	3600	17,627	0	PT
93.989		202275	3600	103,183	0	PT
93.989		A110910819CHS0502AM07	3600	47,386	0	PT
93.989		A148221YR4	3600	19,135	0	PT
93.989		AM1	3600	2,777	0	PT
93.989		STRAMCHRYEAR1	3600	2,624	0	PT
93.989		UON1R21TW01146001MO	3600	32,933	0	PT
93.989		UW674085	3600	13,582	0	PT
93.989			3650	186,684	40,284	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
<b>Federal Program 93.989 Total</b>				<b>3,995,465</b>	<b>913,982</b>	
<b>National Institutes of Health Total</b>				<b>3,995,465</b>	<b>913,982</b>	
93.RD	Department of Health and Human Services - Unknown	12752SUB	3070	116,253	0	PT
93.RD		0001057710AM03	3600	170,013	0	PT
93.RD		0001063279AM03	3600	8,325	0	PT
93.RD		0001063279AM4	3600	6,229	0	PT
93.RD		00011170	3600	99,657	0	PT
93.RD		0001135972	3600	81,211	0	PT
93.RD		0001135972AM01	3600	1,923	0	PT
93.RD		000524050T007007AM03	3600	8,201	0	PT
93.RD		000527765T001001AM01	3600	30,059	27,638	PT
93.RD		000527765T002001AM05	3600	69,632	0	PT
93.RD		000527766T002001AM03	3600	38,962	0	PT
93.RD		0215103S01A01	3600	21,365	0	PT
93.RD		0215104S01	3600	72,621	0	PT
93.RD		1006111902UW	3600	209,494	0	PT
93.RD		1014432UWAAM004	3600	201,865	0	PT
93.RD		1014432UWAAM03	3600	3,179	0	PT
93.RD		1014432UWAAM05	3600	268,786	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	1020599UWAAM02	3600	78,366	0	PT
93.RD	Department of Health and Human Services - Unknown	1097865110787AM03	3600	(12,953)	0	PT
93.RD		1097865110787AM04	3600	661,724	0	PT
93.RD		1097865110787AM05	3600	186,509	0	PT
93.RD		12248SUB	3600	10,037	0	PT
93.RD		12452SUBYEAR2BASEAM	3600	276,020	0	PT
93.RD		12454SUBAM01	3600	2	0	PT
93.RD		12455SUBAM01	3600	80,521	0	PT
93.RD		12520SUBOPTION2AM01	3600	60,073	0	PT
93.RD		12647SUB	3600	16,339	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.RD	COVID-19 – Department of Health and Human Services - Unknown	12649SUB	3600	70,780	0	PT
93.RD	Department of Health and Human Services - Unknown	12651SUB	3600	30,950	0	PT
93.RD		12652SUB	3600	48,068	0	PT
93.RD		12659SUB	3600	41,798	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	12660SUB	3600	35,074	0	PT
93.RD	Department of Health and Human Services - Unknown	12661SUB	3600	34,050	0	PT
93.RD		12699SUB	3600	83,079	0	PT
93.RD		12700SUBAM01	3600	45,713	0	PT
93.RD		12709SUBAM01	3600	553,433	0	PT
93.RD		12910SUB	3600	589,818	0	PT
93.RD		12911SUB	3600	35,573	0	PT
93.RD		12912SUB	3600	31,604	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	12913SUB	3600	568,903	0	PT
93.RD	Department of Health and Human Services - Unknown	12914SUB	3600	117,176	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	12915SUB	3600	125,073	0	PT
93.RD	Department of Health and Human Services - Unknown	12930SUB	3600	78,838	0	PT
93.RD		12932SUB	3600	7,453	0	PT
93.RD		12933SUB	3600	418,397	0	PT
93.RD		12934SUB	3600	30,173	0	PT
93.RD		13024SUB	3600	157,388	0	PT
93.RD		13025SUB	3600	105,511	0	PT
93.RD		131446521AM02	3600	2,798	0	PT
93.RD		14011000070000MOD06	3600	182,714	0	PT
93.RD		14011000070000MOD07	3600	23,382	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	146SPS260845AM001	3600	35,266	0	PT
93.RD		20042803SUB02	3600	491,817	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.RD	COVID-19 – Department of Health and Human Services - Unknown	20042803SUB02AM02	3600	3,812,493	3,055,637	PT
93.RD		22CTADM0019MOD02	3600	343,704	0	PT
93.RD	Department of Health and Human Services - Unknown	5122494AM02	3600	72,175	0	PT
93.RD		53415	3600	13,215	0	PT
93.RD		718701	3600	10,547	0	PT
93.RD		721201	3600	63,891	0	PT
93.RD		722101	3600	72,148	0	PT
93.RD		7271OPPORTUNITY1TO51	3600	17,849	0	PT
93.RD		7506PREV	3600	16,097	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	75D30120C09610MOD02	3600	472,400	187,655	
93.RD		75D30121C10207	3600	147,721	0	
93.RD	Department of Health and Human Services - Unknown	75D30121C11341	3600	126,904	0	PT
93.RD		75D30123F0000120020231	3600	35,558	0	
93.RD		75N92020F00001	3600	3,559,980	443,157	
93.RD		75N92021D00006	3600	648,494	0	
93.RD		75N92021D0000675N92021	3600	1,422,790	676,195	
93.RD		75N93019C00063PO606138	3600	215,870	51,225	
93.RD		75N93019C00063PO631942	3600	723,473	89,519	
93.RD		75N94019C00006AM03	3600	20,523	0	PT
93.RD		75N94020D0000675N94020	3600	23,683	0	
93.RD		75N95021C00008	3600	179,471	0	
93.RD		75N95021C00008P00006	3600	92,084	0	
93.RD		7820162400001	3600	25,438	0	PT
93.RD		8308BMS01	3600	13,001	0	PT
93.RD		A175366	3600	35,600	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	AWD101462EAM06	3600	325,078	0	PT
93.RD	Department of Health and Human Services - Unknown	HHSN268201500003IMOD0	3600	(1,228)	(1,228)	
93.RD		HHSN272201800008C	3600	248,443	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
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**Research and Development**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.RD	Department of Health and Human Services - Unknown	HHSN272201800008CAM0	3600	49,779	24,077	
93.RD		HHSN272201800008CAM0	3600	9,301	14,161	
93.RD		HHSN272201800008CP0000	3600	2,013,108	126,466	
93.RD		HHSN275201300025IMODP	3600	1,588,669	1,062,296	
93.RD		HHSN275201300025IP0001	3600	292,181	0	
93.RD		MW20180621	3600	83,789	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	OOS030579UW01AM01	3600	3,927,910	0	PT
93.RD		OOS030579UW01AM02	3600	4,410,410	347,791	PT
93.RD		OOS030579UW02AM02	3600	5,401,913	1,648	PT
93.RD	Department of Health and Human Services - Unknown	PO2152280REV03	3600	73,900	0	PT
93.RD		SA21006MOD02	3600	21,743	0	PT
93.RD		SHSTA1001UW	3600	36,530	0	PT
93.RD		SHSTB1004UW	3600	10,871	0	PT
93.RD		SHSTB2004UW	3600	4,036	0	PT
93.RD	COVID-19 – Department of Health and Human Services - Unknown	SP0001510001AM02	3600	73,684	0	PT
93.RD	Department of Health and Human Services - Unknown	SP14257SB11AM03	3600	2,189	0	PT
93.RD		SP14542SB11AM04	3600	16,340	0	PT
93.RD		SUBCONTRACTNO4MOD	3600	102,299	0	PT
93.RD		SUBCONTRACTNO4MOD	3600	367,974	0	PT
93.RD		UW630778	3600	(16,192)	0	PT
93.RD		UW630858	3600	31,907	0	PT
93.RD		UW631885	3600	31,147	0	PT
93.RD		UW666857	3600	4,252	0	PT
93.RD		UW668867	3600	7,960	0	PT
93.RD		UW684295	3600	19,044	0	PT
93.RD		UW687290	3600	20,863	0	PT
<b>Federal Program 93.RD Total</b>				<b>38,032,251</b>	<b>6,106,237</b>	
<b>HHS Contract Number Only Provided Total</b>				<b>38,032,251</b>	<b>6,106,237</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>800,871,899</b>	<b>117,665,419</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Research and Development**

**Dept of Homeland Security**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.044	Assistance to Firefighters Grant	2122AM01	3600	108,735	0	PT
<b>Federal Program 97.044 Total</b>				<b>108,735</b>	<b>0</b>	
97.061	Centers for Homeland Security	1000003203AM02	3600	65,309	0	PT
97.061		M200177901AM01	3600	3,276	0	PT
<b>Federal Program 97.061 Total</b>				<b>68,585</b>	<b>0</b>	
<b>Homeland Security Total</b>				<b>177,320</b>	<b>0</b>	
97.RD	Homeland Security - Unknown ALN	70RSAT21CB0000014P0000	3600	535,053	213,885	
97.RD		HSHQDC15CB0033AMP00	3600	(218)	(218)	
<b>Federal Program 97.RD Total</b>				<b>534,835</b>	<b>213,667</b>	
<b>Hs Contract Number Only Provided Total</b>				<b>534,835</b>	<b>213,667</b>	
<b>Dept of Homeland Security Total</b>				<b>712,155</b>	<b>213,667</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**U.S. Agency for International Development**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
98.001	COVID-19 – USAID Foreign Assistance for Programs Overseas	1000190MKTSDOCD	3600	48,583	0	PT
98.001	USAID Foreign Assistance for Programs Overseas	2000012483MOD04	3600	127,524	0	PT
98.001		9771AM01	3600	420,277	0	PT
98.001		9771AM02	3600	219,571	0	PT
98.001		AI9014AM06	3600	596,121	0	PT
98.001		PROJECT102716001001005	3600	181,038	0	PT
98.001		TOPQMUW3CROSSBURE	3600	7,350	0	PT
98.001		UNR2062AM01	3600	177,562	0	PT
<b>Federal Program 98.001 Total</b>				<b>1,778,026</b>	<b>0</b>	
<b>International Development Total</b>				<b>1,778,026</b>	<b>0</b>	
98.RD	US Agency for International Development - Unknown	52106	3600	33,545	0	PT
98.RD		MTAPS20037PO21MSH032	3600	5,820	0	PT
98.RD		MTAPS21046MOD01	3600	20,002	0	PT
98.RD		MTAPS22056AM03	3600	56,584	0	PT
<b>Federal Program 98.RD Total</b>				<b>115,951</b>	<b>0</b>	
<b>US Agency for International Development Total</b>				<b>115,951</b>	<b>0</b>	
<b>U.S. Agency for International Development Total</b>				<b>1,893,977</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Research and Development**

**Undetermined Fed Agency**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
99.RD	Federal Assistance - Miscellaneous - Unknown ALN	1740060301MOD08PO2100	3600	23,317	0	PT
99.RD		1740060301MOD09PO2200	3600	107,850	0	PT
99.RD		1990739456464AM01	3600	34,930	0	PT
99.RD		73337	3600	29,460	0	PT
99.RD		D8919S3AM03	3600	28,882	0	PT
99.RD		MMC19173	3600	2,740	0	
99.RD		UW637215	3600	22,917	0	PT
99.RD		UW637836	3600	149,749	0	PT
<b>Federal Program 99.RD Total</b>				<b>399,845</b>	<b>0</b>	
<b>Unknown Fed Agy Contract Number Only Provided Total</b>				<b>399,845</b>	<b>0</b>	
<b>Undetermined Fed Agency Total</b>				<b>399,845</b>	<b>0</b>	
<b>Research and Development Total</b>				<b>1,292,495,084</b>	<b>165,653,325</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Student Financial Assistance**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.007	Federal Supplemental Educational Opportunity Grant	84.007A	3600	3,128,657	0	
84.007			3650	3,298,750	0	
84.007		SEOG	3700	379,516	0	
84.007		P007A214350	3750	21,870	0	
84.007		P07A224350	3750	768,627	0	
84.007		P007A234362	3760	243,562	0	
84.007		41604, 82630 PO07A2243	6990	4,999,463	0	
<b>Federal Program 84.007 Total</b>				<b>12,840,445</b>	<b>0</b>	
84.033	Federal Work-Study Program	84.033A	3600	2,280,500	0	
84.033			3650	564,479	0	
84.033		FWS	3700	587,408	0	
84.033		P033A214350	3750	7,120	0	
84.033		P033A224350	3750	81,351	0	
84.033		P033A224362	3760	327,578	0	
84.033		Federal Work Study	3800	494,609	0	
84.033		41699, 82310, 8232	6990	2,464,060	0	
84.033		WA220	6990	149,462	0	
<b>Federal Program 84.033 Total</b>				<b>6,956,567</b>	<b>0</b>	
84.038	Federal Perkins Loan Program		3600	17,783,668	0	OL
84.038		84.038	3600	(3,164,275)	0	OL
84.038			3650	8,370,277	0	OL
84.038			3700	1,408,368	0	OL
84.038		Perkins	3700	(525,463)	0	OL
84.038			3760	962,842	0	OL
84.038		84.038	3760	(961,275)	0	OL
84.038			3800	3,361,802	0	OL
84.038		Perkins Loan Program	3800	(951,101)	0	OL
84.038			6990	574,047	0	OL
<b>Federal Program 84.038 Total</b>				<b>26,858,890</b>	<b>0</b>	
84.063	Federal Pell Grant Program	84.063A	3600	48,974,715	0	
84.063			3650	30,758,176	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Student Financial Assistance**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.063	Federal Pell Grant Program	PELL Grant	3700	13,053,417	0	
84.063		P063P210412	3750	(28,856)	0	
84.063		P063P220412	3750	15,811,978	0	
84.063		Pell Admin Allowance	3750	16,740	0	
84.063		P063P223051	3760	4,259,650	0	
84.063		P063Q223051	3760	21,305	0	
84.063		Federal Pell Grant Prg	3800	14,680,770	0	
84.063		PELL	6990	145,321,264	0	
<b>Federal Program 84.063 Total</b>				<b>272,869,159</b>	<b>0</b>	
84.268	Federal Direct Student Loans	84.268	3600	304,475,238	0	
84.268			3650	140,925,801	0	
84.268		Direct Loan	3700	47,692,214	0	
84.268		P268K220412	3750	534,495	0	
84.268		P268K230412	3750	42,200,371	0	
84.268		P268K233051	3760	10,680,650	0	
84.268		Federal direct Loans	3800	38,534,883	0	
84.268		Direct Loans	6990	53,944,016	0	
<b>Federal Program 84.268 Total</b>				<b>638,987,668</b>	<b>0</b>	
84.379	Teacher Education Assistance for College and Higher	84.379A	3600	59,757	0	
84.379			3650	334,399	0	
84.379		P379T220412	3750	4,399	0	
84.379		P379T230412	3750	65,063	0	
84.379		P379T233051	3760	26,404	0	
84.379		TEACH Grant Program	3800	25,147	0	
<b>Federal Program 84.379 Total</b>				<b>515,169</b>	<b>0</b>	
<b>Dept of Education Total</b>				<b>959,027,898</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Student Financial Assistance**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.264	Nurse Faculty Loan Program (NFLP)		3600	217,545	0	OL
93.264			3600	1,776,152	0	OL
93.264			3650	2,069,792	0	OL
93.264			3650	142,049	0	OL
<b>Federal Program 93.264 Total</b>				<b>4,205,538</b>	<b>0</b>	
93.342	Health Professions Student Loans, Including Primary		3600	14,199,658	0	OL
93.342			3600	(878,957)	0	OL
93.342			3650	252,181	0	OL
93.342			3650	2,330,720	0	OL
<b>Federal Program 93.342 Total</b>				<b>15,903,602</b>	<b>0</b>	
93.364	Nursing Student Loans		3600	228,209	0	OL
93.364			3600	2,743,940	0	OL
93.364			3650	1,836,460	0	OL
93.364			3650	130,125	0	OL
<b>Federal Program 93.364 Total</b>				<b>4,938,734</b>	<b>0</b>	
93.925	Scholarships for Health Professions Students From		3600	885,635	0	
<b>Federal Program 93.925 Total</b>				<b>885,635</b>	<b>0</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>25,933,509</b>	<b>0</b>	
<b>Student Financial Assistance Total</b>				<b>984,961,407</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**SNAP**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.551	Supplemental Nutrition Assistance Program		3000	2,583,794,523	0	NC
<b>Federal Program 10.551 Total</b>				<b>2,583,794,523</b>	<b>0</b>	
10.561	State Administrative Matching Grants for the Suppl		3000	136,006,787	9,957,611	
10.561			6990	460,925	0	
<b>Federal Program 10.561 Total</b>				<b>136,467,712</b>	<b>9,957,611</b>	
<b>Dept of Agriculture Total</b>				<b>2,720,262,235</b>	<b>9,957,611</b>	
<b>SNAP Total</b>				<b>2,720,262,235</b>	<b>9,957,611</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Food Distribution**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.565	Commodity Supplemental Food Program		3070	2,239	0	NC
10.565			4950	481,327	461,382	
<b>Federal Program 10.565 Total</b>				<b>483,566</b>	<b>461,382</b>	
10.568	Emergency Food Assistance Program (Administrative)		4950	3,695,486	3,284,722	
10.568	COVID-19 – Emergency Food Assistance Program (Administrative)		4950	296,685	268,201	
<b>Federal Program 10.568 Total</b>				<b>3,992,171</b>	<b>3,552,923</b>	
10.569	Emergency Food Assistance Program (Food Commodities)		4950	27,497,590	27,497,590	NC
<b>Federal Program 10.569 Total</b>				<b>27,497,590</b>	<b>27,497,590</b>	
<b>Dept of Agriculture Total</b>				<b>31,973,327</b>	<b>31,511,895</b>	
<b>Food Distribution Total</b>				<b>31,973,327</b>	<b>31,511,895</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Child Nutrition**

**Dept of Agriculture**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.553	School Breakfast Program		3500	78,329,462	78,329,462	
<b>Federal Program 10.553 Total</b>				<b>78,329,462</b>	<b>78,329,462</b>	
10.555	National School Lunch Program		3500	282,738,597	282,737,167	
10.555			3500	33,357,513	33,357,513	NC
<b>Federal Program 10.555 Total</b>				<b>316,096,110</b>	<b>316,094,680</b>	
10.556	Special Milk Program for Children		3500	105,272	105,272	
<b>Federal Program 10.556 Total</b>				<b>105,272</b>	<b>105,272</b>	
10.559	Summer Food Service Program for Children		3500	6,224,308	5,652,835	
<b>Federal Program 10.559 Total</b>				<b>6,224,308</b>	<b>5,652,835</b>	
10.582	Fresh Fruit and Vegetable Program		3500	4,415,684	4,359,408	
<b>Federal Program 10.582 Total</b>				<b>4,415,684</b>	<b>4,359,408</b>	
<b>Dept of Agriculture Total</b>				<b>405,170,836</b>	<b>404,541,657</b>	
<b>Child Nutrition Total</b>				<b>405,170,836</b>	<b>404,541,657</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Fish and Wildlife**

**Dept of the Interior**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.605	Sport Fish Restoration		4770	8,109,836	0	
<b>Federal Program 15.605 Total</b>				<b>8,109,836</b>	<b>0</b>	
15.611	Wildlife Restoration and Basic Hunter Education		4770	14,624,681	0	
<b>Federal Program 15.611 Total</b>				<b>14,624,681</b>	<b>0</b>	
15.626	Enhanced Hunter Education and Safety		4770	238,787	0	
<b>Federal Program 15.626 Total</b>				<b>238,787</b>	<b>0</b>	
<b>Dept of the Interior Total</b>				<b>22,973,304</b>	<b>0</b>	
<b>Fish and Wildlife Total</b>				<b>22,973,304</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Employment Service**

**Dept of Labor**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.207	Employment Service/Wagner-Peyser Funded Activities		5400	16,096,456	0	
<b>Federal Program 17.207 Total</b>				<b>16,096,456</b>	<b>0</b>	
17.801	Jobs for Veterans State Grants		5400	5,513,490	0	
<b>Federal Program 17.801 Total</b>				<b>5,513,490</b>	<b>0</b>	
<b>Dept of Labor Total</b>				<b>21,609,946</b>	<b>0</b>	
<b>Employment Service Total</b>				<b>21,609,946</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**WIOA**

**Dept of Labor**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.258	WIOA Adult Program		5400	21,552,120	21,126,728	
<b>Federal Program 17.258 Total</b>				<b>21,552,120</b>	<b>21,126,728</b>	
17.259	WIOA Youth Activities		5400	24,947,939	22,182,596	
<b>Federal Program 17.259 Total</b>				<b>24,947,939</b>	<b>22,182,596</b>	
17.278	WIOA Dislocated Worker Formula Grants	WSW2022	3650	112,507	0	PT
17.278			5400	23,164,242	22,250,718	
<b>Federal Program 17.278 Total</b>				<b>23,276,749</b>	<b>22,250,718</b>	
<b>Dept of Labor Total</b>				<b>69,776,808</b>	<b>65,560,042</b>	
<b>WIOA Total</b>				<b>69,776,808</b>	<b>65,560,042</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Federal Transit**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.500	Federal Transit Capital Investment Grants		4050	14,203	0	
<b>Federal Program 20.500 Total</b>				<b>14,203</b>	<b>0</b>	
20.507	Federal Transit Formula Grants		4050	55,391,912	0	
<b>Federal Program 20.507 Total</b>				<b>55,391,912</b>	<b>0</b>	
20.525	State of Good Repair Grants Program		4050	3,843,282	0	
<b>Federal Program 20.525 Total</b>				<b>3,843,282</b>	<b>0</b>	
20.526	Bus and Bus Facilities Formula, Competitive, and L		4050	6,532,244	4,437,853	
<b>Federal Program 20.526 Total</b>				<b>6,532,244</b>	<b>4,437,853</b>	
<b>Dept of Transportation Total</b>				<b>65,781,641</b>	<b>4,437,853</b>	
<b>Federal Transit Total</b>				<b>65,781,641</b>	<b>4,437,853</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Highway Safety**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.600	State and Community Highway Safety		2280	7,073,448	4,562,370	
<b>Federal Program 20.600 Total</b>				<b>7,073,448</b>	<b>4,562,370</b>	
20.616	National Priority Safety Programs		2280	6,172,070	6,172,070	
<b>Federal Program 20.616 Total</b>				<b>6,172,070</b>	<b>6,172,070</b>	
<b>Dept of Transportation Total</b>				<b>13,245,518</b>	<b>10,734,440</b>	
<b>Highway Safety Total</b>				<b>13,245,518</b>	<b>10,734,440</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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(Expressed in whole dollars)*

**Special Education (IDEA)**

**Dept of Education**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
84.027	Special Education Grants to States	84.027A	3500	249,295,788	245,015,649	
84.027	COVID-19 – Special Education Grants to States	84.027X	3500	22,957,719	22,957,719	
<b>Federal Program 84.027 Total</b>				<b>272,253,507</b>	<b>267,973,368</b>	
84.173	Special Education Preschool Grants	84.173A	3500	8,680,182	7,906,324	
84.173	COVID-19 – Special Education Preschool Grants	84.173X	3500	1,790,648	1,790,648	
<b>Federal Program 84.173 Total</b>				<b>10,470,830</b>	<b>9,696,972</b>	
<b>Dept of Education Total</b>				<b>282,724,337</b>	<b>277,670,340</b>	
<b>Special Education (IDEA) Total</b>				<b>282,724,337</b>	<b>277,670,340</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

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**TRIO**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.042	TRIO Student Support Services	84.042A	3600	827,920	0	
84.042			3650	1,568,638	0	
84.042		P042S200675	3750	247,998	0	
84.042		P042A200420	3760	374,511	0	
84.042		P042A201170	3760	293,600	0	
84.042		22603, 966, PO42A20078	6990	8,572,814	0	
<b>Federal Program 84.042 Total</b>				<b>11,885,481</b>	<b>0</b>	
84.044	TRIO Talent Search	84.044A	3600	356,753	0	
84.044			3650	571,742	0	
84.044		966	6990	1,725,129	0	
<b>Federal Program 84.044 Total</b>				<b>2,653,624</b>	<b>0</b>	
84.047	TRIO Upward Bound	84.047A	3600	806,510	0	
84.047		84.047M	3600	597,305	0	
84.047			3650	2,019,727	0	
84.047		84.047A	3650	367,532	0	
84.047		P031A220151	3760	145,920	0	
84.047		P047A170808	3760	77,824	0	
84.047		P047A170846	3760	18,709	0	
84.047		P047A170852	3760	94,444	0	
84.047		P047A220790	3760	463,837	0	
84.047		P047A220833	3760	149,896	0	
84.047		P047A220841	3760	254,591	0	
84.047		P047M170628	3760	87,744	0	
84.047		P047M170638	3760	119,968	0	
84.047		P047M220325	3760	119,234	0	
84.047		70145	6990	3,765,540	0	
<b>Federal Program 84.047 Total</b>				<b>9,088,781</b>	<b>0</b>	
84.066	TRIO Educational Opportunity Centers	P0661210232	3750	276,657	0	
84.066		P066A210041	3750	267,595	0	
84.066		TRIO	6990	678,984	0	
<b>Federal Program 84.066 Total</b>				<b>1,223,236</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**TRIO**

**Dept of Education**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.217	TRIO McNair Post-Baccalaureate Achievement	84.217A	3600	262,222	0	
84.217			3650	99,847	0	
84.217		54.217A	3650	170,911	0	
84.217		G23000032	3700	160,405	0	
84.217		P217A170013-20	3700	26,054	0	
84.217		P217A170013-21	3700	135,328	0	
84.217		P217A220065 ACTION 1	3700	29,281	0	
84.217		P217A170127	3750	109,200	0	
84.217		P217A220132	3750	207,205	0	
<b>Federal Program 84.217 Total</b>				<b>1,200,453</b>	<b>0</b>	
<b>Dept of Education Total</b>				<b>26,051,575</b>	<b>0</b>	
<b>TRIO Total</b>				<b>26,051,575</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Aging**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.044	Special Programs for the Aging-Title III, Part B-G		3000	10,781,677	10,274,334	
93.044	COVID-19 – Special Programs for the Aging-Title III, Part B-G		3000	5,194,327	5,194,327	
<b>Federal Program 93.044 Total</b>				<b>15,976,004</b>	<b>15,468,661</b>	
93.045	Special Programs for the Aging, Title III, Part C,		3000	14,992,515	14,363,018	
93.045	COVID-19 – Special Programs for the Aging, Title III, Part C,		3000	6,454,266	6,454,266	
<b>Federal Program 93.045 Total</b>				<b>21,446,781</b>	<b>20,817,284</b>	
93.053	Nutrition Services Incentive Program		3000	2,135,564	2,135,564	
<b>Federal Program 93.053 Total</b>				<b>2,135,564</b>	<b>2,135,564</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>39,558,349</b>	<b>38,421,509</b>	
<b>Aging Total</b>				<b>39,558,349</b>	<b>38,421,509</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**CCDF**

**Dept of Health & Human Services**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
93.575	Child Care and Development Block Grant		1030	4,876,013	4,490,055	
93.575			1070	439,099	0	
93.575	COVID-19 – Child Care and Development Block Grant		1070	1,942,039	0	
93.575	Child Care and Development Block Grant		3000	109,000,000	0	
93.575			3070	118,640,335	13,517,835	
93.575	COVID-19 – Child Care and Development Block Grant		3070	228,412,622	3,970,618	
93.575	Child Care and Development Block Grant		3600	9,754	0	
<b>Federal Program 93.575 Total</b>				<b>463,319,862</b>	<b>21,978,508</b>	
93.596	Child Care Mandatory and Matching Funds of the Chi		3070	91,121,332	0	
<b>Federal Program 93.596 Total</b>				<b>91,121,332</b>	<b>0</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>554,441,194</b>	<b>21,978,508</b>	
<b>CCDF Total</b>				<b>554,441,194</b>	<b>21,978,508</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Medicaid**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.775	State Medicaid Fraud Control Units		1000	7,432,269	0	
<b>Federal Program 93.775 Total</b>				<b>7,432,269</b>	<b>0</b>	
93.777	State Survey and Certification of Health Care Prov		3000	22,350,925	0	
93.777	COVID-19 – State Survey and Certification of Health Care Prov		3000	502,455	0	
93.777	State Survey and Certification of Health Care Prov		3030	2,236,418	881,469	
<b>Federal Program 93.777 Total</b>				<b>25,089,798</b>	<b>881,469</b>	
93.778	Medical Assistance Program		1050	290,660	0	
93.778			1070	5,542,659,905	24,089,581	
93.778	COVID-19 – Medical Assistance Program		1070	3,748,780,418	0	
93.778	Medical Assistance Program		3000	3,663,173,044	71,965,473	
93.778	COVID-19 – Medical Assistance Program		3000	261,298,583	0	
93.778	Medical Assistance Program		3070	5,201,464	0	
93.778	COVID-19 – Medical Assistance Program		3070	29,774,531	0	
<b>Federal Program 93.778 Total</b>				<b>13,251,178,605</b>	<b>96,055,054</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>13,283,700,672</b>	<b>96,936,523</b>	
<b>Medicaid Total</b>				<b>13,283,700,672</b>	<b>96,936,523</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Forest Service Schools and Roads**

**Dept of Agriculture**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
10.665	Schools and Roads - Grants to States		0050	14,572,023	0	
10.665			4050	36,943	0	
<b>Federal Program 10.665 Total</b>				<b>14,608,966</b>	<b>0</b>	
<b>Dept of Agriculture Total</b>				<b>14,608,966</b>	<b>0</b>	
<b>Forest Service Schools and Roads Total</b>				<b>14,608,966</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

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**Disability Insurance/SSI**

**Social Security Administration**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
96.001	Social Security Disability Insurance		3000	65,440,231	0	
<b>Federal Program 96.001 Total</b>				<b>65,440,231</b>	<b>0</b>	
<b>Social Security Administration Total</b>				<b>65,440,231</b>	<b>0</b>	
<b>Disability Insurance/SSI Total</b>				<b>65,440,231</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
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**Economic Development**

**Dept of Commerce**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.307	Economic Adjustment Assistance		1030	3,419,903	3,045,813	
11.307	COVID-19 – Economic Adjustment Assistance		1030	3,420,955	147,359	
11.307	Economic Adjustment Assistance		3400	237,312	237,312	
11.307	COVID-19 – Economic Adjustment Assistance		3600	14,568	0	
11.307	Economic Adjustment Assistance		3650	343,106	20,400	
11.307		07-79-07418	3760	9	0	PT
11.307		WFEA 2020/2021	3760	15,180	0	PT
<b>Federal Program 11.307 Total</b>				<b>7,451,033</b>	<b>3,450,884</b>	
<b>Dept of Commerce Total</b>				<b>7,451,033</b>	<b>3,450,884</b>	
<b>Economic Development Total</b>				<b>7,451,033</b>	<b>3,450,884</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in whole dollars)*

**Transit Services Programs**

**Dept of Transportation**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
20.513	Enhanced Mobility of Seniors and Individuals With		4050	5,947,271	5,575,717	
<b>Federal Program 20.513 Total</b>				<b>5,947,271</b>	<b>5,575,717</b>	
<b>Dept of Transportation Total</b>				<b>5,947,271</b>	<b>5,575,717</b>	
<b>Transit Services Programs Total</b>				<b>5,947,271</b>	<b>5,575,717</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Head Start**

**Dept of Health & Human Services**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.600	Head Start		3070	184,739	0	
93.600		2	3600	46,729	0	PT
93.600		2021090581MA2020100040	3600	1,034,265	0	PT
93.600		2022090141MA2020100040	3600	2,079,703	0	PT
93.600		3	3600	150,625	0	PT
93.600			3700	2,418,355	0	
93.600	COVID-19 – Head Start		3700	74,185	0	
93.600	Head Start		6990	32,818,430	0	
93.600		14440	6990	201,655	0	PT
93.600		Early Head Start	6990	75,563	0	PT
93.600		Head Start	6990	87,975	0	PT
<b>Federal Program 93.600 Total</b>				<b>39,172,224</b>	<b>0</b>	
<b>Dept of Health &amp; Human Services Total</b>				<b>39,172,224</b>	<b>0</b>	
<b>Head Start Total</b>				<b>39,172,224</b>	<b>0</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**Clean Water State Revolving Fund**

**Environmental Protection Agency**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
66.458	Clean Water State Revolving Fund		4610	27,631,000	27,631,000	
<b>Federal Program 66.458 Total</b>				<b>27,631,000</b>	<b>27,631,000</b>	
<b>Environmental Protection Agency Total</b>				<b>27,631,000</b>	<b>27,631,000</b>	
<b>Clean Water State Revolving Fund Total</b>				<b>27,631,000</b>	<b>27,631,000</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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(Expressed in whole dollars)*

**Drinking Water State Revolving Fund**

**Environmental Protection Agency**

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Award/Contract Control Number</b>	<b>State Agency No.</b>	<b>Expenditure Amount</b>	<b>Expend Amts Passed Through to Subrecipients</b>	<b>See Note E</b>
66.468	Drinking Water State Revolving Fund		3030	18,323,090	11,831,221	
<b>Federal Program 66.468 Total</b>				<b>18,323,090</b>	<b>11,831,221</b>	
<b>Environmental Protection Agency Total</b>				<b>18,323,090</b>	<b>11,831,221</b>	
<b>Drinking Water State Revolving Fund Total</b>				<b>18,323,090</b>	<b>11,831,221</b>	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**State of Washington  
Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
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**FMCSA**

**Dept of Transportation**

Assistance Listing No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.218	Motor Carrier Safety Assistance		2250	8,741,849	171,734	
<b>Federal Program 20.218 Total</b>				<b>8,741,849</b>	<b>171,734</b>	
20.237	Motor Carrier Safety Assistance High Priority Activities		2250	435,483	0	
20.237			4050	73,592	0	
<b>Federal Program 20.237 Total</b>				<b>509,075</b>	<b>0</b>	
<b>Dept of Transportation Total</b>				<b>9,250,924</b>	<b>171,734</b>	
<b>FMCSA Total</b>				<b>9,250,924</b>	<b>171,734</b>	

<b>Total Federal Assistance</b>				<b>29,304,534,897</b>	<b>4,874,641,461</b>
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Footnotes:  
 NC - Expenditure amount noncash in nature  
 PT - Expenditure, Pass-through in nature (federal funds received through another nonfederal entity).  
 OL - The balance of loans from previous years, for which the federal government imposes continuing compliance requirements.  
 All federal program titles are based on information published on SAM.gov as of June 10, 2023.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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**State of Washington**  
**Notes to the Schedule of Expenditures of Federal Awards**

*For the Fiscal Year Ended  
June 30, 2023*

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**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes A – E**

*For the Fiscal Year Ended*  
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Note A: **Purpose of the Schedule**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the state's financial statements and is presented for purposes of additional analysis. The Schedule is required by the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as codified in 2 CFR part 200.

Note B: **Significant Accounting Policies**

Note B1: **Basis of Presentation** - The information in the Schedule is presented in accordance with the OMB Uniform Guidance.

- Federal Financial Assistance - Pursuant to the Single Audit Act of 1984 (Public Law 98-502); the Single Audit Act Amendments of 1996 (Public Law 104-156) and the OMB Uniform Guidance, federal financial assistance (hereafter referred to as federal assistance) is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Accordingly, non-monetary or non-cash federal assistance, including electronic benefit cards, food commodities, immunization supplies and surplus property, is federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals or solicited contracts between the state and federal agencies for which the state provides tangible goods or services as a vendor.
- Assistance Listings number (ALN) - OMB Uniform Guidance requires the Schedule to show total expenditures expended for each individual federal program and the ALN or other program identifying number when the ALN information is not available. For a cluster of programs, the Schedule also provides the total for the cluster.

Each program is assigned a five-digit ALN (formerly known as CFDA number), the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The ALN of the program is reflected on the Schedule.

The 2023 Compliance Supplement Part 8 Appendix VII directs non-federal entities to separately identify and report COVID-19 related expenditures for both new and existing programs. The Schedule presents this information on a separate line by the ALN with "COVID-19" as a prefix to the program name.

For federal assistance programs and awards that have no assigned ALN, federal awards to nonfederal entities from the same federal agency made for the same purpose are combined and considered as one program. If the ALN three-digit extension is unknown, it shall be assigned a "U" followed by a two-digit number (e.g., U01, U02, etc.) under the respective federal agency. If the federal program is part of the Research and Development (R&D) Cluster and the ALN extension is unknown, "RD" shall be used as the ALN extension.



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**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes A – E**

*For the Fiscal Year Ended*  
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- Cluster of Programs - Closely related programs with different ALN numbers that share common compliance requirements are to be considered a cluster of programs. The Schedule is structured to present the federal assistance information by cluster with the title of the cluster described in the heading. Programs not included within a designated cluster are presented under the title “Programs Not Clustered”. The only program clusters presented on the Schedule are those mandated by OMB in the most recent Compliance Supplement (May 2023). No expenditures of federal awards were recorded in the following mandated clusters in the report year:
  - Section 8 Project-Based
  - Foster Grandparent/Senior Companion
  - Food For Peace
  - CDBG – Entitlement Grants
  - Housing Voucher
  - Community Facilities Loans and Grants
  - Health Center Program
  - HOPE VI
  - Hurricane Sandy Relief
  - CDBG – Disaster Recovery Grants – Pub L. No. 113-2

Note B2: Reporting Entity - The state reporting entity is fully described in Note 1A to the state’s financial statements. The Schedule includes the activities of all federal assistance programs administered by the state during the fiscal year ending June 30, 2023. All component units, except the Washington State Housing Finance Commission, are excluded from the schedule and are subject to separate audits in accordance with the Uniform Guidance.

Note B3: Basis of Accounting - Federal assistance programs included in the Schedule are reported in the state’s financial statements as federal grants-in-aid in the General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds and as other revenue in proprietary and fiduciary funds. The Schedule is presented using the same basis of accounting as that used in reporting the expenditures of the related funds in the state’s fund financial statements. The basis of accounting used for each fund type is described in Note 1C to the state’s financial statements.

- Indirect Costs - The Schedule includes a portion of costs associated with general activities which is allocated to federal assistance programs under negotiated formulas commonly referred to as indirect cost rates and federally approved cost allocation plans. The Schedule may also include the indirect costs of agencies that have elected to use the 10% de minimis rate in accordance with the Uniform Guidance. Reimbursement of state central service costs, achieved via the federally approved Statewide Central Services Cost Allocation Plan, is not reflected on the Schedule. A total of \$987,831 was recovered for state central service costs during fiscal year ending June 30, 2023.
- Matching Costs - The Schedule does not include matching expenditures. The State’s financial participation in the Unemployment Insurance Program is disclosed in Note C of the Schedule.
- ALN 93.498 Provide Relief Fund (PRF) - The 2023 Compliance Supplement instructed non-federal entities to report expenditures and lost revenue for this program based on the PRF report submitted to the U.S. Department of Health and Human Services reporting portal. In accordance with federal reporting requirements, for fiscal year 2023, the state reported program expenditures on the SEFA pertaining to payments received for the period from July 1, 2021 to June 30, 2022.

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**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes A – E**

*For the Fiscal Year Ended*  
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- Non-monetary Assistance - Non-monetary assistance programs included on the Schedule are identified with a non-cash expenditure footnote code (NC) and include the following:
  1. The **Supplemental Nutrition Assistance Program (SNAP)** and the **Pandemic EBT Food Benefits (PEBT)** are administered through Electronic Benefit (EBT) cards that provide each eligible client with an authorized limit of service (purchase of specific food products). The dollar expenditures reported for the SNAP and PEBT consist of actual disbursements for client purchases of authorized food products via the EBT card program.
  2. The **Emergency Food Assistance and National School Lunch** programs are presented at the federally assigned value of product disbursed by the state.
  3. The **Surplus Property** program is presented at the fair market value of the property distributed. The current fair market valuation assigned by the U.S. General Services Administration is 22.47% of the property's original acquisition value.
  4. The **Immunization Vaccine** programs are presented at the federally assigned value of product disbursed by the state.
- Pass-Through Federal Assistance (state as subrecipient included on the Schedule) - The majority of the state's federal assistance is received directly from federal awarding agencies (i.e., the state is the primary recipient). However, state agencies receive some federal assistance that is passed through a separate entity prior to receipt by the state (i.e., the state is a subrecipient). Although this type of assistance is included on the Schedule as "Pass-Through" (PT), it is not reported as federal revenue on the state's basic financial statements because it was not awarded directly from the federal government to the state. Additional details related to this type of pass-through assistance is provided in Note F to the Schedule.
- Pass-Through Federal Assistance (state as subrecipient not included on the Schedule) - Some of the federal assistance that are directly received by the state are passed through to non-state entities and, in certain instances, the same funds are sub-awarded back to the state. An example is the U.S. Department of Labor Workforce Innovation and Opportunity Act (WIOA) programs where the state is a direct recipient and is also a subrecipient when some of these funds are sub-awarded back to the state by non-state entities. The dollar amount of these subawards to the state are not included as pass-through federal assistance on the Schedule because they are already part of the amount reported by the state as direct assistance and included in the scope of the Single Audit. Additional details related to this type of pass-through assistance is disclosed in Note G to the Schedule.
- Federal transactions between state agencies - Some state agencies subaward federal assistance to other state agencies (i.e., a pass-through of funds by the primary recipient organization to a subrecipient state organization). In these situations, the federal revenue and expenditures are only reported once within the same fund in the state's financial statements in accordance with generally accepted accounting principles (GAAP) and expenditures are only reported by the recipient agency on the Schedule. This prevents duplicate reporting and overstating the aggregate level of federal assistance expended by the state. However, purchases of services between state agencies using federal funds are reported in the financial statements as expenditures or expenses by the purchasing agency and as revenues for services rendered by the providing agency.

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes A – E**

*For the Fiscal Year Ended  
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Note B4: Presentation Comments

- Private company rebate activity is not included on the Schedule. Due to the significance of the resources provided by this rebate activity, the following amounts are disclosed for fiscal year ending June 30, 2023:

ALN 10.557 – WIC Special Supplemental Nutrition Program for Women, Infants, And Children.....	\$24,493,601
(Infant formula rebates provided by private companies)	

ALN 93.917 – HIV Care Formula Grants.....	\$38,567,858
(Immunization rebates provided by private pharmaceutical companies)	

- Expenditures for the federal share of bond repayment are not included on the Schedule. Due to the significance of the federal participation, the following amount is disclosed for the fiscal year ending June 30, 2023:

ALN 20.205 - Debt service costs for Referendum 49 bonds.....	\$1,392,771
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- During fiscal year 2023, the state received donated personal protective equipment (PPE) from federal or pass-through agencies for use in COVID-19 response activities, without any compliance requirements or assistance listing information from the donors. The fair market value of the donated PPE received by the state totaled \$2,419 (unaudited).
- State agency numbers used in the Schedule can be referenced, either by number (listed numerically) or name of the agency (listed alphabetically), in the Appendix.

Note C: **Unemployment Insurance (U.I.) Program, Employer (State) Financial Participation**

As required by U.S. Department of Labor letter dated December 24, 1997, the expenditures reported on the Schedule for Unemployment Insurance, ALN 17.225, for fiscal year ending June 30, 2023 include:

State of Washington/Employer Funded.....	\$ 1,187,183,266
Federal Funds: non-COVID.....	141,214,631
COVID funding.....	526,111
Total	<u><u>\$ 1,328,924,008</u></u>

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**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes A – E**

*For the Fiscal Year Ended*  
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Note D:            **Non-monetary Assistance Inventory**

As described previously in Note B3, non-monetary assistance is reported in the Schedule. As of June 30, 2023, the state held the following inventories of non-monetary assistance:

Food Commodities (ALN 10.565 and 10.569) .....	\$ 6,624,935
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Note E:            **Footnote Designations**

The following footnote codes are utilized in the Schedule (far right column):

NC - Non-cash expenditures.

PT - Pass Through (expenditures of federal assistance received from a nonfederal entity).

OL - The balance of loans from previous years, for which the federal government imposes continuing compliance requirements.

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
10.001	3600	US CIVILIAN RESEARCH & DEVELOPMENT FNDN	DAA919653831MOD5	68,280
10.001	3600	US CIVILIAN RESEARCH & DEVELOPMENT FNDN	G20221269598	190,398
10.001	3650	COTTON INCORPORATED	130576006	77,523
10.001	3650	DAIRY MANAGEMENT INC	36780	31,087
10.001	3650	OREGON STATE UNIVERSITY	R0783AA	40,036
10.001	3650	OREGON STATE UNIVERSITY	R0813AH	61,691
10.001	3650	RESEARCH CORPORATION FOR SCIENCE ADVANCEMENT	28377	30,005
10.001	3650	RESEARCH CORPORATION FOR SCIENCE ADVANCEMENT	29021	23,276
10.001	3650	UNIVERSITY OF MINNESOTA	A009917401	7,694
10.001	3650	WALTERS AG RESEARCH	138557	23,551
10.025	3650	CORNELL UNIVERSITY	13775521417	33,645
10.025	3650	UNIVERSITY OF CALIFORNIA DAVIS	A212762S001	25,993
10.164	3650	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	139503001	19
10.170	3600	UNIVERSITY OF CALIFORNIA DAVIS	A210144S002AM03	96,368
10.170	3650	POLLINATOR PARTNERSHIP	142932001	14,511
10.175	3650	ORTH OLYMPIC PENINSULA RESOURCE CONSERVATION & DEVELOPMENT COUNCIL	139007001	-2,400
10.175	3650	GROW FOOD DBA VIVA FARMS	AM200100XXXXG176	20,002
10.176	3650	CALIFORNIA STATE UNIVERSITY - FRESNO FOUNDATION	SC3511202208	8,854
10.200	3650	MICHIGAN STATE UNIVERSITY	RC110588WSU	5,997
10.200	3650	UNIVERSITY OF CALIFORNIA DAVIS	A201347S062	9
10.200	3650	UNIVERSITY OF CALIFORNIA DAVIS	A201347S063	176
10.200	3650	UNIVERSITY OF CALIFORNIA DAVIS	A21-3578-S005	6,915
10.200	3650	UNIVERSITY OF CALIFORNIA DAVIS	A213578S030	58,303
10.200	3650	UNIVERSITY OF CALIFORNIA DAVIS	A221241S002	40,053

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
10.200	3650	UNIVERSITY OF IDAHO	AP4292870302	-581
10.200	3650	UNIVERSITY OF IDAHO	AP5081870745	17,099
10.200	3650	UNIVERSITY OF IDAHO	AP5923870186	39,011
10.203	3600	NORTH CAROLINA STATE UNIVERSITY	NRSP8	9,893
10.212	3650	BANFIELDDBIO	20213941235662	7,845
10.212	3650	EN SOLUCION INC	139060001	122,261
10.212	3650	FORMOLOGY INC	139870001	23,109
10.212	3650	INTEGRATED LIPID BIOFUELS	141837001	14,425
10.215	3650	MONTANA STATE UNIVERSITY	G10822W8612	67,865
10.215	3650	MONTANA STATE UNIVERSITY	G12623W921	24,077
10.215	3650	MONTANA STATE UNIVERSITY	G13020W7504	7,370
10.215	3650	MONTANA STATE UNIVERSITY	G13220W7504	-5,158
10.215	3650	MONTANA STATE UNIVERSITY	G13520W7507	6,321
10.215	3650	MONTANA STATE UNIVERSITY	G15023W9981	31,816
10.215	3650	MONTANA STATE UNIVERSITY	G15121W7902	7,390
10.215	3650	MONTANA STATE UNIVERSITY	G16920W7507	603
10.215	3650	MONTANA STATE UNIVERSITY	G20322W7905	23,465
10.215	3650	MONTANA STATE UNIVERSITY	G23422W8615	16,301
10.215	3650	MONTANA STATE UNIVERSITY	G23620W7504	51,583
10.215	3650	MONTANA STATE UNIVERSITY	G23920W7506	-273
10.215	3650	MONTANA STATE UNIVERSITY	G25421W7904	15,824
10.215	3650	MONTANA STATE UNIVERSITY	G26022W8618	6,447
10.215	3650	MONTANA STATE UNIVERSITY	G29323W9981	6,543
10.215	3650	MONTANA STATE UNIVERSITY	G29423W9988	2,059
10.215	3650	MONTANA STATE UNIVERSITY	G36521W8617	44,392
10.215	3650	MONTANA STATE UNIVERSITY	G36722W9209	21,067
10.215	3650	MONTANA STATE UNIVERSITY	G36921W8612	63,935
10.215	3650	UNIVERSITY OF VERMONT	ONE19350B33243	3,015

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
10.215	3650	UTAH STATE UNIVERSITY	201207548	-438
10.215	3650	UTAH STATE UNIVERSITY	201207564	-10,449
10.217	3650	UNIVERSITY OF MAINE	UMS1210	10,035
10.229	3650	EXTENSION	EXC120212095	-598
10.229	3650	EXTENSION	EXC20212179	189,023
10.229	3650	EXTENSION	EXC320222264	9,139
10.253	3650	TUFTS UNIVERSITY	AG9033	16,772
10.303	3650	OREGON STATE UNIVERSITY	C0550AA	13,260
10.304	3650	UNIVERSITY OF CALIFORNIA DAVIS	A231605S011	22,781
10.307	3650	ORTH DAKOTA STATE UNIVERSITY	FAR0035170	94,204
10.307	3650	MONTANA STATE UNIVERSITY	G19419W7408	10,450
10.307	3650	ORGANIC FARMING RESEARCH FOUNDATION	WSU004151	-231
10.307	3650	UNIVERSITY OF MAINE	UMS1389	7,873
10.307	3650	UTAH STATE UNIVERSITY	202524666	24,979
10.309	3650	ORTH CAROLINA STATE UNIVERSITY	2016149806	-2,298
10.309	3650	ORTH CAROLINA STATE UNIVERSITY	2017039813	23,232
10.309	3650	ORTH CAROLINA STATE UNIVERSITY	2020004208	171,104
10.309	3650	CORNELL UNIVERSITY	7961110753	-188
10.309	3650	CORNELL UNIVERSITY	9288420623	210,935
10.309	3650	MICHIGAN STATE UNIVERSITY	RC111414F	232,204
10.309	3650	MICHIGAN STATE UNIVERSITY	RC111414H	132,455
10.309	3650	MICHIGAN STATE UNIVERSITY	RC111480WSU	115,862
10.309	3650	MONTANA STATE UNIVERSITY	G18219W7553	169,923
10.309	3650	OREGON STATE UNIVERSITY	C0565BE	40,691
10.309	3650	OREGON STATE UNIVERSITY	C0598BB	424,233
10.309	3650	PENNSYLVANIA STATE UNIVERSITY	S000224NIFA	85,605
10.309	3650	TEXAS A&M UNIVERSITY	M2002895	39,714
10.309	3650	UNIVERSITY OF ARKANSAS	9144702	-1,118

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
10.309	3650	UNIVERSITY OF CALIFORNIA - RIVERSIDE	S001381	171,636
10.309	3650	UNIVERSITY OF CALIFORNIA - RIVERSIDE	S001505	6,076
10.309	3650	UNIVERSITY OF FLORIDA	SUB00003560	30,192
10.309	3650	UNIVERSITY OF FLORIDA	UFDSP00012310	52
10.309	3650	UNIVERSITY OF GEORGIA	SUB00002411	136,265
10.309	3650	UNIVERSITY OF IDAHO	AN4829846771	8,217
10.309	3650	UNIVERSITY OF IDAHO	AN6576846120	336
10.309	3650	UNIVERSITY OF MINNESOTA	A010138705	4,647
10.309	3650	UNIVERSITY OF MINNESOTA	H007082509	40,804
10.310	3600	EMORY UNIVERSITY	A584843AM01	485
10.310	3600	FRED HUTCHINSON CANCER CENTER	0001110480	31,958
10.310	3600	FRED HUTCHINSON CANCER CENTER	0001110486	42,228
10.310	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110480	7,057
10.310	3600	OHIO STATE UNIVERSITY	60080949SPC1000004542	28,026
10.310	3600	UNIVERSITY OF MINNESOTA	P008176601AM01	24,658
10.310	3600	WESTERN UNIVERSITY OF HEALTH SCIENCES	20142DRESCHLERNIFAAM02	315,164
10.310	3650	ORTH CAROLINA STATE UNIVERSITY	2023184701	4,053
10.310	3650	ORTH DAKOTA STATE UNIVERSITY	FAR0033162	30,799
10.310	3650	BAYLOR COLLEGE OF MEDICINE	102117659	1
10.310	3650	BOISE STATE UNIVERSITY	8605PO137170	1,775
10.310	3650	CLARK UNIVERSITY	2M0127531	96,953
10.310	3650	COLORADO STATE UNIVERSITY	G5016903	25,351
10.310	3650	DONALD DANFORTH PLANT SCIENCE CENTER	24012W	43,758
10.310	3650	FLORIDA A&M UNIVERSITY	C4996	76,725
10.310	3650	IOWA STATE UNIVERSITY	023423A	21,192
10.310	3650	MICHIGAN STATE UNIVERSITY	RC104967WSU	-566
10.310	3650	MICHIGAN STATE UNIVERSITY	RC111302G	199,342
10.310	3650	OREGON STATE UNIVERSITY	C0564AA	61,037



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10.310	3650	OREGON STATE UNIVERSITY	C0597BD	291,346
10.310	3650	PENNSYLVANIA STATE UNIVERSITY	S002184USDA	10,565
10.310	3650	SOUTH DAKOTA STATE UNIVERSITY	3TC156	17,271
10.310	3650	TEXAS A&M UNIVERSITY	M1903768	-30,454
10.310	3650	TEXAS TECH UNIVERSITY	21A550	25,518
10.310	3650	TEXAS TECH UNIVERSITY	21A59702	49,913
10.310	3650	TEXAS TECH UNIVERSITY	21A60401	370
10.310	3650	UNIVERSITY OF ARKANSAS	AWD10040101	231
10.310	3650	UNIVERSITY OF CALIFORNIA DAVIS	20160356617	52
10.310	3650	UNIVERSITY OF CALIFORNIA DAVIS	A211270S001	17,173
10.310	3650	UNIVERSITY OF CALIFORNIA DAVIS	A221483S020	44,202
10.310	3650	UNIVERSITY OF IDAHO	AG5936848689	5,656
10.310	3650	UNIVERSITY OF IDAHO	BJKQ80SB001	3,455
10.310	3650	UNIVERSITY OF IDAHO	NR6185691597	15,819
10.310	3650	UNIVERSITY OF ILLIOIS	09486017405	11,756
10.310	3650	UNIVERSITY OF ILLIOIS	09974217884	102,040
10.310	3650	UNIVERSITY OF TENNESSEE	9500092668	3,265
10.310	3650	UNIVERSITY OF TENNESSEE	9500092915	43,350
10.310	3650	UNIVERSITY OF VERMONT	AWD00000384SUB00000190	36,478
10.310	3650	UNIVERSITY OF WISCONSIN MADISON	0000000930	2,784
10.310	3650	UNIVERSITY OF WISCONSIN MADISON	0000002631	12,678
10.310	3800	University of Kentucky	3200003877-21-271 /	33,766
10.311	3650	GROW FOOD DBA VIVA FARMS	20217003335709	11,726
10.311	3650	SAN JUAN ISLANDS AGRICULTURAL GUILD	20214940035639001	11,500
10.320	3650	OREGON STATE UNIVERSITY	U1408CC	142,592
10.320	3650	OREGON STATE UNIVERSITY	U1522CD	87,012
10.320	3650	OREGON STATE UNIVERSITY	U1522CF	36,692
10.328	3650	CALIFORNIA CERTIFIED ORGANIC FARMERS	138735001	33,958

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10.328	3650	OREGON STATE UNIVERSITY	C0537AB	1,843
10.328	3650	OREGON STATE UNIVERSITY	C0595BB	10,404
10.329	3650	UNIVERSITY OF IDAHO	AN944846752	9,760
10.331	3600	KEYA FOUNDATION INC	GUSNIPUW1050	2,371
10.500	3650	KANSAS STATE UNIVERSITY	A000983S082	24,737
10.500	3650	PURDUE UNIVERSITY	F9000067402041	21,085
10.500	3650	PURDUE UNIVERSITY	F9001573902009	-239
10.500	3650	PURDUE UNIVERSITY	F9001573902016	104,344
10.500	3650	PURDUE UNIVERSITY	F9001573902025	29,324
10.500	3650	UNIVERSITY OF IDAHO	20214152035353	159,107
10.604	3650	ALASKA DEPARTMENT OF NATURAL RESOURCES	TASC201809	56,810
10.604	3650	CHAPMAN UNIVERSITY	500625SUB01	45,740
10.604	3650	WASHINGTON APPLE COMMISSION	WAC212227	164,586
10.674	3600	COLORADO SCHOOL OF MINES	4023285801	15,238
10.674	3600	NATURE CONSERVANCY	WAS210106010WOODINNOVA	32,301
10.674	3650	UNIVERSITY OF CALIFORNIA DAVIS	A230778S001	485
10.675	3600	UNIVERSITY OF MARYLAND COLLEGE PARK	95176Z5220201	917
10.680	3650	WESTERN CAROLINA UNIVERSITY	18CA11062765726	-6
10.684	3650	MONARCH JOINT VENTURE	141988001	15,762
10.699	3600	UNIVERSITY OF WYOMING	1005290UW	12,132
10.707	3650	UNIVERSITY OF IDAHO	(BLANK)	10,577
10.912	3650	GROW FOOD DBA VIVA FARMS	139055002	16,473
10.912	3650	WHATCOM CONSERVATION DISTRICT	137312001	66,472
11.011	3600	OPTO-KNOWLEDGE SYSTEMS INC	18120501MOD01	8,387
11.011	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	24185600AM02	27,908
11.012	3600	ALASKA OCEAN OBSERVING SYSTEM	H3152AM01	103,382
11.307	3760	WA Festivals & Event Association	WFEA 2020/2021	15,180

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11.307	3760	Willamette Partership	07-79-07418	9
11.407	4770	Pacific States Marine Fisheries Commission	22-045G	48,862
11.407	4770	Pacific States Marine Fisheries Commission	23-022G	136,502
11.417	3600	UNIVERSITY OF CALIFORNIA DAVIS	A211572S002AM03	49,326
11.417	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	705227AM01	8,254
11.417	3600	UNIVERSITY OF CONNECTICUT	364379AM04	9,060
11.417	3600	UNIVERSITY OF CONNECTICUT	426131AM03	11,386
11.419	3600	INSTITUTE FOR APPLIED ECOLOGY	SUBK00014242AM01	6,647
11.419	3800	Institute for Applied Ecology	SUBK00014242	29,915
11.419	4610	NERRA	NMS-010	7,267
11.427	3600	SWINOMISH INDIAN TRIBAL COMMUNITY	959902300	25,517
11.427	3600	UNIVERSITY OF ALASKA FAIRBANKS	UA210120AM01	16,941
11.431	3600	OREGON STATE UNIVERSITY	NA345AAAM01	1,331
11.432	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	KR705469	1,146,815
11.437	3600	PACIFIC ST MARINE FISHERIES COMMISION	22055GAM01	88,984
11.437	3600	PACIFIC ST MARINE FISHERIES COMMISION	23016GJOB115B23	47,556
11.437	4770	Pacific States Marine Fisheries Commission	19-50G	43,971
11.437	4770	Pacific States Marine Fisheries Commission	21-28G	59,688
11.437	4770	Pacific States Marine Fisheries Commission	22-027G	4,087
11.437	4770	Pacific States Marine Fisheries Commission	22-143G	59,111
11.437	4770	Pacific States Marine Fisheries Commission	23-038G	685,553
11.438	4770	Columbia Land Trust	20-1545 RCO	2,942
11.438	4770	Whatcom Conservation District	RCPP 2101-01	6,475
11.439	4770	Pacific States Marine Fisheries Commission	21-035G	137,850
11.441	4770	North Pacific Fishery Management Council	LIA 2023-3	54,691
11.441	4770	Pacific Fishery Management Council	2021-WDFW	229,822
11.441	4770	Pacific States Marine Fisheries Commission	22-012G	43,275
11.463	3650	SYOPTIC DATA PBC	S20170118	474,481

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11.472	3050	Pacific States Marine Fisheries Commission	NA18NMF7420007	52,491
11.472	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP18082AM06	208,869
11.472	3600	NORTH PACIFIC RESEARCH BOARD	180801AM03	-2,387
11.472	3600	NORTH PACIFIC RESEARCH BOARD	1914B	11,134
11.472	3600	NORTH PACIFIC RESEARCH BOARD	2003B	133,586
11.472	3600	NORTH PACIFIC RESEARCH BOARD	2006AAM02	84,997
11.472	3600	NORTH PACIFIC RESEARCH BOARD	2006B	106,237
11.472	3600	NORTH PACIFIC RESEARCH BOARD	2008	40,665
11.472	3600	NORTH PACIFIC RESEARCH BOARD	2202	48,866
11.472	3600	NORTH PACIFIC RESEARCH BOARD	IERP61F960101	20,450
11.472	3600	NORTH PACIFIC RESEARCH BOARD	IERP62F216203AM01	4,019
11.472	3600	NORTH PACIFIC RESEARCH BOARD	L3601BAM01	9,990
11.472	3600	PACIFIC ST MARINE FISHERIES COMMISION	2004G1AM03	6,377
11.472	3600	PACIFIC ST MARINE FISHERIES COMMISION	21146GAM01	48,275
11.472	3600	PRINCE WILLIAM SOUND SCIENCE CENTER	177508AM06	42,887
11.472	3600	PRINCE WILLIAM SOUND SCIENCE CENTER	228108	68,686
11.472	3800	North Pacific Research Board	2108 / F9108-00	96,006
11.472	3800	North Pacific Research Board	L37-02D	92,282
11.472	4770	National Fish & Wildlife Foundation	0303.22.073537	58,490
11.472	4770	Oregon State University	J2391A-C	2,596
11.477	3600	PACIFIC STATES MARINE FISHERIES COMM	23077G	32,055
11.477	3600	PACIFIC STATES MARINE FISHERIES COMM	23084G	3,762
11.477	3600	PACIFIC STATES MARINE FISHERIES COMM	23087G	5,587
11.478	3600	OREGON STATE UNIVERSITY	NA355AAAM04	81,240
11.478	3600	SITKA TRIBE OF ALASKA	UW664469	421
11.611	6990	NIIMBL	PC22	1,375
11.RD	3600	BERING SEA FISHERMEN'S ASSOCIATION	AC2104A	101,317
12.017	4770	National Fish and Wildlife Foundation	0126.22.074063	419,307

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12.300	3600	CARNEGIE MELLON UNIVERSITY	1140209405780AM07	89,273
12.300	3600	CARNEGIE MELLON UNIVERSITY	1140217441214AM04	235,517
12.300	3600	COLORADO STATE UNIVERSITY	G5732103	31,379
12.300	3600	CORNELL UNIVERSITY ITHACA	7855910699AM08	64,014
12.300	3600	CORNELL UNIVERSITY ITHACA	7855910699N00014161261	49,395
12.300	3600	DARTMOUTH COLLEGE	R1687AM01	11,124
12.300	3600	FLORIDA INST HUMAN & MACHINE COGNITION	202201601UW	468,616
12.300	3600	GEORGE MASON UNIVERSITY	E2045223AM06	390,372
12.300	3600	MICRONESIAN ENVIRONMENTAL SERVICES	MES202001AM03	137,392
12.300	3600	NEW YORK UNIVERSITY	F116803AM06	163,643
12.300	3600	OREGON STATE UNIVERSITY	N0326AAAM01	54,657
12.300	3600	OREGON STATE UNIVERSITY	N0357AAAM01	262,718
12.300	3600	OREGON STATE UNIVERSITY	N0357AAAM02	38,378
12.300	3600	OREGON STATE UNIVERSITY	N0373AA	36,178
12.300	3600	STANFORD UNIVERSITY	62733327220488AM03	13,533
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UA220028PO554891	30,688
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UA220028PO554891AM01	175,231
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UA230023AM01	106,107
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UA230027P0562613	7,520
12.300	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK2108AM01	22,355
12.300	3600	UNIVERSITY OF MASSACHUSETTS DARTMOUTH	111181	12,041
12.300	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5126684	93,324
12.300	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	UW666204	112,047
12.300	3600	UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	5126684	4,291
12.300	3600	UNIVERSITY OF PENNSYLVANIA	572339AM08	180,283
12.300	3600	UNIVERSITY OF ROCHESTER	417318URFAOGR510770AM0	47,687

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12.300	3600	UNIVERSITY OF ST. ANDREWS	SMC7XOBO54	64,424
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	13294800AM08	49,737
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A10145413260300AM05	82,600
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A10146213296800AM03	52,369
12.300	3650	HEAT, LIGHT, & SOUND RESEARCH, INC (HLS)	N6833522C0647	30,028
12.351	3600	NORTHWESTERN UNIVERSITY	60060420UWA03	140,776
12.351	3650	ECOHEALTH ALLIANCE	07137709652346	228,925
12.351	3650	INTERNATIONAL LIVESTOCK RESEARCH INSTITUTE	BS12NBODTR002DTR002001	38,598
12.351	3650	JOHNS HOPKINS UNIVERSITY	2004721972	177,360
12.355	3650	BANFIELDDBIO (SPRINGSTAR INC.)	135993001	15,581
12.420	3600	AMERICAN BURN ASSOCIATION	UW631034	5,486
12.420	3600	COALITION FOR NATIONAL TRAUMA RESEARCH	CNTR20PROP05AM01	233,896
12.420	3600	CORNELL UNIVERSITY ITHACA	8058311223AM07	102,681
12.420	3600	DENVER RESEARCH INSTITUTE	MSRCFY1601MOD03	219,590
12.420	3600	DUKE UNIVERSITY	201114	-5,663
12.420	3600	FRED HUTCHINSON CANCER CENTER	0000984530AM03	64,926
12.420	3600	FRED HUTCHINSON CANCER CENTER	0001039633AM02	231,429
12.420	3600	FRED HUTCHINSON CANCER CENTER	0001042755AM003	2,572
12.420	3600	FRED HUTCHINSON CANCER CENTER	0001042759AM04	3,478
12.420	3600	FRED HUTCHINSON CANCER CENTER	0001128445	23,929
12.420	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001042755AM003	3,956
12.420	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD000755G2	51,291
12.420	3600	H LEE MOFFITT CANCER CENTER & RSCH INST	12187179901G1AM07	197,655
12.420	3600	HDT BIO CORPORATION	W81XWH221075501001	36,659
12.420	3600	HENRY M JACKSON FOUNDATION	5770PO1030289HJF66716	212,334
12.420	3600	HOUSTON METHODIST RESEARCH INSTITUTE	AGMT00005361	56,616

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12.420	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0258A9214605	156
12.420	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0258A9214609	202,362
12.420	3600	JOHNS HOPKINS UNIVERSITY	2004338156AM04	12,340
12.420	3600	MAYO CLINIC	UWA28151901AM02	54,456
12.420	3600	MICHIGAN STATE UNIVERSITY	RC108014UWAM01	-124
12.420	3600	MID-ATLANTIC EPILEPSY AND SLEEP CENTER	UW665710	4,545
12.420	3600	NORTHWESTERN UNIVERSITY	60054759UWAMA01	18,790
12.420	3600	SANFORD BURNHAM PREBYS	7045313551UW	3,562
12.420	3600	SANFORD BURNHAM PREBYS	7045313551UWAM01	16,272
12.420	3600	SCRIPPS RESEARCH INSTITUTE	115002	518,399
12.420	3600	SEATTLE CHILDREN'S HOSPITAL	12287SUBMOD02	117,442
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ213BJ22SIBCR	7,051
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ213ZS22SIBCR	8,677
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112GJ13SIBCR	11,045
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112LIUH3SIBCR	13,445
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112LIUH4SIBCRM01	65,502
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112MIRANG3SIBCR	801
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112MIRANG4SIBCR	4,136
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112UW1AM02	4,387
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ112UW1AM03	27,436
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ124GJ11SIBCR	5,472
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ124GJ12SIBCR	9,991
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ124HERODM1SIBCR	7,973
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ124HERODM2SIBCRM01	27,265
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	MD15MD12SIBCR	9,546
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	MD1HJFMD11SIBCR	15,451
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	MD1HJFMD21SIBCR	38,185
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	ME14ME13SIBCR	8,293

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12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	ME14ME14SIBCR	31,515
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE164LG11SIBCR	734
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE164LG12SIBCR	8,309
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE164PE11SIBCR	645
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE164PE12SIBCR	7,350
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE164PK11SIBCR	7,419
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26LIN2SIBCR	14,513
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26LIN3SIBCR	26,456
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26PE22SIBCR	15,921
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26PE23SIBCR	51,286
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26REINR2SIBCR	13,337
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26REINR3SIBCR	12,410
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26SHOFEJ2SIBCRM01	3,390
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PK112HJ41SIBCR	18,479
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PK112PK11SIBCR	44,543
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PK112RH11SIBCR	86,493
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PK112SHOFEJ1SIBCR	4,758
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PK112SHULEO1SIBCR	45,619
12.420	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	RM164RM11SIBCR	26,339
12.420	3600	SRI INTERNATIONAL INC	PO66220AM02	283,599
12.420	3600	THOMAS JEFFERSON UNIVERSITY	08027000X17501AM01	4,885
12.420	3600	UNIVERSITY OF BRITISH COLUMBIA	27R49457AM02	-216
12.420	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1719GWB554AM03	4,632
12.420	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10566SCAM05	5,767
12.420	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11281SCAM03	3,054
12.420	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11281SCAM04	9,876
12.420	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11948SCAM005	91,691
12.420	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	8455SCAM11	51,121



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12.420	3600	UNIVERSITY OF NEW MEXICO	3RME5	39,087
12.420	3600	UNIVERSITY OF NOTRE DAME	203758UWAM03	-4,537
12.420	3600	VERSITI BLOOD CENTER OF WISCONSIN	1001453UWA	80,695
12.420	3600	VERSITI BLOOD CENTER OF WISCONSIN	1001453UWAAM01	205,843
12.420	3600	VIRGINIA COMMONWEALTH UNIVERSITY	FP00013312SA002AM02	159,548
12.431	3600	ARIZONA STATE UNIVERSITY	ASUB00000760AM03	348,312
12.431	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S4661PO236230AM03	94,048
12.431	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S4661PO236230AM09	97,839
12.431	3600	SEMI FOUNDATION	FT1921207AM01	277,740
12.431	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK1810AM10	100,914
12.431	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00002261AM02	209,639
12.431	3600	UNIVERSITY OF VIRGINIA	GG12239PO2275765AM02	73,885
12.431	3650	KANSAS STATE UNIVERSITY	A210235S001	3,138
12.431	3650	MISSISSIPPI STATE UNIVERSITY	06080336152701	341,728
12.431	3650	UNIVERSITY OF MICHIGAN	SUBK00016350	192,744
12.432	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A10158978752516	10,917
12.432	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION (WHOI)	A10158978752516	39,706
12.550	3600	INSTITUTE OF INTERNATIONAL EDUCATION	0054UW25SSC280PO2MOD02	52,997
12.550	3600	INSTITUTE OF INTERNATIONAL EDUCATION	BOR21UW21CHNPO1	227,964
12.550	3600	INSTITUTE OF INTERNATIONAL EDUCATION	BOR21UW21CHNPO1MOD02	3,825
12.630	3600	GENERAL ELECTRIC COMPANY	PO401183821	137,518
12.630	3600	GKN AEROSPACE NEW ENGLAND, INC.	PO145723	71,424
12.750	3600	GENEVA FOUNDATION	S1056101	6,248
12.750	3600	GENEVA FOUNDATION	S1115001AM03	68,268
12.750	3600	HENRY M JACKSON FOUNDATION	5414PO1001209AM01	172
12.750	3600	HENRY M JACKSON FOUNDATION	5768PO1024199HJFAWD667	41,895
12.800	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD004055G4	83,083

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12.800	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000531881SC001AM01	92,670
12.800	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010733AM01	152,858
12.800	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010733AM03	367,287
12.800	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	0205GYD166AM02	124,700
12.800	3600	UNIVERSITY OF MARYLAND COLLEGE PARK	89660Z8261201AMB	23,168
12.800	3600	UNIVERSITY OF NEW MEXICO	707824874JAM12	986
12.800	3600	UNIVERSITY OF NOTRE DAME	204282UWAM02	84,014
12.800	3650	GRIFFISS INSTITUTE INC	SA10012021MM0336	737,851
12.800	3650	UNIVERSITY OF UTAH	10059059WSU	366,891
12.910	3600	TEXAS A&M UNIVERSITY	28M1802338AM08	91,901
12.910	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010533AM04	522,971
12.910	3600	UNIVERSITY OF TEXAS AUSTIN	UTAUSUB00000953	23,340
12.RD	3600	AERODYNAMIC TECHNOLOGIES	AM04	15,152
12.RD	3600	AERODYNAMIC TECHNOLOGIES	AM05	-3,620
12.RD	3600	AERODYNAMIC TECHNOLOGIES	AM06	61,624
12.RD	3600	AIVS INC.	A184160	39,742
12.RD	3600	APPLIED RESEARCH ASSOCIATES INC	S200335004250UWA	496,757
12.RD	3600	APPLIED RESEARCH ASSOCIATES INC	SD00040F05IMEA02UW	165,983
12.RD	3600	APPLIED RESEARCH ASSOCIATES INC	SD001830000305UWPO2201	90,566
12.RD	3600	ARCTOS TECHNOLOGY SOLUTIONS LLC	162643010000010040C1	6,000
12.RD	3600	ARCTOS TECHNOLOGY SOLUTIONS LLC	162643010000010043C1	6,363
12.RD	3600	ARCTOS TECHNOLOGY SOLUTIONS LLC	1626431926C1MOD11	60,086
12.RD	3600	ASTROBOTIC	AM01	94,136
12.RD	3600	AVALANCHE ENERGY DESIGNS	000002SOW001A	33,508
12.RD	3600	AVALANCHE ENERGY DESIGNS	000002SOW001AAM1	36,037
12.RD	3600	CFD RESEARCH CORPORATION	0000003350PROJECT10172	6,597
12.RD	3600	CFD RESEARCH CORPORATION	10062	33,754
12.RD	3600	CFD RESEARCH CORPORATION	PROJECT20008000000214	17,000

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12.RD	3600	CFD RESEARCH CORPORATION	PROJECT20008000002146	332
12.RD	3600	CHARLES RIVER ANALYTICS INC	SC1712603MOD05	-121,762
12.RD	3600	CLARKSON AEROSPACE CORP	WASH2110460MOD2	214,122
12.RD	3600	COLORADO SCHOOL OF MINES	4021615801	63,381
12.RD	3600	COLORADO SCHOOL OF MINES	4021615801AM01	84,674
12.RD	3600	COMPOSITE RECYCLING TECHNOLOGY CENTER	A177459	69,999
12.RD	3600	CONVERGENT MANUFACTURING TECHNOLOGIES US	PO20170059	92,489
12.RD	3600	CORNERSTONE RESEARCH GROUP INC	PO20220110MOD01	80,373
12.RD	3600	CORNERSTONE RESEARCH GROUP INC	PO20220110MOD02	275,689
12.RD	3600	CREARE INC	S729PO108018AM07	24,017
12.RD	3600	CREARE INC	SUBCONTRACT89236AM03	1,924
12.RD	3600	CREARE INC	SUBCONTRACT89236AM04	1,590
12.RD	3600	CREONEX SYSTEMS INC	UW686205	30,178
12.RD	3600	DAKOTA RIDGE R&D LLC	UW687893	8,456
12.RD	3600	ENGINEERING & SOFTWARE SYSTEM SOLN INC	PO17508C001	3,165
12.RD	3600	GALOIS, INC.	2021010MOD07	180,944
12.RD	3600	GENERAL ELECTRIC COMPANY	PO401153010AM02	154,004
12.RD	3600	HEAT LIGHT & SOUND RESEARCH INC	NC6833517C0553	4,997
12.RD	3600	HEAT LIGHT & SOUND RESEARCH INC	UW669711	8,063
12.RD	3600	INBIOS INTERNATIONAL	SCOV2AGOTC2AM05	795,856
12.RD	3600	J DAVID GLADSTONE INSTITUTES	SC00031AM02	163,699
12.RD	3600	JACOBS TECHNOLOGY	PORAPT10000002548AM01	39,998
12.RD	3600	JACOBS TECHNOLOGY	RAPTR10000000061MOD06	72,337
12.RD	3600	JOHNS HOPKINS UNIVERSITY APL LLC	177830MOD02	33,608
12.RD	3600	LANGUAGE COMPUTER CORPORATION	SOCIALITESC01MOD03	280,536
12.RD	3600	LEIDOS	P010262074MOD05	486,043
12.RD	3600	LYNNTECH INC	PROJECTARM279	10,649

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12.RD	3600	MARTIN DEFENSE GROUP LLC	SCN09841MOD08	35,569
12.RD	3600	MARTIN DEFENSE GROUP LLC	SCN09848MOD02	4,256,014
12.RD	3600	MARTIN DEFENSE GROUP LLC	SCN09848MOD03	5,777,215
12.RD	3600	MATERIALS SCIENCES LLC	PO15945SD50MOD01	81,500
12.RD	3600	METRON	6H84UWMOD02	20,000
12.RD	3600	NANOTOK LLC	A159116	121,908
12.RD	3600	PALO ALTO VETERANS INSTITUTE FOR RESEARC	ROS002904AM06POROS0751	-1
12.RD	3600	RAYTHEON BBN	90185MOD01	45,790
12.RD	3600	RAYTHEON BBN	90280PO4202746832	134,963
12.RD	3600	RAYTHEON BBN	PO4202338794MOD12	101,908
12.RD	3600	RE2 ROBOTICS INC	194000022008STARUWM05	42,599
12.RD	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE26UW1AM02	520,123
12.RD	3600	SRI INTERNATIONAL INC	PO44989MOD11	6,140
12.RD	3600	SRI INTERNATIONAL INC	PO47109MOD07	268,297
12.RD	3600	SRI INTERNATIONAL INC	PO57718MOD04	237,693
12.RD	3600	SYSTEM & TECHNOLOGY RESEARCH LLC	20200043MOD05	150,080
12.RD	3600	SYSTEM & TECHNOLOGY RESEARCH LLC	20200043MOD06	127,487
12.RD	3600	SYSTEM & TECHNOLOGY RESEARCH LLC	20210023MOD05	303,617
12.RD	3600	SYSTEM & TECHNOLOGY RESEARCH LLC	20230007	34,459
12.RD	3600	TUNOPTIX INC	A161935	201,819
12.RD	3600	TURION SPACE CORPORATION	AM01	74,941
12.RD	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11154SCW81XWH1590001AM	146,034
12.RD	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	CS20180009AM01	210,685
12.RD	3600	UNIVERSITY OF COLORADO	FY22891024FY23891028AM	16,624
12.RD	3600	UNIVERSITY OF HAWAII	MA1677AM01	115,489
12.RD	3600	UNIVERSITY OF MARYLAND COLLEGE PARK	69333Z8133201AMF	30,063
12.RD	3600	UNIVERSITY OF PITTSBURGH	AWD000298811PRIMEW81XW	123,274

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12.RD	3600	UNIVERSITY OF ST. ANDREWS	18323	31,468
12.RD	3650	CFD RESEARCH CORPORATION	20010	70,304
12.RD	3650	COMPOSITE RECYCLING TECHNOLOGY CENTER	143751001	31,566
12.RD	3650	EXMAT RESEARCH, INC.	EXMATWSU122C001	238,550
12.RD	3650	EXMAT RESEARCH, INC.	EXMATWSU20P0004	-244
12.RD	3650	MISSISSIPPI STATE UNIVERSITY	19400036138901	109,537
12.RD	3650	MISSISSIPPI STATE UNIVERSITY	19400036139301	317,619
12.RD	3650	PACIFIC STATES MARINE FISHERIES	21177P	-83
12.RD	3650	PACIFIC STATES MARINE FISHERIES	22160P	109,602
12.RD	3650	PACIFIC STATES MARINE FISHERIES	23141P	17,682
12.RD	3650	STRUCTURED MATERIALS INDUSTRIES, INC	42177	-5,631
12.RD	3650	TUFTS UNIVERSITY	ARM212WSU	-4,856
12.RD	4770	Ecostudies Institute	ESI_2022-11	30,150
12.RD	4770	Pacific States Marine Fisheries Commission	22-161P	-39,325
12.U01	3600	JOHNS HOPKINS UNIVERSITY	163111MOD02	13,201
12.U02	3600	JOHNS HOPKINS UNIVERSITY	163111MOD03	48,306
14.228	3650	MASON COUNTY	20036	260
14.228	5400	Spokane WDC	K7232-7661	17,973
14.U01	1480	Pierce County Community Development Corporation	HAPC2023	40,000
15.034	3650	COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION (CRITFC)	C2104	19,448
15.036	4770	Columbia River Inter-Tribal Fish Commission	V23-08	5,747
15.156	3800	Swinomish Indian Tribal Community	933-90-23-00 / F22AP	69,392
15.156	3800	Swinomish Indian Tribal Community	943-90-23-00 / A21AP	59,353
15.608	4770	The Xerces Society Inc	F19AC00507	1,449
15.615	3600	MARIANA ISLANDS DEPT OF LANDS & NAT RES	4384010C	702
15.615	3600	MARIANA ISLANDS DEPT OF LANDS & NAT RES	4384010C	287,102
15.623	4770	Ducks Unlimited	WA-331-6	15,046

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15.634	3650	ARIZONA GAME & FISH DEPARTMENT	9554	86
15.634	4770	Oregon Department of Fish & Wildlife	431-22	20,176
15.657	3650	WOODLAND PARK ZOO	141294001	103,289
15.661	3650	UTAH STATE UNIVERSITY	204809843	18,601
15.808	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00003733	35,229
15.RD	3600	NORTHWEST INDIAN FISHERIES COMMISSION	UW800619	14,011
15.RD	3600	S. L. ROSS ENVIRONMENTAL RESEARCH LTD.	A180234MOD01	112,754
15.RD	3600	S. L. ROSS ENVIRONMENTAL RESEARCH LTD.	UW668574	35,306
15.RD	3600	SQUAXIN ISLAND TRIBE	UW635685	20,628
15.RD	3600	TULALIP TRIBES	AM05	-70
15.U01	3650	COLVILLE CONFEDERATED TRIBES	128572012	-417
16.560	3650	TARLETON STATE UNIVERSITY	43685200002	2,902
16.726	3650	NATIONAL 4-H COUNCIL	141951001	37,920
16.726	3650	NATIONAL 4-H COUNCIL	2020JUFEX0031	14,631
17.268	3030	FFY21 CA RURAL INDIAN HEALTH BOARD	gvs261315	0
17.268	3650	SOUTHERN UTAH UNIVERSITY	F1700012910441004	2,442
17.268	6990	Southern Utah University	HG-34414-2	48,080
17.278	3650	SOUTHWEST WASHINGTON WORKFORCE DEVELOPMENT COUNCIL	WSW2022	112,507
17.285	6990	American Assn of Comm Colleges	3302519751	132
19.009	3600	WORLD LEARNING INC	IDEAS21UWASH01	5,853
19.009	3650	FHI 360	PO21001873	103,493
19.009	6990	Univ of Kansas, Ctr for Research	SECAGD18CA	250,426
19.009	6990	World Learning Inc	SECAGD20CA	5,186
19.010	3600	INSTITUTE OF INTERNATIONAL EDUCATION	3000271746	114,638
19.900	3650	AMERICAN COUNCILS FOR INTERNATIONAL EDUCATION	142189	11,194
19.U01	3600	WORLD LEARNING INC	SECAGD19CA0015	342
19.U02	3700	FHI 360	P023001005	34,726

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20.200	3600	NATIONAL ACADEMIES OF SCIENCES	HR17100POSUB0001800	99,364
20.200	3650	MINNESOTA DEPARTMENT OF TRANSPORTATION	1033080	88
20.200	3650	MINNESOTA DEPARTMENT OF TRANSPORTATION	1047787	15,290
20.200	3650	MINNESOTA DEPARTMENT OF TRANSPORTATION	1047792	30,486
20.205	3600	CITY OF SEATTLE	UW666487	28,151
20.205	3600	TEXAS STATE UNIVERSITY SAN MARCOS	22018837941	21,197
20.205	3600	TEXAS STATE UNIVERSITY SAN MARCOS	22028839821	8,810
20.614	2250	National Sheriff's Association	K17663	18,571
20.701	3600	ARIZONA STATE UNIVERSITY	17175AM06PTE69A3551747	433,888
20.701	3600	FLORIDA INTERNATIONAL UNIVERSITY	000582AM06	89,547
20.701	3600	NEW YORK UNIVERSITY	F874103	48,486
20.701	3600	NEW YORK UNIVERSITY	F874103AM01	28,480
20.701	3600	NEW YORK UNIVERSITY	F874103AM06	98,033
20.701	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF18005469A3551747129	148,050
20.701	3650	UNIVERSITY OF ORTH CAROLINA CHARLOTTE	2016068804WSU	90,692
20.701	3700	Montana State University	G227-17-W6460 AMEND 7	135,376
20.935	3600	CONFEDERATED TRIBES AND BANDS OF YAKAMA	UW684356	-39
20.RD	3600	BATTELLE MEMORIAL INSTITUTE	743493POUS001000074349	67,537
20.RD	3600	BATTELLE MEMORIAL INSTITUTE	POUS0010000778774	65,693
20.RD	3600	BATTELLE MEMORIAL INSTITUTE	US0010000778774MOD06	42,664
20.RD	3600	CAMBRIDGE SYSTEMATICS INC	160140TASKORDER029MOD0	149
20.U02	3650	MITRE CORPORATION	140742	24,388
20.U03	3650	UNIVERSITY OF DAYTON	140742001	131,298
21.027	3600	KING COUNTY	KC000635139216	71,030
21.027	3600	SKAGIT COUNTY	C20220532	66,254
21.027	3800	Kitsap County	KC-463-22	111,375

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21.027	3800	Opportunity Council	19711022	59,013
21.U01	3600	CITY OF SEATTLE	DOE21PA82AM01	182,269
43.001	3600	AMHERST COLLEGE	GRT00206W2AM01	33,427
43.001	3600	BIGELOW LABORATORY FOR OCEAN SCIENCES	400295A	20,794
43.001	3600	BROWN UNIVERSITY	00001738AM03	28,663
43.001	3600	CARNEGIE MELLON UNIVERSITY	1110244437124AM03	73,976
43.001	3600	COLUMBIA UNIVERSITY	3GG015418AM04	101,463
43.001	3600	FARALLON INSTITUTE	2020241UWAM05	165,437
43.001	3600	GEORGE WASHINGTON UNIVERSITY	21M14AM02	21,921
43.001	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD103070G2PO5067106AM	-226
43.001	3600	JET PROPULSION LABORATORY	1657584MOD01	30,980
43.001	3600	JET PROPULSION LABORATORY	1668318	23,032
43.001	3600	JET PROPULSION LABORATORY	1670442	607
43.001	3600	JET PROPULSION LABORATORY	1675036MOD01	3
43.001	3600	JET PROPULSION LABORATORY	1675068	-302
43.001	3600	JET PROPULSION LABORATORY	1685887	22,124
43.001	3600	JET PROPULSION LABORATORY	1695761	31,316
43.001	3600	MONTANA STATE UNIVERSITY	G23819W7767AM03	159,122
43.001	3600	MONTANA STATE UNIVERSITY	G23819W7767AM04	33,540
43.001	3600	NORTHERN ARIZONA UNIVERSITY	100436602AM03	17,713
43.001	3600	OREGON STATE UNIVERSITY	NS343ABAM02	10,732
43.001	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	1948PO25014770AM01	41,879
43.001	3600	SETI INSTITUTE	SC3365MOD005	64,901
43.001	3600	SETI INSTITUTE	SC3365MOD08	19,018
43.001	3600	SMITHSONIAN ASTROPHYSICAL OBSERVATORY	GO122080XAM02	24,765
43.001	3600	SMITHSONIAN ASTROPHYSICAL OBSERVATORY	GO223096X	2,564
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR15800002AAM05	866
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16120005A	2,020



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43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16122002AAM02	35,759
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16144009A	314
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16611003A	42,904
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16635002AAM02	100,248
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR16640003AAM01	31,716
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTAR17040003A	10,143
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO1205501AAM13	109,141
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO14610001AAM03	116,508
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15216004AAM004	3,537
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15302004AAM005	19,774
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15703001AAM01	338
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15875004AAM02	38,997
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15877005AAM06	95,711
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15891005AAM04	16,186
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15912006AAM02	14,415
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO15932005AAM03	16,186
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16046001AAM01	4,236
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16162007AAM01	16,186
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16165006A	8,280
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16185013A	3,959
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16191016A	6,011
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16222003A	8,845
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16292007A	3,077
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16293004AAM01	15,304
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16301005A	7,169
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16513009A	8,629
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16650001AAM01	89,119
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16679001A	38,678

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43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16730010A	4,727
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16778001A	144,367
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO17203006A	2,552
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	HSTHF251471001AAM02	122,238
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	JWSTERS01334007A	8,067
43.001	3600	SPACE TELESCOPE SCIENCE INSTITUTE	JWSTGO02128005A	6,154
43.001	3600	UNIVERSITIES SPACE RESEARCH ASSOCIATION	SOF070149MOD04	2,032
43.001	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	SUBAWD002083MOD03	15,419
43.001	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	SUBAWD002895M01	61,235
43.001	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF200140AM03	25,473
43.001	3600	UNIVERSITY OF ARIZONA	555432AM03	54,162
43.001	3600	UNIVERSITY OF CALIFORNIA RIVERSIDE	S001254AM01	36,107
43.001	3600	UNIVERSITY OF CHICAGO	AWD102489SUB00000614AM	32,056
43.001	3600	UNIVERSITY OF COLORADO	1559326AM04	33,244
43.001	3600	UNIVERSITY OF COLORADO	1562400AM01	12,596
43.001	3600	UNIVERSITY OF HAWAII	MA1314AM07	16,416
43.001	3600	UNIVERSITY OF HOUSTON	R200020AM02	95,863
43.001	3600	UNIVERSITY OF HOUSTON	R230064	4,340
43.001	3600	UNIVERSITY OF MARYLAND BALTIMORE COUNTY	NASA000402AM05	76,094
43.001	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000774066AM01	5,242
43.001	3600	UNIVERSITY OF NEW YORK - ALBANY	391477AM02	6,523
43.001	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5111900AM04	1,904
43.001	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5121651AM01	63,963
43.001	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5127073	10,112
43.001	3600	UNIVERSITY OF OKLAHOMA	201950AM05	15,047

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43.001	3600	UNIVERSITY OF OREGON	239700AAM05	84,545
43.001	3600	UNIVERSITY OF WISCONSIN MADISON	0000001801AM02	183,639
43.001	3600	VANDERBILT UNIVERSITY	62488AM03	56,616
43.001	3650	CALIFORNIA INSTITUTE OF TECHNOLOGY JET PROPULSION LABORATORY	1654824	-469
43.001	3650	CALIFORNIA INSTITUTE OF TECHNOLOGY JET PROPULSION LABORATORY	1667355	11,348
43.001	3650	CALIFORNIA INSTITUTE OF TECHNOLOGY JET PROPULSION LABORATORY	1683016	141,237
43.001	3650	SPACE TELESCOPE SCIENCE INSTITUTE	HSTGO16188001A	17,266
43.001	3650	UNIVERSITY OF NEW HAMPSHIRE	PZL0226	64,405
43.001	3750	University of Oregon	239700B	65,266
43.001	3800	Arizona State University	15-710	350,638
43.001	3800	Jet Propulsion Laboratory	1546127	55,039
43.001	3800	Jet Propulsion Laboratory	1652930	71,864
43.003	3600	BAYLOR COLLEGE OF MEDICINE	7000001754	9,999
43.003	3600	BAYLOR COLLEGE OF MEDICINE	7000001853	203,943
43.003	3600	BAYLOR COLLEGE OF MEDICINE	EXP0010PO7000001663AM0	76,843
43.007	3650	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	320000109817193	54,935
43.012	3600	CARNEGIE MELLON UNIVERSITY	1110257461316	4,232
43.RD	3600	CFD RESEARCH CORPORATION	10160	34,669
43.RD	3600	CONVERGENT MANUFACTURING TECHNOLOGIES US	PO20170057	32,425
43.RD	3600	JET PROPULSION LABORATORY	1303809MOD36	56,758
43.RD	3600	JET PROPULSION LABORATORY	1318945MOD31	135,878
43.RD	3600	JET PROPULSION LABORATORY	1587724MOD04	-2,815
43.RD	3600	JET PROPULSION LABORATORY	1634821MOD03	-808
43.RD	3600	JET PROPULSION LABORATORY	1655697MOD12	455,644
43.RD	3600	JET PROPULSION LABORATORY	1665856MOD1	43,019

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43.RD	3600	JET PROPULSION LABORATORY	1686173	64,268
43.RD	3600	KALSCOTT ENGINEERING INC	UW663240	136,916
43.RD	3600	KALSCOTT ENGINEERING INC	UW665850	31,672
43.RD	3600	M4 ENGINEERING	UW663895	68,060
43.RD	3600	MALIN SPACE SCIENCE SYSTEMS INC	120233MOD14	47,004
43.RD	3600	MALIN SPACE SCIENCE SYSTEMS INC	230083	56,070
45.024	3750	Arts Midwest	31095	14,267
45.129	3750	Humanities Washington	ZSO-283165-21	5,208
45.312	3600	CITY OF SEATTLE	A158437	11,650
45.312	3600	CITY OF SEATTLE	POPL00000001155	3,189
45.312	3600	CITY OF TACOMA	UW668549	56,416
45.312	3600	SYRACUSE UNIVERSITY	3211505985S01	39,315
45.312	3750	Texas A&M University	M2200765	2,010
45.313	3600	AMERICAN LIBRARY ASSOCIATION	RE248876OLSUW	66,970
45.313	3600	KENT STATE UNIVERSITY	414313UWAM01	19,669
47.041	3600	AMERICAN SOCIETY FOR ENGINEERING EDUC	2019UWALGBTQMOD03	7,334
47.041	3600	AMERICAN SOCIETY FOR ENGINEERING EDUC	2020IRES764UW	10,069
47.041	3600	AMERICAN SOCIETY FOR ENGINEERING EDUC	7692104	98,289
47.041	3600	AMERICAN SOCIETY FOR ENGINEERING EDUC	7692106	62,826
47.041	3600	AQUAGGA INC	A170680	-20,979
47.041	3600	BOSTON UNIVERSITY	4500003860AM01	26,903
47.041	3600	CORNELL UNIVERSITY ITHACA	8901911283AM03	99,745
47.041	3600	HARVARD UNIVERSITY	1240505104118AM07	37,852
47.041	3600	NONLINEAR MATERIALS CORP	UW684085	13,991
47.041	3600	NORTHWESTERN UNIVERSITY	60059495UWAMA01	7,512
47.041	3600	OHIO STATE UNIVERSITY	GR128185SPC1000006851	2,512
47.041	3600	OREGON STATE UNIVERSITY	S2239AAAM01	26,727
47.041	3600	PURDUE UNIVERSITY	10001604005AM02	10,178

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47.041	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010849AM02	113,438
47.041	3600	UNIVERSITY OF CALIFORNIA DAVIS	A160090S001AM04	5,210
47.041	3600	UNIVERSITY OF CALIFORNIA DAVIS	A160090S001AM05	23,945
47.041	3600	UNIVERSITY OF CALIFORNIA DAVIS	A211719S002AM01	47,552
47.041	3600	UNIVERSITY OF COLORADO	1556900AM02	7,718
47.041	3600	UNIVERSITY OF COLORADO	1563013	79,021
47.041	3600	UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN	10343318508AM02	3,333
47.041	3600	UNIVERSITY OF PITTSBURGH	AWD000065100128544	10,772
47.041	3600	UNIVERSITY OF TEXAS AUSTIN	UTA20000984UTAUSSUB000	37,954
47.041	3600	WASHINGTON FOUNDRY S.P.C. INC.	UW639554	36,867
47.041	3600	YALE UNIVERSITY	GR105156CON80001606AM0	13,825
47.041	3650	AMERICAN SOCIETY FOR ENGINEERING EDUCATION	7692069	132,512
47.041	3650	ECO-SHELTER, LLC	135456004	130,534
47.041	3650	RYP LABS, INC	140108001	72,100
47.041	3650	UNIVERSITY OF KANSAS	FY2020018	55,980
47.041	3650	UNIVERSITY OF NEW MEXICO	358007874P	139,803
47.041	3700	University of Pittsburgh	AWD00006510 (012854-1)	329
47.041	3750	Colorado Mesa University	S2746.1-01-00	21,914
47.049	3600	ASSOCIATION OF UNIVERSITIES FOR RESEARCH	N00017343C	817,975
47.049	3600	AURA INC	N51948CAM10	2,929,482
47.049	3600	DUKE UNIVERSITY	3332770AM01	206,295
47.049	3600	EMORY UNIVERSITY	A374567AM05	48,484
47.049	3600	MICHIGAN STATE UNIVERSITY	RC104177UWAM08	49,121
47.049	3600	OREGON STATE UNIVERSITY	S2270BOAM02	40,238
47.049	3600	UNIV OF CEN FLORIDA	63016A20	52,735
47.049	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010006AM03	200,934
47.049	3600	UNIVERSITY OF CHICAGO	AWD068599SUB00000622AM	86,846

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47.049	3600	UNIVERSITY OF HAWAII	MA1713AM01	26,874
47.049	3600	UNIVERSITY OF ILLINOIS CHICAGO	AWD068599SUB00000622AM	182,710
47.049	3600	UNIVERSITY OF WISCONSIN MILWAUKEE	203405468AM05	35,987
47.049	3650	DREXEL UNIVERSITY	920202	1,044
47.050	3600	ARCTIC RESEARCH CONSORTIUM OF THE US	SIPN213310832	5,181
47.050	3600	ARIZONA STATE UNIVERSITY	18352AM04	9,554
47.050	3600	ARIZONA STATE UNIVERSITY	18352AM05	24,900
47.050	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	S431504AM002	6,003
47.050	3600	CARLETON COLLEGE	0796UWAM01	27,358
47.050	3600	COLUMBIA UNIVERSITY	20DGG00939304AM01	33,495
47.050	3600	GEORGE MASON UNIVERSITY	E2048691AM03	9,519
47.050	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD002863G1AM01	140,031
47.050	3600	HARVARD UNIVERSITY	1243705118902AM01	111,713
47.050	3600	INCORPORATED RSCH INST FOR SEISMOLOGY	SU19100107UWATO104	32,849
47.050	3600	INCORPORATED RSCH INST FOR SEISMOLOGY	SU19100107UWATO105	31,615
47.050	3600	IOWA STATE UNIVERSITY	024680A	18,300
47.050	3600	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	2110911AM01	235,946
47.050	3600	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	PO2011050	3,957,596
47.050	3600	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	PO2011050MOD06	357,050
47.050	3600	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	PO2110546AM01	385,998
47.050	3600	OREGON STATE UNIVERSITY	22295CD	18,368
47.050	3600	OREGON STATE UNIVERSITY	S2119AAAM02	13,055
47.050	3600	OREGON STATE UNIVERSITY	S2119AAAM03	4,816
47.050	3600	OREGON STATE UNIVERSITY	S2295CD	1,043,794
47.050	3600	OREGON STATE UNIVERSITY	S2295CDAM02	13,775
47.050	3600	OREGON STATE UNIVERSITY	S2295CDAM03	175,502

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47.050	3600	PENNSYLVANIA STATE UNIVERSITY	5857UWNSF8934AM06	90,225
47.050	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	SUBAWD001365MOD02	4,452
47.050	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	SUBAWD003261	169,788
47.050	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	KR704187AM002	1,670
47.050	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK2137AM01	23,765
47.050	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK2329	10,162
47.050	3600	UNIVERSITY OF OKLAHOMA	202111AM02	105,485
47.050	3600	UNIVERSITY OF WISCONSIN MADISON	000000506AM03	42,836
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403	1,864,836
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AM08	494,179
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AM13	1,653,869
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AMEND13	1,665,799
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AMEND15	175
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AMEND18	4,939,660
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A101403AMEND19	15,160
47.050	3650	OREGON STATE UNIVERSITY	S2295CE	16,446
47.050	3750	Pennsylvania State University	5862-CWU-NSF-8934	15,928
47.050	3750	UNAVCO,Inc	S18-EAR1724794-S1	122,052
47.050	3800	Columbia University	SAPO G17260 53B(GG00	37,755
47.050	3800	PNRI-Pacific Northwest Research Ins	EEID_DIMOND_01	3,982
47.070	3600	CARNEGIE MELLON UNIVERSITY	1122928460436	111,562
47.070	3600	COMPUTING RESEARCH ASSOCIATION	2021CIFUWASHINGTON29	128,478
47.070	3600	COMPUTING RESEARCH ASSOCIATION	2021CIFUWASHINGTON66	125,651
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF2020UW53AM01	58,067
47.070	3600	FLORIDA INTERNATIONAL UNIVERSITY	000431AM04	1,477
47.070	3600	GEORGE WASHINGTON UNIVERSITY	21S24AM01	1,496
47.070	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S5834PO824664	50,370

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47.070	3600	MICHIGAN TECHNOLOGICAL UNIV	2006061Z4AM04	152,895
47.070	3600	OHIO STATE UNIVERSITY	SPC1000005464GR124632A	68,155
47.070	3600	PRINCETON UNIVERSITY	SUB0000281AM05	142,892
47.070	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	1121PO1215394MOD05	119,340
47.070	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010972AM01	21,910
47.070	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	121847117MPINVS9002372	284,552
47.070	3600	UNIVERSITY OF COLORADO	1556133AM06	139,574
47.070	3600	UNIVERSITY OF COLORADO	1562954	18,851
47.070	3600	UNIVERSITY OF TEXAS AUSTIN	UTA20000943AM03	857,319
47.070	3600	UNIVERSITY OF WISCONSIN MILWAUKEE	203405442AM003	8,321
47.070	3600	UTAH STATE UNIVERSITY	201242480AM005	7,775
47.070	3600	VANDERBILT UNIVERSITY	61688AM01	186,044
47.070	3650	ARIZONA STATE UNIVERSITY	ASUB00001062	19,683
47.070	3650	OREGON STATE UNIVERSITY	Z0051A-B	118,854
47.070	3650	UNIVERSITY OF TENNESSEE	A230007S011	5,120
47.074	3600	ARIZONA STATE UNIVERSITY	170251616821AM04	13,979
47.074	3600	GLOUCESTER MARINE GENOMICS INSTITUTE	0002	20,209
47.074	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S5173PO524705AM03	209,161
47.074	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	1658PO1392504MOD03	8,571
47.074	3600	UNIVERSITY OF ALASKA SOUTHEAST	J201611557186AM04	1,914
47.074	3600	UNIVERSITY OF ARIZONA	493174AM04	34,590
47.074	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK2128AM02	40,142
47.074	3600	UNIVERSITY OF CALIFORNIA SANTA CRUZ	A230252S001	2,621
47.074	3600	UNIVERSITY OF MARYLAND COLLEGE PARK	91874Z3500201AMC	49,072
47.074	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	3004946906AM02	57,167
47.074	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000509742AM006	19,201
47.074	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000671931AM01	35,619
47.074	3650	COLUMBIA UNIVERSITY	5GG014070	17,764



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47.074	3650	FROSTDEFENSE ENVIROTECH INC.	2125182S1	61,290
47.074	3650	GEORGETOWN UNIVERSITY	425338GR425286YR1WSU	161,889
47.074	3650	LOYOLA MARYMOUNT UNIVERSITY	17014S1	-26
47.074	3650	NATIONAL CENTER FOR GEOME RESOURCES	20171	63,217
47.074	3650	UNIVERSITY OF MISSOURI	C000573932	-11
47.074	3650	UNIVERSITY OF MISSOURI	C000622112	167,475
47.074	3650	UNIVERSITY OF TENNESSEE	9500073626	17,687
47.074	3650	UNIVERSITY OF TENNESSEE	A230010S002	98,654
47.074	3750	University of Georgia	RR167-627/S000812	10,880
47.074	3800	University Of Alaska	UAF 18-0059/P0521291	149,448
47.075	3600	AMERICAN RED CROSS	UW664661	17,581
47.075	3600	LOUISIANA STATE UNIVERSITY	PO0000137333AM03	47,202
47.075	3600	SYRACUSE UNIVERSITY	3029105288S01AM04	37,447
47.075	3600	SYRACUSE UNIVERSITY	3230106033S01	16,266
47.075	3650	REED COLLEGE	40460WSU	9,132
47.075	3800	Pennsylvania State University	577846/PO 4598691	549
47.076	3600	AMER ASSOC FOR THE ADVANCEMENT OF SCI	2466B	37,462
47.076	3600	AMERICAN INSTITUTES FOR RESEARCH	0499000001AM02	23,012
47.076	3600	AMERICAN SOCIETY FOR ENGINEERING EDUC	769UWWA	5,029
47.076	3600	ASSOC OF PUBLIC & LAND-GRANT UNIV	A170794	88,518
47.076	3600	AUBURN UNIVERSITY	21COSAM200840UWAAM01	21,799
47.076	3600	AUBURN UNIVERSITY	21COSAM200840UWAAM02	141,943
47.076	3600	CAL POLY POMONA FOUNDATION INC	007800	15,438
47.076	3600	DREXEL UNIVERSITY	920152	2,676
47.076	3600	DUKE UNIVERSITY	3332804AM01	227,262
47.076	3600	EDUCATION DEVELOPMENT CENTER INC	EDC12423GN1850447	1,379
47.076	3600	RESEARCH FOUNDATION FOR STATE UNIV OF NY	R1340094	12,474

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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
47.076	3600	ROCHESTER INSTITUTE OF TECHNOLOGY	3270403	9,240
47.076	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	SUB00002722	21,945
47.076	3600	SEATTLE UNIVERSITY	210148807001AM03	38,022
47.076	3600	STATE UNIVERSITY OF NEW YORK GENESEO	190115665485949AM03	12,096
47.076	3600	TEACHERS DEVELOPMENT GROUP	206002CAM02	99,569
47.076	3600	UNIVERSITY OF ALASKA ANCHORAGE	R0337992P0566343	3,322
47.076	3600	UNIVERSITY OF CALIFORNIA SANTA BARBARA	KK1938AM001	1,700
47.076	3600	UNIVERSITY OF COLORADO	1562797	5,916
47.076	3600	UNIVERSITY OF HOUSTON	R220003AM02	10,566
47.076	3600	UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN	09546417496AM03	2,035
47.076	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5126006	43,340
47.076	3600	UNIVERSITY OF OREGON	2012U0BAM02	22,527
47.076	3600	UNIVERSITY OF TEXAS EL PASO	226100996P	410
47.076	3600	UNIVERSITY OF WISCONSIN MADISON	0000001018AM05	141,032
47.076	3600	WEST VIRGINIA UNIVERSITY	18717UW	17,775
47.076	3600	WOMEN IN ENGINEERING PROACTIVE NETWORK	UW668074	50,840
47.076	3650	AMERICAN ASSOCIATION OF COMMUNITY COLLEGES (AACC)	139000	28,841
47.076	3650	AMERICAN ASSOCIATION OF COMMUNITY COLLEGES (AACC)	140002	7,844
47.076	3650	AMERICAN INSTITUTES FOR RESEARCH	0499000002	58,397
47.076	3650	AUSTIN COMMUNITY COLLEGE DISTRICT	141748001	8,888
47.076	3650	AUSTIN COMMUNITY COLLEGE DISTRICT	WSU004153	122,885
47.076	3650	CENTRAL OREGON COMMUNITY COLLEGE	142263	2,516
47.076	3650	DARK ENTERPRISES INC	138714002	10,763
47.076	3650	DIGITAL WORLD BIOLOGY	WSU003988	-326
47.076	3650	HERITAGE UNIVERSITY	CRESCENT-01	145,380

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47.076	3650	JEFFERSON COMMUNITY AND TECHNICAL COLLEGE	DUE1700496WSU	47,730
47.076	3650	JEFFERSON COMMUNITY AND TECHNICAL COLLEGE	DUE2202038001	24,753
47.076	3650	MONTEREY PENINSULA COLLEGE	WSUMATEEVALUATECOMPETE	14,661
47.076	3650	MONTGOMERY COUNTY COMMUNITY COLLEGE	139764002	18
47.076	3650	MONTGOMERY COUNTY COMMUNITY COLLEGE	139764004	10,826
47.076	3650	SPOKANE COMMUNITY COLLEGE	134038001	5,025
47.076	3650	TRIDENT TECHNICAL COLLEGE	PS957605	21,039
47.076	3650	UNIVERSITY OF PUGET SOUND	138306-001	16,195
47.076	3700	Kent State University	SUBAWARD 402139-EWU	46,283
47.076	3700	University of Idaho	ED6357-726951 PTE:V210	65,371
47.076	3750	American Institute for Reesarch in Behavioral Sciences	0499000004	8,635
47.076	3760	Salish Kootenai College	ESC-20-1	1,355
47.076	3760	University of Maryland, Baltimore County	NSF00099-05	2,853
47.076	3800	American Institutes For Research	499000003	4,106
47.076	3800	Salish Kootenai College	1826637 / WWU-18-2	4,400
47.076	3800	UC Berkeley	00010783 / BB0163696	52,707
47.076	6990	Collins	21601	1,546
47.076	6990	Education Development Ctr	1902568	16,506
47.076	6990	Pasadena	2000281	152,108
47.076	6990	San Jose Evergreen CommColl Dist	1798705410	44,290
47.076	6990	Somerset	2055722	11,123
47.076	6990	Tennessee Tech	1601587	0
47.076	6990	WPI	21620	22,834
47.078	3600	OREGON STATE UNIVERSITY	S2306BN	333,298
47.078	3600	OREGON STATE UNIVERSITY	S2306LNAM01	95,602
47.078	3600	OREGON STATE UNIVERSITY	S2306LNAM02	420,910

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47.078	3600	OREGON STATE UNIVERSITY	S2306ME	293,545
47.078	3600	OREGON STATE UNIVERSITY	S2319AAAM01	15,673
47.078	3600	PRINCETON UNIVERSITY	SUB0000386AM02	667,631
47.078	3600	PRINCETON UNIVERSITY	SUB0000386AM04	480,225
47.078	3600	UNIVERSITY OF SOUTH FLORIDA	2500181700AAM01	23,111
47.079	3600	UNIVERSITY OF CHICAGO	FP065300C54405486012AM	306,583
47.079	3600	US CIVILIAN RESEARCH & DEVELOPMENT FNDN	G20201267159MOD03	8,962
47.083	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S5461PO661477	82,300
47.083	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	S5582PO725677	32,976
47.083	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00015725	40,168
47.083	3600	VANDERBILT UNIVERSITY	UNIV62475AM01	96,390
47.083	3650	UNIVERSITY OF WISCONSIN MADISON	0000001914	57,419
47.084	3600	AQUAGGA INC	A176690	1,827
47.084	3600	QUIVER DENTAL, INC.	UW667836	84,784
47.084	3600	UTAH STATE UNIVERSITY	204694838	17,329
47.084	3600	VANDERBILT UNIVERSITY	UNIV62475AM01	143,441
47.084	3650	ABBERIT	141948001	29,191
47.084	3650	UNIVERSITY OF WISCONSIN MADISON	0000002546	19,780
66.123	4770	Northwest Straits Foundation	2019-13-WDFW	60
66.456	3600	TULALIP TRIBES	UW669954	50
66.509	3600	UNIVERSITY OF ALASKA ANCHORAGE	P0564947	39,360
66.509	3600	UNIVERSITY OF MINNESOTA	A009907501	8,446
66.511	3600	HEALTH EFFECTS INSTITUTE	4975RFA1912092	39,665
66.511	3600	HEALTH EFFECTS INSTITUTE	4975RFA1912093	314,524
66.511	3600	WATER RESEARCH FOUNDATION	5202	6,991
66.605	3650	SQUAXIN ISLAND TRIBE	140239001	19,961
66.716	3650	EXTENSION	SA202240	11,725

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66.RD	3600	JAMESTOWN S'KLALLAM TRIBE	21565084	25,071
66.RD	3600	SKAGIT COUNTY	C20190479	9,046
66.RD	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00011427AM04	27,975
81.010	3600	VERTUELAB	UW634329	97,555
81.049	3600	CARNEGIE MELLON UNIVERSITY	1070142464347	98,290
81.049	3600	COLUMBIA UNIVERSITY	1GG014496	27,273
81.049	3600	COLUMBIA UNIVERSITY	1GG014496AM01	-142
81.049	3600	COLUMBIA UNIVERSITY	3GG01449618	6,451
81.049	3600	COLUMBIA UNIVERSITY	4GG01449638POG17188	396,056
81.049	3600	FLORIDA STATE UNIVERSITY	R000002914AM01	116,569
81.049	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD004059G1	70,000
81.049	3600	GVD CORP	A167035	14,702
81.049	3600	GVD CORP	UW667222	37,824
81.049	3600	MARINESITU, INC.	A177974	25,420
81.049	3600	MICHIGAN STATE UNIVERSITY	RC114586UW	1,896
81.049	3600	UNIVERSITY OF CALIFORNIA IRVINE	20231853	3,860
81.049	3600	UNIVERSITY OF COLORADO	1561326PO1001569134AM0	79,251
81.049	3600	UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN	10568818689AM01	6,560
81.049	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000554181AM04	-10
81.049	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000634211AM02	14,921
81.049	3600	UNIVERSITY OF OKLAHOMA	202123AM02	41,650
81.049	3600	UNIVERSITY OF TENNESSEE	A180354S002AM05	62,423
81.049	3600	UNIVERSITY OF WISCONSIN MADISON	0000001615MOD01	76,444
81.049	3600	YALE UNIVERSITY	CON80004101GR118812	182,614
81.049	3650	BATTELLE LABS (PNNL)	531171	21,806
81.049	3650	COLORADO SCHOOL OF MINES	4020575801	3,441
81.049	3650	DONALD DANFORTH PLANT SCIENCE CENTER	23021W	25,954
81.049	3650	DONALD DANFORTH PLANT SCIENCE CENTER	23217W	243,614

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81.049	3650	EXMAT RESEARCH, INC.	EXMATWSUSC0022391	115,797
81.049	3650	ILLI0IS STATE UNIVERSITY	A210036S006	363,846
81.049	3650	MICHIGAN STATE UNIVERSITY	RC105251	85,167
81.049	3650	MONTANA STATE UNIVERSITY	G14821W8564	279,567
81.049	3650	NEXCERIS	140937001	129,120
81.049	3650	PURDUE UNIVERSITY	14000496003	2,368
81.049	3650	RADIATION DETECTION TECHNOLOGIES, INC.	135871	92,884
81.049	3650	RADIATION DETECTION TECHNOLOGIES, INC.	142335001	60,837
81.049	3650	UNIVERSITY OF IDAHO	BJKQ05SB001	-3,929
81.049	3650	UNIVERSITY OF NEBRASKA	2512150123011	810
81.049	3650	UNIVERSITY OF NEBRASKA	2512150265008	28,290
81.049	3650	UNIVERSITY OF NEW MEXICO	740058874P	60,187
81.049	3650	UNIVERSITY OF TEXAS AT AUSTIN	UTAUS-SUB00000654AM1	80,942
81.086	3650	ORTHEASTERN UNIVERSITY	503048-78051	73,768
81.086	3700	Kalispel Indian Community of the Kalispel	23-054 BPA CONTR 74488	22,872
81.086	3700	Kalispel Indian Community of the Kalispel	BPA CONTRACT 74488	516
81.086	3700	Kalispel Indian Community of the Kalispel	SUBAWARD TSC21-066	186,290
81.087	3600	FIRST SOLAR INC	A164189	5,329
81.087	3600	FIRST SOLAR, INC.	A164189	106,392
81.087	3600	IOWA STATE UNIVERSITY	4012025BAM03	37,362
81.087	3600	IOWA STATE UNIVERSITY	SCN1007304AM03	29,940
81.087	3600	OREGON STATE UNIVERSITY	G0152ABAM12	179,647
81.087	3600	OREGON STATE UNIVERSITY	G0196AAAM01	72,994
81.087	3600	OREGON STATE UNIVERSITY	G0196AAAM02	32,525
81.087	3600	PACIFIC OCEAN ENERGY TRUST	OSPA171190	22,084
81.087	3600	PACIFIC OCEAN ENERGY TRUST	UW633999	57,786
81.087	3650	ALLIANCE SUSTAINABLE ENERGY	SUB-2022-10359	2,709
81.087	3650	ELECTRIC POWER RESEARCH INSTITUTE	10011557	41,176

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81.087	3650	GEORGIA INSTITUTE OF TECHNOLOGY	AWD001575G1	19,495
81.087	3650	TEXAS A&M UNIVERSITY	M1900171	34,819
81.087	3650	UNIVERSITY OF NORTH DAKOTA	UND0026128S1	189,590
81.087	3800	University of Tulsa	14-2-12-153443-66019	12,707
81.089	3600	UNIVERSITY OF TEXAS AUSTIN	UTA17000308AM09	122,011
81.104	3650	WASHINGTON RIVER PROTECTION SOLUTIONS	74081016	25,057
81.106	2250	Western Interstate Energy Board	K16784	102,451
81.112	3600	TEXAS A&M UNIVERSITY	M1803341AM05	81,619
81.112	3650	UNIVERSITY OF NOTRE DAME	203186WSU	418,392
81.113	3650	GEORGIA TECH	AWD000372G1	205,724
81.135	3600	PRINCIPLE POWER INC	UW667972	81,212
81.135	3650	ARIZONA STATE UNIVERSITY	ASUB00001315	26,439
81.135	3650	RUTGERS STATE UNIVERSITY OF NEW JERSEY	SUB00002422	323,003
81.135	3650	UNIVERSITY OF WISCONSIN MADISON	0000000025	2,572
81.214	3650	VANDERBILT UNIVERSITY	OSA00000203, PO# P2303	38,232
81.RD	3600	ARGONNE NATIONAL LABORATORY	1F60417M0001	-670
81.RD	3600	ARGONNE NATIONAL LABORATORY	1F60592M0003	74,567
81.RD	3600	ARGONNE NATIONAL LABORATORY	1F60602M0003	16,328
81.RD	3600	ARGONNE NATIONAL LABORATORY	2F60005M0004	202,731
81.RD	3600	ARGONNE NATIONAL LABORATORY	3F60043	42,526
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	243766TO257527MOD02	34,961
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	571319AM01	20,426
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	589676MOD01	167,828
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	613205MOD01	79,630
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	618905CONTRACT606219MO	41,916
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	619333MOD02	135,742
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	619358	7,947
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	619818	103,407

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81.RD	3600	BATTELLE MEMORIAL INSTITUTE	619818M0D01	27,986
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	635949	21,153
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	647684MOD01	33,188
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	654408MOD1	144,373
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	655019MOD01	46,021
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	655512	80,883
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	655539	23,739
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	659770	48,914
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	660338M0D01	54,935
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	663685	28,005
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	665221	7,500
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	667498	17,498
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	670185	21,568
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	673307	25,512
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	676213	1,154
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO403450MOD06	6,353
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO424177MOD07	31,926
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO432652MOD08	-6
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO594113	30,118
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO618109MOD02	71,714
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA243766TO624893	118,873
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO495959MOD03	41,710
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO500469	1,531
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO516639MOD03	225,904
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO534807MOD05	1,995
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO535499MOD06	123,242
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO539234	4,082
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO539234MOD1	1,286



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81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO545987MOD01	9,239
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO549009MOD03	143,587
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO554401MOD02	30,490
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO555131MOD02	174,160
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO564330MOD01	25,238
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO574823MOD03	70,629
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO581504MOD01	33,868
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO590896MOD01	77,528
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO592008	251,668
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO592008MOD03	419,262
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO592419MOD03	52,151
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO593646	8,167
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO593867MOD01	10,462
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO602492MOD01	109,443
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO604621MOD03	17,256
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO609131MOD03	45,818
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO610217MOD03	38,145
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO618328	-1,101
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO621497MOD1	73,988
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO624984	17,238
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO625962	17,238
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO630347MOD01	81,615
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO632001MOD02	151,052
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO646189	9,998
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA487139TO646741MOD01	67,631
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA612906	33,535
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA650145	7,689
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MA650145MOD02	41,230

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81.RD	3600	BATTELLE MEMORIAL INSTITUTE	MTA487139TO620416	13,840
81.RD	3600	BATTELLE MEMORIAL INSTITUTE	TO647365MA487139	52,941
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	252206AM17	109,366
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	339224AM08	35,182
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	344693AM05	2,529
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	344693AM06	6,337
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	344773AM10	12,305
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	364211MOD07	98,921
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	391075AM05	3,872
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	391075AM06	217,944
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	403709	40,600
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	412823MOD02	3,055
81.RD	3600	BROOKHAVEN SCIENCE ASSOCIATES LLC	424770	27,221
81.RD	3600	FERMI NATIONAL ACCELERATOR LABORATORY	665638MOD02	15,163
81.RD	3600	FERMI NATIONAL ACCELERATOR LABORATORY	678162MOD01	229,271
81.RD	3600	FERMI NATIONAL ACCELERATOR LABORATORY	684431	36,267
81.RD	3600	FERMI NATIONAL ACCELERATOR LABORATORY	684431AM02	-5,504
81.RD	3600	IDAHO NATIONAL LABORATORY	260424AM02	190,601
81.RD	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20220003AM01	9,607
81.RD	3600	KRELL INSTITUTE	UW800761	3,344
81.RD	3600	KRELL INSTITUTE	UW800776	9,355
81.RD	3600	KRELL INSTITUTE	UW800777	3,344
81.RD	3600	KRELL INSTITUTE	UW800857	44,805
81.RD	3600	KRELL INSTITUTE	UW800859	33,008
81.RD	3600	KRELL INSTITUTE	UW800866	47,220
81.RD	3600	KRELL INSTITUTE	UW800876	47,220

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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
81.RD	3600	KRELL INSTITUTE	UW800877	47,220
81.RD	3600	KRELL INSTITUTE	UW807440	-2,384
81.RD	3600	LAWRENCE BERKELEY NATIONAL LABORATORY	7374375MOD22	170,162
81.RD	3600	LAWRENCE BERKELEY NATIONAL LABORATORY	7609682MOD01	19,293
81.RD	3600	LAWRENCE BERKELEY NATIONAL LABORATORY	7642072	44,613
81.RD	3600	LAWRENCE BERKELEY NATIONAL LABORATORY	7659890MOD04	339,820
81.RD	3600	LOS ALAMOS NATIONAL LABORATORY	507420MOD003	21,138
81.RD	3600	LOS ALAMOS NATIONAL LABORATORY	590135BASIC592837	-29,738
81.RD	3600	LOWER COLUMBIA ESTUARY PARTNERSHIP	052022	82,707
81.RD	3600	LOWER COLUMBIA ESTUARY PARTNERSHIP	082023	49,699
81.RD	3600	NATIONAL RENEWABLE ENERGY LABORATORY	SUB202210073MOD01	39,702
81.RD	3600	NATIONAL RENEWABLE ENERGY LABORATORY	SUB202210174MOD1	29,087
81.RD	3600	PACCAR INC.	A151091AM01	24,989
81.RD	3600	PACIFIC NORTHWEST NATIONAL LABORATORY	MA243766TO450523MOD03	203,367
81.RD	3600	PACIFIC NORTHWEST NATIONAL LABORATORY	MA243766TO474096MOD03	-116,837
81.RD	3600	PACIFIC NORTHWEST NATIONAL LABORATORY	MA243766TO474098MOD06	134,374
81.RD	3600	PACIFIC OCEAN ENERGY TRUST	AM01	108,985
81.RD	3600	PACIFIC OCEAN ENERGY TRUST	TEAMERTBUW	49,343
81.RD	3600	PRINCETON PLASMA PHYSICS LABORATORY	S017997MOD1	25,974
81.RD	3600	PRINCETON PLASMA PHYSICS LABORATORY	S220349	30,898
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2294283	100,526
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2322648REV01	130,178
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2445018	2,899
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2445269	595
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2460409	28,027
81.RD	3600	SANDIA NATIONAL LABORATORIES	PO2478645	20,816

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81.RD	3600	SLAC NATIONAL ACCELERATOR LABORATORY	168751MOD03	86,095
81.RD	3600	SLAC NATIONAL ACCELERATOR LABORATORY	190039MOD03	65,615
81.RD	3600	UT-BATTELLE LLC	134124G00397114AM002	211,268
81.RD	3600	UT-BATTELLE LLC	4000193152	136,242
81.U01	3600	BATTELLE MEMORIAL INSTITUTE	670040	301
81.U02	3650	ANL - UNIVERSITY OF CHICAGO	0F60172	23,882
81.U03	3600	BATTELLE MEMORIAL INSTITUTE	CONTRACT648225	18,200
81.U04	3600	AMERICAN PHYSICAL SOCIETY	CWC078PHY2012033	15,024
81.U05	3600	PACIFIC NORTHWEST NATIONAL LABORATORY	MA243766TO339065MOD03	548
81.U06	3650	BATTELLE LABS (PNNL)	135945001	-1,102
81.U07	3650	ANL - UNIVERSITY OF CHICAGO	1F60533	10,624
81.U08	3650	BATTELLE LABS (PNNL)	201360	188,305
81.U09	3650	BATTELLE ENERGY ALLIANCE-INL	260738	130,476
81.U10	3650	BATTELLE LABS (PNNL)	339057	726
81.U11	3650	WASHINGTON RIVER PROTECTION SOLUTIONS	358928	19,769
81.U12	3650	BATTELLE LABS (PNNL)	500860	-1,143
81.U13	3650	BATTELLE LABS (PNNL)	502231	24,445
81.U14	3650	BATTELLE LABS (PNNL)	506560	36,497
81.U15	3650	BATTELLE LABS (PNNL)	506570	199,336
81.U16	3650	BATTELLE LABS (PNNL)	526597	5,312
81.U17	3650	BATTELLE LABS (PNNL)	528677	58,102
81.U18	3650	BATTELLE LABS (PNNL)	540055	18,577
81.U19	3650	BATTELLE LABS (PNNL)	540570	8,478
81.U20	3650	BATTELLE LABS (PNNL)	551933	5,586
81.U21	3650	BATTELLE LABS (PNNL)	555239	-284
81.U23	3650	BATTELLE LABS (PNNL)	561086	93,607
81.U24	3650	BATTELLE LABS (PNNL)	562117	12,717
81.U25	3650	MISSION SUPPORT ALLIANCE LLC	56682	39

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81.U26	3650	BATTELLE LABS (PNNL)	569664	3,729
81.U27	3650	BATTELLE LABS (PNNL)	578270	59,038
81.U28	3650	BATTELLE LABS (PNNL)	578780	60,847
81.U29	3650	BATTELLE LABS (PNNL)	586620	65,073
81.U30	3650	BATTELLE LABS (PNNL)	592418	37,009
81.U31	3650	BATTELLE LABS (PNNL)	595028	421,019
81.U32	3650	BATTELLE LABS (PNNL)	596816	6
81.U33	3650	BATTELLE LABS (PNNL)	606555	68,912
81.U34	3650	BATTELLE LABS (PNNL)	607066	36,179
81.U35	3650	BATTELLE LABS (PNNL)	607067	27,105
81.U36	3650	BATTELLE LABS (PNNL)	607899	63,369
81.U37	3650	BATTELLE LABS (PNNL)	607903	104,926
81.U38	3650	BATTELLE LABS (PNNL)	608584	17,030
81.U39	3650	BATTELLE LABS (PNNL)	617259	-6,327
81.U40	3650	BATTELLE LABS (PNNL)	617774	21,536
81.U41	3650	BATTELLE LABS (PNNL)	622797	4,060
81.U43	3650	BATTELLE LABS (PNNL)	630348	88,236
81.U44	3650	BATTELLE LABS (PNNL)	639155	45,539
81.U46	3650	BATTELLE LABS (PNNL)	640538	44,697
81.U47	3650	BATTELLE LABS (PNNL)	645415	16,799
81.U48	3650	BATTELLE LABS (PNNL)	646731	35,772
81.U49	3650	BATTELLE LABS (PNNL)	647895	50,212
81.U50	3650	BATTELLE LABS (PNNL)	652544	2,092
81.U51	3650	BATTELLE LABS (PNNL)	660277	27,350
81.U52	3650	BATTELLE LABS (PNNL)	660542	25,347
81.U53	3650	BATTELLE LABS (PNNL)	660632	25,347
81.U54	3650	BATTELLE LABS (PNNL)	660633	25,415
81.U55	3650	BATTELLE LABS (PNNL)	668027	23,528

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81.U56	3650	BATTELLE LABS (PNNL)	668215	209
81.U57	3650	BATTELLE LABS (PNNL)	670797	9,701
81.U58	3650	BATTELLE LABS (PNNL)	671664	9,602
81.U59	3650	BATTELLE LABS (PNNL)	675071	8,486
81.U60	3650	WASHINGTON RIVER PROTECTION SOLUTIONS	74081	28,331
81.U61	3650	WASHINGTON RIVER PROTECTION SOLUTIONS	74081014	10,000
81.U62	3650	UC-BERKELEY-LBLN	7624942	106,499
81.U63	3650	HANFORD MISSION INTEGRATION SOLUTIONS, LLC	78119	274,153
81.U67	3650	LAWRENCE LIVERMORE NATIONAL SECURITY-LLNL	B644928	-19
81.U68	3650	LAWRENCE LIVERMORE NATIONAL SECURITY-LLNL	B649812	309,930
81.U69	3650	LAWRENCE LIVERMORE NATIONAL SECURITY-LLNL	B651327	131,904
81.U70	3650	LOS ALAMOS NAT'L SECURITY LLC	C1937	126,171
81.U71	3650	TRIAD NATIONAL SECURITY, LLC - LOS ALAMOS NATIONAL LABORATORY	C3249	622
81.U72	3650	TRIAD NATIONAL SECURITY, LLC - LOS ALAMOS NATIONAL LABORATORY	C3604	8,214
81.U73	3650	UT-BATTELLE-ORNL	CW40881	209,152
81.U74	3650	UT-BATTELLE-ORNL	CW41355	77,867
81.U75	3650	ANL - UNIVERSITY OF CHICAGO	IF60329	32,425
81.U77	3650	ALLIANCE SUSTAINABLE ENERGY	SUB202310185	4,173
81.U78	3650	ALLIANCE SUSTAINABLE ENERGY	XFC87033101	60,303
81.U79	3800	Battelle Pacific NW Natl Lab	628837	19,672
81.U83	4770	National Fish & Wildlife Foundation	0201.22.073754	93,641
81.U84	4770	National Fish & Wildlife Foundation	0303.20.07318	37,598
81.U85	4770	Spokane Tribe	1995-027-00	-3,128
81.U86	4770	Pacific States Marine Fisheries Commission	22-026G	434,567
81.U87	4770	Pacific States Marine Fisheries Commission	22-138G	-4,183

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81.U88	4770	Pacific States Marine Fisheries Commission	22-139G	-10,680
84.010	6990	Edmonds School District	1003-51	60,060
84.031	3600	HERITAGE UNIVERSITY	84.031S	27,183
84.101	6990	Tulalip Tribes	18190309ES	43,231
84.116	3600	UNIVERSITY OF MINNESOTA	A009744602AM01	29,540
84.305	3600	AMERICAN INSTITUTES FOR RESEARCH	0440100001MOD04	24,784
84.305	3600	AMERICAN INSTITUTES FOR RESEARCH	84.305A	105,485
84.305	3600	LEHIGH UNIVERSITY	84.305A	68,552
84.305	3600	NEW YORK UNIVERSITY	84.305A	10,038
84.305	3600	SEATTLE CHILDREN'S HOSPITAL	84.305A	85,231
84.305	3600	UNIVERSITY OF MINNESOTA	84.305A	70,660
84.305	3600	VIRGINIA COMMONWEALTH UNIVERSITY	84.305A	35,299
84.305	3600	W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RES	35802UWA	66,592
84.324	3600	AMERICAN INSTITUTES FOR RESEARCH	0438500001MOD04	233,436
84.324	3600	DUQUESNE UNIVERSITY	84.324A	-9,126
84.324	3600	VANDERBILT UNIVERSITY	84.305A	142,173
84.325	3600	UNIVERSITY OF CONNECTICUT	84.325H	130,691
84.326	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	84.326K	36,108
84.373	3600	AEM CORPORATION	TO100131Y0001UNIV04	8,836
93.067	3600	BOTSWANA TRAINING & EDUC CTR FOR HEALTH	2021UWITECH001	48,816
93.067	3600	C?TE D?IVOIRE INTL TRNG AND EDUC CTR	001PO001AM02	66,865
93.067	3600	C?TE D?IVOIRE INTL TRNG AND EDUC CTR	SUB001PO001AM01	226,795
93.067	3600	CENTRE HAITIEN POUR LE RENFORCEMENT DU S	A177143AM01	59,010
93.067	3600	CENTRE HAITIEN POUR LE RENFORCEMENT DU S	A180388AM01	2,155
93.067	3600	CENTRE HAITIEN POUR LE RENFORCEMENT DU S	CHUW22262223AM01	57,035

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93.067	3600	CENTRE HAITIEN POUR LE RENFORCEMENT DU S	CHUW23602223AM01	136,685
93.067	3600	CENTRE HAITIEN POUR LE RENFORCEMENT DU S	NU2GGH00236001UWITECH0	18,318
93.067	3600	CHRISTIAN HEALTH ASSOCIATION OF KENYA	UW632264	117,516
93.067	3600	GLOBAL HEALTH INFORMATICS INSTITUTE	GHIISA001	116,101
93.067	3600	PATH	CDC57928401709063SUBAM	1,928,177
93.067	3600	TANZANIA HEALTH PROMOTION SUPPORT	CDCRFAGH212137	836,732
93.067	3600	TANZANIA HEALTH PROMOTION SUPPORT	CDCRFAGH212137AM01	215,157
93.067	3600	ZIM-TTECH	ZIMTTECHCOP220001AM01	313,571
93.068	3600	NATIONAL OPINION RESEARCH CENTER	G157UWA03AM01	65,832
93.068	3600	NATIONAL OPINION RESEARCH CENTER	G289IHME01	73,394
93.068	3600	NATIONAL OPINION RESEARCH CENTER	G289UWOPHAL01	8,148
93.077	3600	RESEARCH FOUNDATION FOR STATE UNIV OF NY	R1302620	15,319
93.077	3600	RESEARCH FOUNDATION FOR STATE UNIV OF NY	R1335499AM01	4,976
93.079	3600	AMERICAN PSYCHOLOGICAL ASSOCIATION	903402UWASH	136,136
93.080	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12047SCAM02	1,711
93.080	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12047SCAM03	3,954
93.084	3600	UNIVERSITY OF NEW YORK - ALBANY	1170701392448AM05	60,234
93.084	3600	UNIVERSITY OF NEW YORK - ALBANY	395509	140,872
93.084	3600	UNIVERSITY OF NEW YORK - ALBANY	493075	43,206
93.084	3600	UNIVERSITY OF NEW YORK - ALBANY	496352	109,139
93.087	3650	CATHOLIC CHARITIES OF SPOKANE	132359001	89,313
93.103	3030	AFDO	N/A	15,617
93.103	3030	Association Of Food & Drug Officials	G-2211-03621	33,744
93.103	3030	Association Of Food & Drug Officials	G-2303-03969	3,340
93.103	3030	Association Of Food & Drug Officials	G-SE-2204-03345	22,186
93.103	3600	SEATTLE CHILDREN'S HOSPITAL	12439SUBAM02	14,381



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93.103	3600	SEATTLE CHILDREN'S HOSPITAL	12512SUBMOD02	21,499
93.103	3600	UNIVERSITY OF ROCHESTER	SUB00000226URFAOGR5318	21,889
93.103	3600	UNIVERSITY OF ROCHESTER	SUB00000445URFAOGR5329	64,945
93.110	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557GZC461	28,686
93.110	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1920GWA101AM04	486
93.110	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1920GWA101AM05	23,584
93.110	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13517SC	2,471
93.113	3600	BOSTON UNIVERSITY	4500002762AM04	22,058
93.113	3600	COLUMBIA UNIVERSITY	1GG01304701AM04	16,785
93.113	3600	NORTIS INC	UW2020082001AM02	-6,368
93.113	3600	NORTIS INC	UW2020082001AM03	80,548
93.113	3600	NORTIS, INC	UW2020082001AM03	22,720
93.113	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1021982UWA	16,686
93.113	3600	RESEARCH FOUNDATION FOR STATE UNIV OF NY	R1281337AM01	35,057
93.113	3600	SEATTLE CHILDREN'S HOSPITAL	12947SUB	11,075
93.113	3600	SEATTLE CHILDREN'S HOSPITAL	13053SUB	6,021
93.113	3600	SEQUOIA FOUNDATION	9157UW01	13,609
93.113	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1553GZE171AM01	157,851
93.113	3600	UNIVERSITY OF IOWA	S0146401AM03	316,100
93.113	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00010622AM05	29,494
93.113	3600	UNIVERSITY OF NEBRASKA	3419052249011AM03	29,461
93.113	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	110056808AM04	42,543
93.113	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00004419	31,801
93.113	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU18174MOD4AM04	93,970
93.113	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU20253MOD01	26,003
93.113	3600	WESTAT INC	671400S001AM03	104,763
93.113	3600	YALE UNIVERSITY	GR104703CON80001507AM0	30,185

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93.113	3650	DL - ADV-TECH, LLC	141566002	33,027
93.113	3650	OREGON STATE UNIVERSITY	P0516AA	110
93.113	3650	OREGON STATE UNIVERSITY	P0516BA	71,088
93.121	3600	BRIGHAM AND WOMEN'S HOSPITAL	121660AM03	126,439
93.121	3600	CHILDREN'S HOSPITAL OF PHILADELPHIA	PO20437170AM1	83,287
93.121	3600	MASSACHUSETTS GENERAL HOSPITAL	234245AM01	2,730
93.121	3600	PRAEVIUM RESEARCH INC	UW667483	76,251
93.121	3600	SEATTLE CHILDREN'S HOSPITAL	12732SUBMOD02	3,073
93.121	3600	SEATTLE CHILDREN'S HOSPITAL	12999SUB	10,788
93.121	3600	THE FORSYTH INSTITUTE	UWASH0238102665AM06	80,951
93.121	3600	THE FORSYTH INSTITUTE	UWASH0261862635AM005	5,204
93.121	3600	THE FORSYTH INSTITUTE	UWASH0312742770AM01	21,342
93.121	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13590SC	139,235
93.121	3600	UNIVERSITY OF IOWA	S0330001AM01	80,006
93.121	3600	UNIVERSITY OF MASSACHUSETTS WORCESTER	SUB00000291	24,670
93.121	3600	UNIVERSITY OF TEXAS SAN ANTONIO	171865171864	13,603
93.127	3600	SEATTLE CHILDREN'S HOSPITAL	12676SUBPRIOR12428SUBM	26,004
93.127	3600	SEATTLE CHILDREN'S HOSPITAL	13000SUBMOD1	82,703
93.135	3600	UNIVERSITY OF MASSACHUSETTS WORCESTER	SUB00000099	36,522
93.135	3600	UNIVERSITY OF MASSACHUSETTS WORCESTER	SUB00000099AM02	88,543
93.136	3600	OREGON HEALTH AUTHORITY	173606	24,000
93.136	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00013121AM01	185,852
93.137	3650	UNIVERSITY OF ARKANSAS MEDICAL SCIENCES	"55624	84,859
93.137	6990	Snohomish Health District	6123	32,273
93.142	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	2105GZA509AM03	291,481
93.153	3600	HARBORVIEW MEDICAL CENTER	UW633542	4,763
93.155	3600	JBS INTERNATIONAL INC	02900HRSARCORPEVALWWAM	786,902

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93.155	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5122884AM2	147,042
93.161	3600	AMERICAN ACADEMY OF PEDIATRICS	100316AM02	9,782
93.161	3600	AMERICAN ACADEMY OF PEDIATRICS	PO100681	554
93.161	3600	AMERICAN ACADEMY OF PEDIATRICS	PO100681AM01	47,246
93.161	3600	AMERICAN ACADEMY OF PEDIATRICS	PO100797AM01	175,322
93.161	3600	AMERICAN ACADEMY OF PEDIATRICS	PO101010AM02	229,920
93.172	3600	BAYLOR COLLEGE OF MEDICINE	PO7000001243AM02	32,982
93.172	3600	CARNEGIE MELLON UNIVERSITY	1090708456851AM02	200,522
93.172	3600	COLUMBIA UNIVERSITY	5GG01308001	60,934
93.172	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255C6214609AM003	1,142
93.172	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255C6214609AM04	146,382
93.172	3600	JACKSON LABORATORY	210314052303AM03	568,889
93.172	3600	JACKSON LABORATORY	210368022306	99,031
93.172	3600	JACKSON LABORATORY	210368022415	33,570
93.172	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG209827UWAM042021444	14,013
93.172	3600	KAISER FOUNDATION RESEARCH INSTITUTE	OOS030229UWAM08	-200
93.172	3600	KAISER FOUNDATION RESEARCH INSTITUTE	OOS030229UWAM12	6,233
93.172	3600	KAISER FOUNDATION RESEARCH INSTITUTE	UW684576	39,658
93.172	3600	MATCHSTICK TECHNOLOGIES INC	A138585	37,058
93.172	3600	MATCHSTICK TECHNOLOGIES INC	A138585AM05	58,800
93.172	3600	MATCHSTICK TECHNOLOGIES INC	A187626	168,823
93.172	3600	NORTHEASTERN UNIVERSITY	50082978051	155,704
93.172	3600	SOUTHCENTRAL FOUNDATION	2021411AM04	678
93.172	3600	STANFORD UNIVERSITY	62305015135394AM03	177,866
93.172	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010386AM01	3,110
93.172	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010386AM03	43,859
93.172	3600	UNIVERSITY OF CALIFORNIA SANTA CRUZ	A200450S005P0727662AM0	485,025

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93.172	3600	UNIVERSITY OF CALIFORNIA SANTA CRUZ	A210187S001POP0753656A	69,572
93.172	3600	UNIVERSITY OF MIAMI	OS00001098	228,451
93.172	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5124212AM01	25,827
93.172	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5127823AM2	7,396
93.172	3600	UNIVERSITY OF PENNSYLVANIA	584857AM01	89,114
93.172	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	131153455AM02	26,623
93.172	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC100326AM01	305,009
93.172	3650	UNIVERSITY OF ALABAMA	"000525321002	74,410
93.173	3600	ARIZONA STATE UNIVERSITY	ASUB00001274AM01	9,851
93.173	3600	BOSTON UNIVERSITY	4500004019AM001	157,709
93.173	3600	FRED HUTCHINSON CANCER CENTER	0001120511	40,919
93.173	3600	NORTHWESTERN UNIVERSITY	SP0034193PROJ0009132AM	16,606
93.173	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1017309UWAAM002	12,751
93.173	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1019479UW	81,610
93.173	3600	RESEARCH FOUNDATION OF CUNY	CM0000882200	6,635
93.173	3600	TEL AVIV UNIVERSITY	0601146324AM03	-14
93.173	3600	TEL AVIV UNIVERSITY	0601146325AM05	206,287
93.173	3600	TEMPLE UNIVERSITY	260885UWAM03	42,169
93.173	3600	UNIVERSITY OF ROCHESTER	417738GURFAOGR511053AM	101,467
93.173	3600	UNIVERSITY OF TEXAS DALLAS	2109403POS339385AM02	32,986
93.173	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU1845MOD7AM07	34,594
93.197	3600	IDAHO DEPARTMENT OF HEALTH AND WELFARE	HC317500	42,917
93.213	3600	2MORROW	4R44AT01159302	145,534
93.213	3600	DUKE UNIVERSITY	303000821	24,757
93.213	3600	DUKE UNIVERSITY	A032242AM03	3,793
93.213	3600	DUKE UNIVERSITY	A032242AM5	71,321

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93.213	3600	DUKE UNIVERSITY	A035392	4,254
93.213	3650	OREGON HEALTH & SCIENCES UNIVERSITY	"1022162_WSU	28,732
93.213	3650	STANFORD UNIVERSITY	"62266166139496	106,954
93.226	3600	BRIGHAM AND WOMEN'S HOSPITAL	127946	121,475
93.226	3600	BROWN UNIVERSITY	00001745AM03	39,483
93.226	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211586BUDG04UW	39,518
93.226	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211586BUDG05UWAM01	61,123
93.226	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211909UW	18,998
93.226	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211909UWAM01	5,116
93.226	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210906BUDG04UW	42,855
93.226	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210906BUDG05UW	110,955
93.226	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	706002AM001	106,199
93.231	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	C2237AM02	99,917
93.233	3600	BRIGHAM AND WOMEN'S HOSPITAL	126816AM01	23,425
93.233	3600	SRI INTERNATIONAL INC	PO41897AM03	38,344
93.233	3650	UNIVERSITY OF CALIFORNIA DAVIS	"A190461S002	-800
93.236	3600	MONTANA DEPARTMENT OF PUBLIC HEALTH	19255010690AM03	24,380
93.236	3600	MONTANA DEPARTMENT OF PUBLIC HEALTH	23255010690	113,111
93.242	3600	3C INSTITUTE	3C202201	50,934
93.242	3600	ALLEN INSTITUTE	20200613AM01	62,952
93.242	3600	ALLEN INSTITUTE	20200613AM03	137,086
93.242	3600	ALLEN INSTITUTE	20210606AM01	120,421
93.242	3600	ALLEN INSTITUTE	20210747AM02	204,196
93.242	3600	ALLEN INSTITUTE	20220630	176,706
93.242	3600	ALLEN INSTITUTE	20220630AM01	357,577
93.242	3600	BOSTON UNIVERSITY	4500004584	101,254
93.242	3600	BRIGHAM AND WOMEN'S HOSPITAL	122074AM03	10,373
93.242	3600	BROWN UNIVERSITY	00001791AM01	15,376

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93.242	3600	CASE WESTERN RESERVE UNIVERSITY	RES515454AM02	87,166
93.242	3600	CHILDREN'S HOSPITAL LOS ANGELES	000014266A	18,252
93.242	3600	CHILDREN'S HOSPITAL LOS ANGELES	000014266AAM01	90,793
93.242	3600	DUKE UNIVERSITY	A032074AM05	47,359
93.242	3600	EMORY UNIVERSITY	A613986AM1	21,216
93.242	3600	GEISINGER CENTER FOR HEALTH RESEARCH	626514UOW04AM05	75,522
93.242	3600	GEISINGER CENTER FOR HEALTH RESEARCH	UW637661	16,292
93.242	3600	GEISINGER CLINIC	626514UOW04AM05	282,914
93.242	3600	GEISINGER CLINIC	626514UW04S3AM3	37,146
93.242	3600	GEISINGER CLINIC	UW637661	47,150
93.242	3600	HARVARD UNIVERSITY	15340251110110002MOD02	637,214
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211557UW	11,735
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211557UWAM02	106,640
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211559UWAM01	35,493
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211559UWAM03	73,226
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211561UW	17,796
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211561UWAM02	121,139
93.242	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG212027UW	9,260
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210241BUDG01UW01AM0	106,023
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211776UW	38,417
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211929UWAM02	6,465
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211941UWAM01	24,497
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG212110UWAM01	19,756
93.242	3600	KAISER FOUNDATION RESEARCH INSTITUTE, A DIVISION OF KAISER FOUNDATION HOSPITALS	RNG210241BUDG01UW01AM	8,514
93.242	3600	LYSSNIO INC	123215UW02	243,003
93.242	3600	MASSACHUSETTS GENERAL HOSPITAL	242599	64,372
93.242	3600	MCLEAN HOSPITAL	401664AM01	257

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93.242	3600	MCLEAN HOSPITAL	401664AM02	376,623
93.242	3600	MCLEAN HOSPITAL	401664AM03	71,001
93.242	3600	NEUROLUX	UW631055	30,609
93.242	3600	NEUROLUX	UW667839	103,421
93.242	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	22A0001007616AM01	24,227
93.242	3600	PORTLAND STATE UNIVERSITY	100156AM03	7,767
93.242	3600	SAN DIEGO STATE UNIVERSITY RSCH FNDN	D919803SA951A05A945A78	50,639
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	12185SUBMOD04	49,256
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	12376SUBAM01	4,707
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	12662SUBMOD01	59,825
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	12724SUBMOD01	171,676
93.242	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CE21SAMSTC1SIBCR	4,474
93.242	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CE21UW4AM02	21,257
93.242	3600	SHIFA TAMEER-E-MILLAT UNIVERSITY	2022100101	2,480
93.242	3600	STANFORD UNIVERSITY	62723866144480AM01	32,431
93.242	3600	STANFORD UNIVERSITY	62825646144480AM01	122,520
93.242	3600	SWEDISH HEALTH SERVICES	223004B01AM06	3,609
93.242	3600	TALKSPACE	AM01	332,281
93.242	3600	TOPOGENE INC	UW687527	52,006
93.242	3600	UNIVERSITY OF CALIFORNIA IRVINE	20193804AM02	500,000
93.242	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	2000GWE286AM03	159,061
93.242	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	KR705212AM01	140,290
93.242	3600	UNIVERSITY OF COLORADO	FY21930001FY22930004AM	85,609
93.242	3600	UNIVERSITY OF MINNESOTA	A006759602AM06	36,368
93.242	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5111740AM03	6,251
93.242	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5115684AM03	2,989

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93.242	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5124471AM01	16,644
93.242	3600	UNIVERSITY OF TEXAS AUSTIN	UTAUSSUB00000385AM1	19,831
93.242	3600	UNIVERSITY OF UTAH	1006129802UWAM1	153,550
93.242	3600	UNIVERSITY OF VIRGINIA	GB10691PO2133382AM04	7,160
93.242	3600	VIRGINIA COMMONWEALTH UNIVERSITY	FP00011780SA003AM02	27,729
93.242	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU18449MOD5	27,693
93.242	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19307MOD5	33,202
93.242	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19408MOD3	311,228
93.242	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19409MOD3	6,890
93.242	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU20497MOD2	99,590
93.242	3600	YALE UNIVERSITY	CON80003878GR117213AM0	893,320
93.242	3650	UNIVERSITY OF COLORADO	"FY18001018	168,347
93.243	1070	Transform TFR Initiative Grant (NSAMHPD)	HHSS283201200024I/75S2	280,000
93.243	3600	CONFEDERATED TRIBES AND BANDS OF YAKAMA	UW638667	247,912
93.243	3600	JOHNS HOPKINS UNIVERSITY	2004352474AM03	11,717
93.243	3600	MONTANA DEPARTMENT OF PUBLIC HEALTH	18102745160AM04	1,343
93.243	3600	RTI INTERNATIONAL	4312021718665733LMOD05	202,310
93.243	3600	UNIVERSITY OF MISSOURI KANSAS CITY	0011857500079829	277,611
93.243	3600	UNIVERSITY OF MISSOURI KANSAS CITY	0012188600081904AM2	4,027
93.243	3650	ADELPHI UNIVERSITY	"SM085102WSU23	8,416
93.243	3650	NE WA EDUCATIONAL SERVICE DISTRICT 101	"143475001	1,865
93.243	3700	Council on Social Work Education Inc	CSWE-71790	86
93.262	3600	OHIO STATE UNIVERSITY	SPC1000007189GR129302	11,874
93.262	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1019570UWA	8,013
93.262	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1019570UWAAM01	16,360
93.262	3600	THE CENTER FOR CONSTRUCTION	30011310AM01	22,679
93.262	3600	THE CENTER FOR CONSTRUCTION	30011410AM01	177,237



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93.262	3650	THE CENTER FOR CONSTRUCTION RESEARCH AND TRAINING	"3001110301	-45
93.266	3600	UNIVERSITY OF PENNSYLVANIA	582025AM01	33,216
93.273	3600	BOSTON MEDICAL CENTER	5207UWASH05NCEA3AM003	10,535
93.273	3600	BOSTON MEDICAL CENTER	6523UWASH01	15,816
93.273	3600	BOSTON MEDICAL CENTER	7584PO100250561AM002	26,309
93.273	3600	COLUMBIA UNIVERSITY	2GG01720401POG15741AM1	32,048
93.273	3600	EMORY UNIVERSITY	A482233AM08	-1
93.273	3600	EMORY UNIVERSITY	A500607	32
93.273	3600	EMORY UNIVERSITY	A733286	68,862
93.273	3600	GEORGIA STATE UNIVERSITY	SP0001494702AM01	56,010
93.273	3600	JOHNS HOPKINS UNIVERSITY	2005307204	32,994
93.273	3600	JOHNS HOPKINS UNIVERSITY	2005307204AM01	161,658
93.273	3600	JOHNS HOPKINS UNIVERSITY	2005466982	89,022
93.273	3600	JOHNS HOPKINS UNIVERSITY	2005466982AM1	204,859
93.273	3600	JOHNS HOPKINS UNIVERSITY	2005638482	53,023
93.273	3600	PACIFIC INTS FOR RSCH AND EVALUATION	1031MOD02	59,979
93.273	3600	RHODE ISLAND HOSPITAL	7017137290AM05	11,084
93.273	3600	RHODE ISLAND HOSPITAL	70171375971AM02	4,396
93.273	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	SUB00002521	18,658
93.273	3600	SAN DIEGO STATE UNIVERSITY FOUNDATION	D994403SA640A559355E7	476
93.273	3600	SAN DIEGO STATE UNIVERSITY RSCH FNDN	D994403SA640A559355E78	20,640
93.273	3600	SAN DIEGO STATE UNIVERSITY RSCH FNDN	SA0000640AM005	765
93.273	3600	SCRIPPS RESEARCH INSTITUTE	554169AM04	7,396
93.273	3600	SCRIPPS RESEARCH INSTITUTE	555002	6,041
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13KELLYM1SIBCRM0D1	8,854
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13KELLYM2SIBCR	44,271
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13NJ11SIBCRM0D2	1,412

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93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13NJ12SIBCR	17,061
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13SCSG31SIBCR	2,899
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13SCSG32SIBCR	11,955
93.273	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ13WILLIR2SIBCR	5,947
93.273	3600	STATE UNIVERSITY OF NEW YORK BINGHAMTON	91395UNIVOFWASHINGTONA	21,737
93.273	3600	UNIVERSITY OF KENTUCKY RESEARCH FNDN	320000508723091	4,981
93.273	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00014818AM01	-15
93.273	3600	UNIVERSITY OF NEBRASKA	2405520007002	13,888
93.273	3600	UNIVERSITY OF NEW MEXICO	028400874JAM004	38,488
93.273	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5124241	26,866
93.273	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5127059	5,118
93.273	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5127063	3,412
93.273	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5127495AM01	12,787
93.273	3600	UNIVERSITY OF NORTH TEXAS HSC	RF0012320180189AM06	6,894
93.273	3600	UNIVERSITY OF NORTH TEXAS HSC	RF0012320180189AM07	56,013
93.273	3600	UNIVERSITY OF NORTH TEXAS HSC	RF0014320180407AM04	69,119
93.273	3600	UNIVERSITY OF NORTH TEXAS HSC	RF0022520210283AM3	22,026
93.273	3650	UNIVERSITY OF CALIFORNIA - SAN FRANCISCO	"10532SC	7,676
93.279	1070	Stanford University	R01DA052975	57,446
93.279	3600	ALLEN INSTITUTE	20210469AMO2	59,118
93.279	3600	BRANDEIS UNIVERSITY	GR403953UWAM03	28,923
93.279	3600	BROWN UNIVERSITY	00001314AM03	875
93.279	3600	CONSUMER WELLNESS SOLUTIONS INC	052020ADDENDUMNO2AM02	73,755
93.279	3600	CONSUMER WELLNESS SOLUTIONS INC	052020AM02	2,033
93.279	3600	EMORY UNIVERSITY	T855321AM055R01DA04561	38,431

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93.279	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG210129UWAM03	26,724
93.279	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG210129UWAM04	12,419
93.279	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210715UW01AM01	11,315
93.279	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210715UW01AM02	6,209
93.279	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210930UWILLIAMSAM0	12,724
93.279	3600	MEDICAL UNIVERSITY OF SOUTH CAROLINA	A000322S004AM01	17,770
93.279	3600	MIRIAM HOSPITAL	7147185HEJ	1,785
93.279	3600	NEW YORK UNIVERSITY	2000001005210AM01	22,536
93.279	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	2000001005210AM01	8,298
93.279	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	2000001005210AM02	26,199
93.279	3600	NORTHWESTERN UNIVERSITY	60062766UWASH	7,929
93.279	3600	OREGON SOCIAL LEARNING CENTER INC	AM05	16,818
93.279	3600	RESEARCH FNDN FOR MENTAL HYGIEN	PO155581AM02	377,885
93.279	3600	SAINT LOUIS UNIVERSITY	ERS2198744197AM04	101,315
93.279	3600	SEATTLE CHILDREN'S HOSPITAL	12750SUBMOD02	80,141
93.279	3600	SEATTLE CHILDREN'S HOSPITAL	12902SUB	104,667
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12BERGKD1SIBCRM01	726
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12BERGKD2SIBCR	71,478
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12KELLYM2SIBCR	77,444
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12NJ11SIBCRM01	166
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12NJ12SIBCRM01	20,345
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12RANSOS2SIBCR	1,561
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12RIEGEN1SIBCRM01	488
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12RIEGEN2SIBCR	41,804
93.279	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	NJ12SCSG32SIBCR	29,316
93.279	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000517103SC003AMA04	119,684
93.279	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000536334SC003	76,154
93.279	3600	UNIVERSITY OF BRITISH COLUMBIA	GR01325220R02581AM02	31,546

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93.279	3600	UNIVERSITY OF MARYLAND BALTIMORE	19914REQUEST2698AM01	57,231
93.279	3600	UNIVERSITY OF MINNESOTA	D010059602	34,626
93.279	3600	UNIVERSITY OF MINNESOTA	N008205101AM01	22,029
93.279	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00002498AM02	15,844
93.279	3600	UNIVERSITY OF TENNESSEE	230533AM03	18,778
93.279	3600	UNIVERSITY OF TEXAS DALLAS	22010291AM01	235,155
93.279	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO230918PO0000002777	346,974
93.279	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO230918PO0000002777A	202,177
93.279	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	GMO230918PO0000002777	36,738
93.279	3600	VIRGINIA POLYTECHNIC INST AND STATE UNIV	41251319124AM01	337,419
93.279	3600	WAKE FOREST UNIVERSITY	3124512010000550092AM0	-5,005
93.279	3600	WEILL MEDICAL COLLEGE OF CORNELL UNIV	2203981AM02	-24,311
93.279	3600	WEILL MEDICAL COLLEGE OF CORNELL UNIV	2274511AM03	43,745
93.279	3600	YALE UNIVERSITY	CON80003828GR117123AM	131,017
93.279	3600	YALE UNIVERSITY	CON80003828GR117123AM0	-12,570
93.279	3600	YALE UNIVERSITY	CON80004014GR118359AM0	218,797
93.279	3600	YALE UNIVERSITY	CON80004215GR119404AM0	90,292
93.279	3650	LEGACY HEALTH SYSTEM	"BS202301	10,817
93.279	3650	MAYO CLINIC	"WAS297565	20,362
93.279	3650	STANFORD UNIVERSITY	"62930019146563	123,817
93.279	3650	UNIVERSITY OF CALIFORNIA - SAN FRANCISCO	"11725SC	9,100
93.279	3650	UNIVERSITY OF CALIFORNIA - SAN FRANCISCO	"12539SC	6,576
93.279	3650	UNIVERSITY OF CINCINNATI	"011130003	17,010
93.279	3650	UNIVERSITY OF MASSECHUSETTS	"SUB00000164	1,944
93.279	3650	UNIVERSITY OF NEW MEXICO	"3RGH5C	77,669
93.283	3650	TASK FORCE FOR GLOBAL HEALTH	"139903004	43,054

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93.286	3600	EMORY UNIVERSITY	A454269AM01	104,182
93.286	3600	EMORY UNIVERSITY	A580773	18,485
93.286	3600	EMORY UNIVERSITY	A580773AM01	96,962
93.286	3600	JOHNS HOPKINS UNIVERSITY	177701	49,763
93.286	3600	JOHNS HOPKINS UNIVERSITY	2004999881AM02	39,344
93.286	3600	NEUROLUX	UW667397	33,834
93.286	3600	PRECISION SENSING LLC	AM02	39,359
93.286	3600	UNIVERSITY OF ARIZONA	590063AM2	141,762
93.286	3600	UNIVERSITY OF MINNESOTA	A008521201AM1REV	160,218
93.300	3600	UNIVERSITY OF MINNESOTA	P010074161	41,133
93.307	3600	BOSTON MEDICAL CENTER	0202UW05386AM01	4,699
93.307	3600	BOSTON UNIVERSITY	4500003777AM02	3,133
93.307	3600	BROWN UNIVERSITY	00002096AM1	14,364
93.307	3600	BROWN UNIVERSITY	00002251AM01	8,375
93.307	3600	DUKE UNIVERSITY	303000172AM01	47,251
93.307	3600	DUKE UNIVERSITY	303000924	110,085
93.307	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210374UW02AM02	29,486
93.307	3600	SEATTLE CHILDREN'S HOSPITAL	12723SUBMOD03	99,187
93.307	3600	SEATTLE CHILDREN'S HOSPITAL	UW660430	140,512
93.307	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	12723SUBMOD03	6,042
93.307	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW660430	19,058
93.307	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1920GXA148AM03	24,338
93.307	3600	UNIVERSITY OF IOWA	S0342001AM01	12,520
93.307	3600	UNIVERSITY OF MASSACHUSETTS WORCESTER	OSP2017201AM06	29,881
93.307	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00016457AM01	10,704
93.307	3600	UNIVERSITY OF PENNSYLVANIA	577433AM05	81,339
93.307	3600	UNIVERSITY OF PENNSYLVANIA	583611AM01	92,207

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93.307	3650	OKLAHOMA STATE UNIVERSITY	"A220004S002	85,566
93.307	3650	UNIVERSITY OF COLORADO	"FY18001024	222,589
93.307	3650	UNIVERSITY OF COLORADO DENVER	"FY001031	6,052
93.307	3650	UNIVERSITY OF COLORADO DENVER	"FY21001030	9,138
93.307	3650	UNIVERSITY OF COLORADO DENVER	"FY22.1146.002	39,479
93.310	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	312044AM04	10,632
93.310	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	312228AM05	29,818
93.310	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	S408790AM004	-178,726
93.310	3600	DREXEL UNIVERSITY	900168AMO7	65,759
93.310	3600	DREXEL UNIVERSITY	900244AM08	119,817
93.310	3600	DUKE UNIVERSITY	303001154	27,549
93.310	3600	DUKE UNIVERSITY	A035261	9,071
93.310	3600	MEDICAL COLLEGE OF WISCONSIN	PO623517538A	335,252
93.310	3600	STANFORD UNIVERSITY	62984393248018	7,966
93.310	3600	UNIVERSITY OF UTAH	1005478202UWAM02	308,976
93.310	3600	UNIVERSITY OF WISCONSIN MADISON	0000002440	65,925
93.310	3600	WITS HEALTH CONSORTIUM (PTY) LTD	220419001	3,318
93.310	3600	WITS HEALTH CONSORTIUM (PTY) LTD	220419001AM01	140,159
93.310	3650	DUKE UNIVERSITY	"303001184	9,952
93.310	3650	DUKE UNIVERSITY	"303001261	3,744
93.318	3600	CHILDREN'S HOSPITAL OF PHILADELPHIA	GRT000021890923	44,021
93.318	3600	JHPIEGO CORPORATION	23SBA267	41,679
93.318	3650	ASSOCIATION OF AMERICAN MEDICAL COLLEGES	"GT3202107	40,052
93.322	3600	ASSOC OF PUBLIC HEALTH LABORATORIES INC	564012505262305AM01	241,414
93.350	3600	ALTIS BIOSYSTEMS INC	UW664714	280,349
93.350	3600	CROSSLIFE TECHNOLOGIES INC	UW669521	288,208
93.350	3600	JOHNS HOPKINS UNIVERSITY	2005069333AM01	-188

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93.350	3600	SEATTLE CHILDREN'S HOSPITAL	12663SUB	2,206
93.350	3600	SEATTLE CHILDREN'S HOSPITAL	12880SUB	22,154
93.350	3600	UNIVERSITY OF COLORADO	FY221126015AM03	41,487
93.350	3600	UNIVERSITY OF PITTSBURGH	AWD000061711384872	155,735
93.350	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU230355MOD01	96,298
93.351	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1021707UW	3,838
93.353	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001091776	-1,200
93.353	3600	SLOAN KETTERING INST FOR CANCER RESEARCH	C21868057AM06	53,106
93.358	6990	League for Innov in the Comm Coll	87728	0
93.361	3600	BAYLOR COLLEGE OF MEDICINE	7000000671AM05	207,564
93.361	3600	BAYLOR COLLEGE OF MEDICINE	7000001179AM02	9,923
93.361	3600	BAYLOR COLLEGE OF MEDICINE	7000001179AM3	9,847
93.361	3600	CASE WESTERN RESERVE UNIVERSITY	RES516447AM01	8,806
93.361	3600	CLEVELAND CLINIC FOUNDATION	CCF23314268	57,206
93.361	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255E1114609AM01	3,726
93.361	3600	RUSH UNIVERSITY MEDICAL CENTER	22010705SUB02	8,188
93.361	3600	SEATTLE CHILDREN'S HOSPITAL	12523SUBMOD01	2,309
93.361	3600	SEATTLE CHILDREN'S HOSPITAL	12695SUBAM01	18,427
93.361	3600	SOUTHCENTRAL FOUNDATION	2022394AM01	13,858
93.361	3650	UNIVERSITY OF ORTH CAROLINA CHAPEL HILL	"5106247	3,706
93.387	3800	Emory University	A701180	89,479
93.393	3600	ARIZONA STATE UNIVERSITY	17093AM07	2,247
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001110006	3,209
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001110334	6,780
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001112846	8,628
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001119473AM1	78,297
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001124896AM01	24,354

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93.393	3600	FRED HUTCHINSON CANCER CENTER	0001126857	241,944
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001126923	9,083
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001128477	12,761
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001134124	35,473
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001134550	31,612
93.393	3600	FRED HUTCHINSON CANCER CENTER	0001150154	7,354
93.393	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001112846	23,632
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110006	4,749
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110334	10,055
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001124896AM01	7,071
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001126923	2,284
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001128477	3,839
93.393	3600	GEORGETOWN UNIVERSITY	425074GR413943UW	35,739
93.393	3600	INTERNATIONAL AGENCY FOR RSCH ON CANCER	CRASCR202110	3,744
93.393	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210178UWAM05	109,254
93.393	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211580UW	9,221
93.393	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211580UWAM02	109,630
93.393	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG211637UW	4,283
93.393	3600	LIGHTSPEED MICROSCOPY LLC	AM01	78,195
93.393	3600	OHIO STATE UNIVERSITY	SPC1000006686GR127438	27,711
93.393	3600	OHIO STATE UNIVERSITY	SPC1000007321GR130873	20,463
93.393	3600	PENNSYLVANIA STATE UNIVERSITY	UWCA237153AM05	52,108
93.393	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	SUB00002526	17,044
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CK11SWE32SIBCR	1,734
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CK11WE33SIBCR	2,316



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93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CK11WE34SIBCR	11,136
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ116GJ14SIBCR	11,045
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ116GJ15SIBCR	2,159
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ116HERODM3SIBCR	27,401
93.393	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ116UW4AM02	36,313
93.393	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINICAL RESEARCH (SIBCR)	GJ116UW4AM02	7,042
93.393	3600	TALUS BIOSCIENCE	A167755	84,844
93.393	3600	UNIVERSITY OF CALIFORNIA DAVIS	20160369613A180177S004	7,976
93.393	3600	UNIVERSITY OF CALIFORNIA DAVIS	A221534S011	260,854
93.393	3600	UNIVERSITY OF CALIFORNIA IRVINE	20231891	10,366
93.393	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557GVC172AM07	177,906
93.393	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557GWA025AM04	186,455
93.393	3600	UNIVERSITY OF CALIFORNIA SANTA CRUZ	A200145S001P0726832AM0	1,698
93.393	3600	UNIVERSITY OF CHICAGO	AWD102024SUB00000502AM	11,518
93.393	3600	UNIVERSITY OF DELAWARE	44956AM06	19,011
93.393	3600	UNIVERSITY OF IOWA	S0135401AM03	63,289
93.393	3600	UNIVERSITY OF MINNESOTA	N008519501AM01	193,140
93.393	3600	UNIVERSITY OF PITTSBURGH	AWD000006641328812AM03	7,381
93.393	3600	UNIVERSITY OF UTAH	1004305702AM07	152,490
93.393	3600	UNIVERSITY OF VERMONT	AWD00000046SUB00000019	16,574
93.393	3600	UNIVERSITY OF WISCONSIN MADISON	0000001490	4,904
93.393	3600	UNIVERSITY OF WISCONSIN MADISON	0000001865	3,868
93.393	3600	UNIVERSITY OF WISCONSIN MADISON	0000002424	22,822
93.393	3600	WAKE FOREST UNIVERSITY	3803204110000114410AM0	10,723
93.394	3600	BAYLOR COLLEGE OF MEDICINE	PO7000000939AM04	31,916
93.394	3600	BOSTON MEDICAL CENTER	76215071UWASH03A3AM03	1,566
93.394	3600	CITY OF HOPE	637262011293669303	7,002

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93.394	3600	FRED HUTCHINSON CANCER CENTER	0001109989AM01	75,607
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110230AM01	21,072
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110231AM01	4,867
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110262	46,829
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110263	4,981
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110269	4,614
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001110419	5,190
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001119691	33,122
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001120450AM01	1,084
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001126555AM01	246,252
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001126557	24,121
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001129932	45,117
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001130627	8,155
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001131546	12,388
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001133478	47,076
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001134168	8,588
93.394	3600	FRED HUTCHINSON CANCER CENTER	0001136315AM01	50,685
93.394	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110263	7,529
93.394	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110419	3,097
93.394	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001120450AM01	3,254
93.394	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110230AM01	17,170
93.394	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110231AM01	7,354
93.394	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110262	71,026
93.394	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20210016AM01	72,594
93.394	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20220011	26,752
93.394	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1018110UWAAM02	58,537

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93.394	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1018110UWAAM04	79,577
93.394	3600	PET/X LLC	A147966A161226AM02	118,640
93.394	3600	PRECISION SENSING LLC	A147966AM01	28,704
93.394	3600	RHODE ISLAND HOSPITAL	7137836	15,399
93.394	3600	STANFORD UNIVERSITY	62539499182191AM02	105,958
93.394	3600	STANFORD UNIVERSITY	62969778182562	5,080
93.394	3600	TUFTS UNIVERSITY	NIH204AM1	99,719
93.394	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557GVB811AM05	54,189
93.394	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11124SCAM03	8,460
93.394	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00013600AM01	64,921
93.394	3600	VERAVANTI INC	A164794	215,997
93.394	3650	TULANE UNIVERSITY	"TULHSC5585862021	30,179
93.394	3650	TULANE UNIVERSITY	"TULHSC5606252223	97,289
93.394	3650	TULANE UNIVERSITY	"TULHSC5609942223	27,718
93.395	3600	ABACUS BIOSCIENCE	UW663295	123,365
93.395	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0129403S02	89,701
93.395	3600	BIOMIMETIX JV, LLC	BMXMBM001AM02	20,150
93.395	3600	ECOG-ACRIN MEDICAL RESEARCH FOUNDATION	U10CA1808200106WASH1CA	10,846
93.395	3600	ECOG-ACRIN MEDICAL RESEARCH FOUNDATION	U10CA18082006WASH1CAM4	5,114
93.395	3600	ECOG-ACRIN MEDICAL RESEARCH FOUNDATION	U10CA18082006WASH2CAM0	10,017
93.395	3600	ECOG-ACRIN MEDICAL RESEARCH FOUNDATION	U10CA18082009WASH3C	16,228
93.395	3600	EMMES CORPORATION	13765MOD01	60,840
93.395	3600	EMMES CORPORATION	5UM1CA12194716MOD2	84,464
93.395	3600	EMMES CORPORATION	UW665818	12,549
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001020248AM02	-17,374

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93.395	3600	FRED HUTCHINSON CANCER CENTER	0001102734	-3,522
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001109949	32,661
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001110046	27,881
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001110173	-4,627
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001110497	25,135
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001120564	2,599
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001124579	41,379
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001124766	27,536
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001125412	45,593
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001125412AM1	39,864
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001125910	7,411
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001127840	62,702
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001130175	280,272
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001131243	8,694
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001131362	50,000
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001131481	5,237
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001135465AM01	8,625
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001142735	16,102
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001143014	111,418
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001143572	32,917
93.395	3600	FRED HUTCHINSON CANCER CENTER	0001144264	9,402
93.395	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001125685	1,070
93.395	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001131482	108,272
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001077860	-2,451
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001109962	4,171
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110497	79,156

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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001125412	10,694
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001131482	3,216
93.395	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD102398G1AM05PO50066	37,091
93.395	3600	INST FOR CANCER RESEARCH	1516300YR02MOD1AM1	4,729
93.395	3600	INST FOR CANCER RESEARCH	1516301	686
93.395	3600	ITHAX PHARMACEUTICALS, INC.	A151430AM04	15,002
93.395	3600	MASSACHUSETTS GENERAL HOSPITAL	239887	32,647
93.395	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1013080UWACHIOREAN	8,355
93.395	3600	SEATTLE CHILDREN'S HOSPITAL	11539SUBMOD06	1,870
93.395	3600	SEATTLE CHILDREN'S HOSPITAL	12740SUBMOD3	18,762
93.395	3600	VEANA THERAPEUTICS	A147165AM01	45,021
93.395	3650	SEATTLE CHILDREN'S RESEARCH	"11515SUB	533
93.396	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	01063973AM03	63,696
93.396	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	GRT65240AM04	64,884
93.396	3600	FRED HUTCHINSON CANCER CENTER	0001110445	4,152
93.396	3600	FRED HUTCHINSON CANCER CENTER	0001133041	171,113
93.396	3600	FRED HUTCHINSON CANCER CENTER	0001135299	15,101
93.396	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110445	128,377
93.396	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	18A1001000999AM06	121,141
93.396	3600	OHIO STATE UNIVERSITY	60068579AM03	35,196
93.396	3600	STANFORD UNIVERSITY	62435605142396AM03	7,937
93.396	3600	THOMAS JEFFERSON UNIVERSITY	08003800S37701AM02	13,612
93.396	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1719GXB208AM02	10,744
93.396	3650	THOMAS JEFFERSON UNIVERSITY	"080038000S37701	4,369
93.397	3600	FRED HUTCH/UNIVERSITY OF WASHINGTON CANCER CONSORTIUM	0001130661	24,776
93.397	3600	FRED HUTCH/UNIVERSITY OF WASHINGTON CANCER CONSORTIUM	0001130676	14,980

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93.397	3600	FRED HUTCH/UNIVERSITY OF WASHINGTON CANCER CONSORTIUM	0001130726	1,905
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110178	-68
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110181AM01	-2,636
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110182AM01	-1,124
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110293	8,764
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110368	12,918
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110388	5,242
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110399	69,186
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110401	30,055
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110409	29,614
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110414	7,391
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001110481	-1,376
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118707	20,038
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118708	14,931
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118709	15,613
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118940	6,488
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118941	26,898
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118968	17,020
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118987	7,941
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001118988	301,934
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001119751	120,131
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001119886	73,816
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001120346	900
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001120346AM01	24,001
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001120359	39,140
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001120360	55,936
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001122164	89,320

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93.397	3600	FRED HUTCHINSON CANCER CENTER	0001123050	30,746
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001123631	6,042
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001123633	18,037
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001126802	25,922
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001128373	46,508
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001128374	61,011
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130254	184,733
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130273	32,148
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130275	33,161
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130660	20,602
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130661	-6,485
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130670	2,580
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130672	14,531
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130674	19,427
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130675	29,705
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130676	20,021
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130677	11,426
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001130726	14,134
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001138716	6,535
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139391	59,885
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139413	11,785
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139414	20,044
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139419	17,164
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139495	22,910
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139496	27,886
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139497	16,350
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139498	8,367
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139499	38,805

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93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139500	62,937
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139502	177,097
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139511	38,967
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001139513	40,398
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001140451	92,216
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001140712	266,415
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001140767	114,661
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001140818	42,082
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001140820	175,294
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001141174	25,150
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001141229	90,799
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001148996	4,021
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001148997	52,123
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001148999	28,291
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001149002	9,369
93.397	3600	FRED HUTCHINSON CANCER CENTER	0001150563	2,850
93.397	3600	FRED HUTCHINSON CANCER CENTER	001028765AM02	7,083
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110182AM01	7,922
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110401	24,579
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110414	11,006
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001118709	7,909
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001118940	3,827
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001118987	3,952
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001119886	19,060
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001123633	14,179
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001130254	17,726
93.397	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001130275	3,961



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93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110293	13,805
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110368	27,622
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110388	7,811
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110399	70,684
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110409	50,541
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001118941	13,307
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001120346	37,146
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001120359	20,149
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001120360	29,522
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001122164	45,222
93.397	3600	MAYO CLINIC	TBCRC051MC1831AM01	11,375
93.397	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13790SC	19,678
93.399	3600	FRED HUTCHINSON CANCER CENTER	0001110374	2,970
93.399	3600	FRED HUTCHINSON CANCER CENTER	0001128098	9,284
93.399	3600	FRED HUTCHINSON CANCER CENTER	0001134687	44,716
93.399	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110374	5,120
93.399	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	3004538756AM08	45,050
93.399	3600	UNIVERSITY OF WISCONSIN MADISON	0000001922	2,188
93.399	3600	UNIVERSITY OF WISCONSIN MADISON	0000002405	4,625
93.399	3600	UNIVERSITY OF WISCONSIN MADISON	0000002458	3,859
93.399	3600	UNIVERSITY OF WISCONSIN MADISON	0000002459	125,447
93.421	3030	council of state and territorial epidemiologist	cbo24350	7,500
93.421	3030	Gretchen Swanson	2716877 GSCN	1,820

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93.421	3600	ASSOC OF STATE & TERRITORIAL HEALTH OFF	REQUISITION0118	141,236
93.421	3600	COUNCIL OF STATE & TERRITORIAL EPIDEMIOLOGICAL	PO7788	31,743
93.421	3600	COUNCIL OF STATE & TERRITORIAL EPIDEMIOLOGICAL	PO8067	69,863
93.421	3600	NATIONAL ASSOC OF CNTY & CITY HEALTH	2021110201MOD01	408,981
93.421	3600	NATIONAL ASSOC OF CNTY & CITY HEALTH	2022041202MOD01	13,409
93.421	3600	NATIONAL ASSOC OF CNTY & CITY HEALTH	2022072003	456,997
93.421	3600	NATIONAL ASSOC OF CNTY & CITY HEALTH	2023012404	80,000
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G1782AG035200395AM02	11,050
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2088AG0704	46,070
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2117AG0693AM01	28,370
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2128AG0753AM02	84,630
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2142AG0764AM02	323,933
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2148AG0768AM01	2,729
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2433AG1055	65,107
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2463AG1094	760,699
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2487AG1123	41,880
93.421	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2586AG1221	23,015
93.421	3600	NATL ASSOC OF CHRONIC DISEASE DIRECTORS	1462021	2,519
93.421	3600	NATL ASSOC OF CHRONIC DISEASE DIRECTORS	220237	113,690
93.421	3600	NATL ASSOC OF CHRONIC DISEASE DIRECTORS	230303	49,238
93.421	3600	NATL ASSOC OF COUNTY & CITY HEALTH OFF	2023020201	446,387
93.421	3600	SOC FOR PUBLIC HEALTH EDUC	UW669784	284

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93.421	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1920GLA064AM01	184,478
93.421	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	1920GLA064AM01	13,063
93.421	3600	UNIVERSITY OF VERMONT	AWD00000288SUB00000139	1,633
93.433	3600	CRAIG HOSPITAL	2694UWBY2AM04	11,573
93.433	3600	CRAIG HOSPITAL	2694UWBY3AM05	42,453
93.433	3600	INDIANA UNIVERSITY	8699AM02	2,752
93.433	3600	INDIANA UNIVERSITY	8699PO0384123AM001	1,894
93.433	3600	MEMORIAL HERMANN HEALTH SYSTEM	2022YR51800UWASHADAAM0	951
93.433	3600	MEMORIAL HERMANN HEALTH SYSTEM	2023YR1ADAPARCUWASH	3,869
93.433	3600	SHIRLEY RYAN ABILITYLAB	7258AM04	102,918
93.433	3600	SHIRLEY RYAN ABILITYLAB	7258AM05	289,059
93.433	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000532312SC001A01	8,486
93.488	3600	RTI INTERNATIONAL	1312021871867065L	6,500
93.493	3800	University of Oklahoma	20006333	40
93.530	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5124061	93,031
93.530	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5126788AM02	126,910
93.556	3600	AMARA	UWA170813	80,606
93.556	3600	AMARA PARENTING AND ADOPTION SERVICES	UWA170813	43,769
93.556	3700	Idaho Dept of Health & Welfare	KC281800 AMENDMENT 3	194,067
93.600	3600	FOND DU LAC TRIBAL AND COMMUNITY COLLEGE	2	46,729
93.600	3600	FOND DU LAC TRIBAL AND COMMUNITY COLLEGE	3	150,625
93.600	3600	ZERO TO THREE	2021090581MA2020100040	1,034,265
93.600	3600	ZERO TO THREE	2022090141MA2020100040	2,079,703
93.600	6990	PSD	14440	201,655
93.600	6990	Puget Sound Educational Services Dist	Head Start	87,975

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93.600	6990	Puget Sound School Dist	Early Head Start	75,563
93.652	3600	SPAULDING FOR CHILDREN	90CO11340201AM01	67,337
93.652	3600	SPAULDING FOR CHILDREN	AM01	137,850
93.652	3600	SPAULDING FOR CHILDREN	HHS2021ACFACYFCW1921	1,735
93.652	3600	SPAULDING FOR CHILDREN	HHS2021ACFACYFCW1921AM	345,218
93.652	3600	SPAULDING FOR CHILDREN	UW633294	184,217
93.658	3700	Idaho Dept of Health & Welfare	KC279000 AMEND#4	2,006,771
93.658	3700	Idaho Dept of Health & Welfare	KC287600 AMEND#3	707,031
93.696	3650	VOLUNTEERS OF AMERICA EASTERN WASHINGTON AND ORTHERN IDAHO	"142773001	48,110
93.732	3600	NATIONWIDE CHILDREN'S HOSPITAL	710072122200	44,511
93.732	3600	NATIONWIDE CHILDREN'S HOSPITAL	710072122300AM01	5,306
93.772	3600	GREAT LAKES INTER-TRIBAL COUNCIL, INC.	AM03	12,090
93.788	3600	OREGON HEALTH AUTHORITY	167154AM01	5,737
93.788	3600	OREGON HEALTH AUTHORITY	167154AM02	83,750
93.788	3600	UNIVERSITY OF MISSOURI KANSAS CITY	0010960000077332	89,720
93.788	3600	UNIVERSITY OF MISSOURI KANSAS CITY	0010981200077332AM03	25,007
93.825	3600	NEW YORK CITY HEALTH AND HOSPITALS	UW669337	24,068
93.825	3600	UNIVERSITY OF NEBRASKA	3401143001102AM03	295,158
93.825	3600	UNIVERSITY OF NEBRASKA	3401143001102AM04	283,998
93.837	3600	ARIZONA STATE UNIVERSITY	ASUB00000241AM004	23,239
93.837	3600	BRIGHAM AND WOMEN'S HOSPITAL	242757	1,840
93.837	3600	BRIGHAM AND WOMEN'S HOSPITAL	PS224978MOD11	19,184
93.837	3600	CINCINNATI CHILDREN'S HOSP MEDICAL CTR	OS00000482400515	14,526
93.837	3600	DREXEL UNIVERSITY	900087AM02	19,003
93.837	3600	DUKE UNIVERSITY	A033025AM03	78,354
93.837	3600	HABIT DESIGN INC	A138591	40,005
93.837	3600	IMAGING BIOMARKER SOLUTIONS INC.	1R43HL15632701A1	35,190

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93.837	3600	JOHNS HOPKINS UNIVERSITY	2004073037AM003	17,816
93.837	3600	JOHNS HOPKINS UNIVERSITY	2005511521	113,997
93.837	3600	LUNDQUIST INSTITUTE FOR BIOMEDICAL	3147003UWPO23006024AM0	62,185
93.837	3600	MASSACHUSETTS GENERAL HOSPITAL	236957AM02	46,417
93.837	3600	NORTHWESTERN UNIVERSITY	60058454UOWA03	132,319
93.837	3600	RTI INTERNATIONAL	7312021703065767LMOD00	2,609
93.837	3600	RTI INTERNATIONAL	7312021703065767LMOD04	35,483
93.837	3600	SEATTLE CHILDREN'S HOSPITAL	12730SUBMOD01	98,896
93.837	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE (SCRI)	12730SUBMOD01	14,717
93.837	3600	SEVEN BRIDGES GENOMICS INC	AM09	23,710
93.837	3600	THE LUNDQUIST INSTITUTE AT HARBOR - UCLA MEDICAL CENTER	3147003UWPO23006024AM	3,777
93.837	3600	THOMAS JEFFERSON UNIVERSITY	08018007S27801AM06	50,925
93.837	3600	UNIV OF TEXAS HEALTH SCI CTR AT HOUSTON	SA0002995	6,496
93.837	3600	UNIVERSITY OF ARIZONA	679447	75,006
93.837	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	122387691POS9002468AM0	69,147
93.837	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	704820AM01	227,611
93.837	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12920SCAM01	16,564
93.837	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13078SCAM01	3,695
93.837	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13369SCAM01	21,105
93.837	3600	UNIVERSITY OF CHICAGO	FP06534702PRAM03	112,091
93.837	3600	UNIVERSITY OF CINCINNATI	01460400002	20,844
93.837	3600	UNIVERSITY OF IOWA	S0045001AM04	17,714
93.837	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	SUBK00012868003AM002	142,312
93.837	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	SUBK00012868003AM03	1,825
93.837	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5113177AM04	49,441
93.837	3600	UNIVERSITY OF PENNSYLVANIA	580479PO4700953AM02	11,375

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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.837	3600	UNIVERSITY OF PENNSYLVANIA	580479PO4700953PRIOR46	1,842
93.837	3600	UNIVERSITY OF PENNSYLVANIA	580479PO4700955AM02	11,123
93.837	3600	UNIVERSITY OF PENNSYLVANIA	580479PO4700955PRIOR46	-2,477
93.837	3600	UNIVERSITY OF PITTSBURGH	AWD0000431413860919AAM	7,600
93.837	3600	UNIVERSITY OF TEXAS MEDICAL BRANCH	218518601AM02	206,397
93.837	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO210303PO0000002279A	43,045
93.837	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC59733AM08	28
93.837	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95800	8,441
93.837	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95800AM01	86,594
93.837	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU230010	29,407
93.837	3600	YALE UNIVERSITY	GR105731CON80001726AM0	71,662
93.837	3650	UNIVERSITY OF ARIZONA	"599745	123,642
93.837	3650	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	"320000360821114	230,665
93.838	3600	ARIZONA STATE UNIVERSITY	ASUB00000775AM02	102,854
93.838	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0164103S01	131,389
93.838	3600	CINCINNATI CHILDREN'S HOSP MEDICAL CTR	303862AM05	92,312
93.838	3600	CINCINNATI CHILDREN'S HOSP MEDICAL CTR	OS00000404316463AM01	100,766
93.838	3600	COLUMBIA UNIVERSITY	2GG01166201AM05	51,496
93.838	3600	COLUMBIA UNIVERSITY	2GG01799801G17046	1,707
93.838	3600	COLUMBIA UNIVERSITY	32GG01599701POG15284AM	45,263
93.838	3600	COLUMBIA UNIVERSITY	6GG01792901AM01	177,514
93.838	3600	CORNELL UNIVERSITY NEW YORK	2146556	4,841
93.838	3600	FRED HUTCHINSON CANCER CENTER	0001110377AM01	216,657
93.838	3600	FRED HUTCHINSON CANCER CENTER	0001131463	197,374
93.838	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110377AM01	21,766
93.838	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110381	2,174

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93.838	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001131597	12,302
93.838	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20210011MOD05	845,481
93.838	3600	INTERMOUNTAIN HEALTHCARE INC	AM05	7,302
93.838	3600	INTERMOUNTAIN HEALTHCARE INC	AM6	620
93.838	3600	MASSACHUSETTS GENERAL HOSPITAL	224404AM01	44,758
93.838	3600	MASSACHUSETTS GENERAL HOSPITAL	239080AM01	48,077
93.838	3600	MASSACHUSETTS GENERAL HOSPITAL	239574AM01	2,560
93.838	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1021855UW	63,510
93.838	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1023342UWA	73,364
93.838	3600	OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)	1018896004UWAAM01	557
93.838	3600	OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)	1019395UWAAM002	-41,576
93.838	3600	OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)	1021391UWAM01	123,517
93.838	3600	RHODE ISLAND HOSPITAL	7137797	9,008
93.838	3600	STANFORD UNIVERSITY	62850767151323AM01	30,303
93.838	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	SUBK00016195AM02	104,277
93.838	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5122015PREVIOUSLY51190	23,840
93.838	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5125695PRIOR5122015AM0	45,330
93.838	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	UW667708	42,561
93.838	3600	UNIVERSITY OF PENNSYLVANIA	582591AM01	43,364
93.838	3600	UNIVERSITY OF PENNSYLVANIA	583172	21,133
93.838	3600	UNIVERSITY OF PENNSYLVANIA	583172AM01	70,231
93.838	3600	UNIVERSITY OF PITTSBURGH	AWD000070291390257	3,433
93.838	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19105MOD5	783
93.838	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU230512	11,728
93.838	3600	WEILL CORNELL MEDICAL COLLEGE	21058117	3,276

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93.838	3600	WEILL CORNELL MEDICAL COLLEGE	22662817	10,225
93.838	3600	WEILL MEDICAL COLLEGE OF CORNELL UNIV	2219634AM01	31,066
93.839	3600	BLOODWORKS NORTHWEST	883UW2019AM04	36,518
93.839	3600	BLOODWORKS NORTHWEST	883UW2019AM05	11,325
93.839	3600	BLOODWORKS NORTHWEST	883UWKONKLE	-2,274
93.839	3600	BLOODWORKS NORTHWEST	883UWKONKLEAM01	6,887
93.839	3600	BLOODWORKS NORTHWEST	883UWKONKLEAM02	2,723
93.839	3600	BLOODWORKS NORTHWEST	895UW2020AM02	24,376
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001081416	-116,954
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001109957AM01	203,593
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001109975	-8,561
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001109975AM1	46,492
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001110428AM01	71,947
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001125798	67,516
93.839	3600	FRED HUTCHINSON CANCER CENTER	0001125798AM02	102,185
93.839	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001109975	19,331
93.839	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110428AM01	55,011
93.839	3600	JOHNS HOPKINS UNIVERSITY	2004868647AM01	1,213
93.839	3600	JOHNS HOPKINS UNIVERSITY	2004868647AM02	116,236
93.839	3600	OPTICYTE INC	AM04	343,407
93.839	3600	SEATTLE CHILDREN'S HOSPITAL	12265SUBMOD02	54,711
93.839	3600	SEATTLE CHILDREN'S HOSPITAL	12393SUBMOD01	34
93.839	3600	SEATTLE CHILDREN'S HOSPITAL	12394SUBMOD02	11,088
93.839	3600	SEATTLE CHILDREN'S HOSPITAL	12800SUBMOD01	18,429
93.839	3600	SEATTLE CHILDREN'S HOSPITAL	12978SUB	61,783
93.839	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	12978SUB	7,692



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93.839	3600	UNIV OF TEXAS HEALTH SCI CTR AT HOUSTON	SA0000420AM05	51,610
93.839	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000533033SC012	75
93.839	3600	UNIVERSITY OF CHICAGO	FP066598BAM05	21,642
93.839	3600	UNIVERSITY OF CHICAGO	FP066598DAM05	272
93.839	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5112806AM03	12,205
93.839	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00003444AM03	476,135
93.839	3600	UNIVERSITY OF VERMONT	33108SUB52859AM05	113,455
93.839	3600	VITALANT RESEARCH INSTITUTE	11685UW147AM03	11,559
93.839	3650	MAYO CLINIC	"WSU310374	25,466
93.840	3600	CINCINNATI CHILDREN'S HOSP MEDICAL CTR	OS00000273400187	142,769
93.840	3600	INFECTIOUS DISEASES RSCH COLLABORATION	IDRC0003SC	17,088
93.840	3600	INFECTIOUS DISEASES RSCH COLLABORATION	IDRC0007SC	90,398
93.840	3600	MOZAMBIQUE INST FOR HEALTH EDUC AND RSCH	C0013	53,343
93.840	3600	MOZAMBIQUE INST FOR HEALTH EDUC AND RSCH	C0013B	195,150
93.840	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	AD226SHAHRS4SIBCR	36,139
93.840	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95584AM02	232
93.846	3600	HEBREW REHABILITATION CENTER	90077AM05	173,805
93.846	3600	JOHNS HOPKINS UNIVERSITY (JHU)	2004829001MOD03	32,657
93.846	3600	MAYO CLINIC	UNI28975501AM1	99,400
93.846	3600	MAYO CLINIC	UNI289755PO68352970	9,891
93.846	3600	SANFORD BURNHAM PREBYS	7052813583UW	88,644
93.846	3600	SEATTLE CHILDREN'S HOSPITAL	12568SUBMOD02	141,208
93.846	3600	SEATTLE CHILDREN'S HOSPITAL	12568SUBMOD03	91,085
93.846	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LW143LW12SIBCR	9,269
93.846	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LW143LW13SIBCR	47,978
93.846	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LW143UW2AM01	15,083

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93.846	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LW143UW3AM02	80,500
93.846	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	SB226AGELJ2SIBCR	7,030
93.846	3600	UNIVERSITY OF CALIFORNIA IRVINE	20211473AM03	35,818
93.846	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5125169AM02	465,757
93.846	3600	UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	5125170AM02	117,845
93.846	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU220481MOD1AM01	1,095
93.847	3600	ALTIS BIOSYSTEMS INC	R44DK130647	53,709
93.847	3600	ALTIS BIOSYSTEMS INC	UW666140	119,729
93.847	3600	ARIZONA STATE UNIVERSITY	16924AM06	3,036
93.847	3600	ARIZONA STATE UNIVERSITY	16924AM07	23,575
93.847	3600	AUGUSTA UNIVERSITY	363502	80,100
93.847	3600	AUGUSTA UNIVERSITY	363503AM01	67,106
93.847	3600	AUGUSTA UNIVERSITY	363504AM01	50,050
93.847	3600	BOSTON CHILDREN'S HOSPITAL	GENFD0002181614AM02	1,614
93.847	3600	BROWN UNIVERSITY	00001250AM05	32,542
93.847	3600	BROWN UNIVERSITY	00001835AM02	30,146
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	1413SUBAM06	45,552
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	1413SUBAM08	67,124
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	RES516361AM01	-797
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	RES516472AM02	11,652
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	RES600210	217,996
93.847	3600	CHILDREN'S RESEARCH INSTITUTE	3000738402	17,992
93.847	3600	CROSSLIFE TECHNOLOGIES INC	UW662724	93,339
93.847	3600	EMORY UNIVERSITY	A547599AM01	3,143
93.847	3600	FRED HUTCHINSON CANCER CENTER	0001110049AM01	118,614
93.847	3600	JAEB CENTER FOR HEALTH RESEARCH, INC. (JCHR)	AM01	-6,828

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93.847	3600	JOHNS HOPKINS UNIVERSITY	2003992125AM03	7,574
93.847	3600	JOHNS HOPKINS UNIVERSITY	2005822121	5,576
93.847	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG003044UWDREWNOWSKIM	16,117
93.847	3600	LIVER INSTITUTE NORTHWEST	LIN91306401AM03	3,071
93.847	3600	MASSACHUSETTS GENERAL HOSPITAL	235385AM03	87,809
93.847	3600	MASSACHUSETTS GENERAL HOSPITAL	238171AM01	11,018
93.847	3600	MASSACHUSETTS GENERAL HOSPITAL	238171AM02	11,687
93.847	3600	MASSACHUSETTS GENERAL HOSPITAL	238587AM01	27,828
93.847	3600	NORTHERN CALIFORNIA INST FOR RSCH & EDUC	SCH228401AM02	31,627
93.847	3600	PENNSYLVANIA STATE UNIVERSITY	S002266DHHSAM01	110,646
93.847	3600	ROCKEFELLER UNIVERSITY	SUB00000252	22,312
93.847	3600	ROCKEFELLER UNIVERSITY	SUB00000327AM01	16,149
93.847	3600	SEATTLE CHILDREN'S HOSPITAL	12199SUBMOD04	290,259
93.847	3600	SEATTLE CHILDREN'S HOSPITAL	12681SUBMOD01	-420
93.847	3600	SEATTLE CHILDREN'S HOSPITAL	12965SUB	936,454
93.847	3600	SEATTLE CHILDREN'S HOSPITAL	13049SUB	176,434
93.847	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	12965SUB	55,233
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ211BJ25SIBCR	4,338
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ211BJ26SIBCR	1,035
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ211SIKKEC4SIBCR	1,177
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW2RE21OMERM2SIBCRM00	1,312
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LW145BRADYL1SIBCR	30,105
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	UK1GRADEKS110SIBCR	3,049
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	UK1GRADEKS111SIBCR	20,070
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	UK1GRADEUK18SIBCR	915
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	UK1GRADEUK19SIBCR	7,317
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21CG11SIBCR	9,477

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93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21KS12SIBCR	5,520
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21UW1	62,713
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21UW2AM1	30,704
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21ZS21SIBCR	31,378
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	WP21ZS22SIBCR	12,470
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	ZS26ZS21SIBCR	17,573
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	ZS27ZS21SIBCR	3,037
93.847	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	169762169761	75
93.847	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000524405SC004AM001	-2
93.847	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000524405SC004AM02	11,050
93.847	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10863SCAM06	99,321
93.847	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11740SCAM03	4,868
93.847	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11740SCAM04	360,495
93.847	3600	UNIVERSITY OF CHICAGO	FP06836601IAM04	-2,541
93.847	3600	UNIVERSITY OF CHICAGO	FP06836601IAM06	13,221
93.847	3600	UNIVERSITY OF CHICAGO	FP06836601IAM07	190,841
93.847	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00013501AM02	30,896
93.847	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00016249	91,951
93.847	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00017006AM02	5,455
93.847	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	SUBK00012155AM003	20
93.847	3600	UNIVERSITY OF MINNESOTA	N006254903AM05	-9,642
93.847	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5119779AM02	24,889
93.847	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO161129PO000000975GA	10,812
93.847	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO200501PO0000001992A	218,156
93.847	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC101200	38,496
93.847	3600	VETERANS MEDICAL RESEARCH FOUNDATION	096530003326168AM05	8,367

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93.847	3600	VETERANS MEDICAL RESEARCH FOUNDATION	098750003325730AM002	8,300
93.847	3600	VETERANS MEDICAL RESEARCH FOUNDATION	098750004326938AM03	90,199
93.847	3650	MCLEAN HOSPITAL	"401536	79,396
93.847	3650	MCLEAN HOSPITAL	"401707	28,040
93.847	3650	UNIVERSITY OF COLORADO	"FY22001017	23,801
93.847	3650	UNIVERSITY OF COLORADO DENVER	"FY23001021	16,362
93.847	3650	UNIVERSITY OF PENNSYLVANIA	"575452	155,408
93.847	3650	UNIVERSITY OF SOUTHERN CALIFORNIA	"RGF010786A	130,441
93.853	3600	ALBANY RSCH INST INC	92603UWASH	9,372
93.853	3600	ALLEN INSTITUTE	20210471AM02	296,866
93.853	3600	ALLEN INSTITUTE	20210503AM01	63,925
93.853	3600	ALLEN INSTITUTE	20210724AM01	218,802
93.853	3600	BAYLOR COLLEGE OF MEDICINE	7000001516AM01	12,433
93.853	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY22ITN396AM2	274
93.853	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	01063359AM02	1,125
93.853	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	01064176AM03	23,714
93.853	3600	BRAIN ELECTROPHYSIOLOGY LAB CO LLC	UW664935	10,000
93.853	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	S397592AM07	227,838
93.853	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	S407472AM05	204,956
93.853	3600	CARNEGIE MELLON UNIVERSITY	1090654437057	116,364
93.853	3600	CARNEGIE MELLON UNIVERSITY	1090654437057AM02	125,431
93.853	3600	CHILDREN'S HOSPITAL LOS ANGELES	000014737GAM02	9,868
93.853	3600	CLEVELAND CLINIC FOUNDATION	1482SUBAM02	89,174
93.853	3600	COLUMBIA UNIVERSITY	1GG01200604AM06	-663
93.853	3600	COLUMBIA UNIVERSITY	1GG01200605AM07	204,377
93.853	3600	COLUMBIA UNIVERSITY	3GG01714305AM01	344,176
93.853	3600	DREXEL UNIVERSITY	800178	20,004

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93.853	3600	DUKE UNIVERSITY	3021754AM04	7,632
93.853	3600	EMORY UNIVERSITY	A521966FORMERLYA365374	71,834
93.853	3600	FRED HUTCHINSON CANCER CENTER	00001110164AM02	165,269
93.853	3600	FRED HUTCHINSON CANCER CENTER	0001121892	105,954
93.853	3600	HARVARD UNIVERSITY	1381495122579	42,687
93.853	3600	HARVARD UNIVERSITY	14942051049390502AM05	63,692
93.853	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255C8014609AM05	90,044
93.853	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255C8014609AM06	266,142
93.853	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255G8614609	146,541
93.853	3600	JOHNS HOPKINS UNIVERSITY	PO2005467415	5,717
93.853	3600	JOHNS HOPKINS UNIVERSITY	PO2005467415MOD1	111,529
93.853	3600	MASSACHUSETTS GENERAL HOSPITAL	240868	202,504
93.853	3600	MASSACHUSETTS GENERAL HOSPITAL	TASKORDER01EN2001MOD03	32,569
93.853	3600	MASSACHUSETTS GENERAL HOSPITAL (MGH)	EN2101TO2MOD01	21,307
93.853	3600	MAYO CLINIC	WAS22406306AM06	2,050
93.853	3600	MEDICAL COLLEGE OF WISCONSIN	PRIME5R01NS11085603AM0	1
93.853	3600	MEDICAL COLLEGE OF WISCONSIN	PRIME5R01NS11085604AM0	19,655
93.853	3600	NORTHWESTERN UNIVERSITY	60054064WASHAMA04	223,844
93.853	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1013756UWAAM04	222,225
93.853	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1015158UWAM02	1,207
93.853	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1015158UWAM03	18,711
93.853	3600	SEATTLE CHILDREN'S HOSPITAL	12753SUBMOD01	129,894
93.853	3600	SEATTLE CHILDREN'S HOSPITAL	12754SUBMOD1	38,586
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	DM24UW3AM03	74,606
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BECKR1SIBCR	-1,963
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BECKR2SIBCRM01	25,533
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BJADHAV2SIBCRM01	40,834
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BKB23SIBCR	43,782

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93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BLEBLAK1SIBCR	16,953
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BLEBLAK2SIBCR	1,564
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB26BMCMLP1SIBCR	14,924
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165IJ21SIBCR	19,650
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165PK11SIBCR	14,848
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165REINR1SIBCR	31,025
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165RM11SIBCR	31,047
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165SHOFEJ1SIBCR	20,415
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE165SIKKEC1SIBCR	22,074
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD116HS25SIBCRM02	3,715
93.853	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD116HS26SIBCR	13,933
93.853	3600	STANFORD UNIVERSITY	61855870125439AM07	38,726
93.853	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	168355168352AM02	3,285
93.853	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	170356170353	2,062
93.853	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	170356170353AM02	24,481
93.853	3600	UNIVERSITY OF CALIFORNIA DAVIS	A211324S007AM02	31,418
93.853	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1580GYB506AM02	210,283
93.853	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1713GZA878	11,234
93.853	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1713GZA878AM01	36,372
93.853	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10945SCAM03	46,082
93.853	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11037SCAM04	838
93.853	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12987SCAM01	49,626
93.853	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	9670SCAM10	138,229
93.853	3600	UNIVERSITY OF CINCINNATI	010785135574AM02	4,133
93.853	3600	UNIVERSITY OF CINCINNATI	011337135574AM01	28,796
93.853	3600	UNIVERSITY OF CINCINNATI	012043135574	15,999
93.853	3600	UNIVERSITY OF CINCINNATI	012044135574SATURNAM02	2,724
93.853	3600	UNIVERSITY OF CINCINNATI	012340135574AM01	12,165

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93.853	3600	UNIVERSITY OF CINCINNATI	013381135574AM01	4,713
93.853	3600	UNIVERSITY OF CINCINNATI	013888135574	23,418
93.853	3600	UNIVERSITY OF CONNECTICUT	428629	96,853
93.853	3600	UNIVERSITY OF CONNECTICUT	428629AM02	122,005
93.853	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00007467AM03	-29,132
93.853	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00007467AM04	343,788
93.853	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK10405CSPR002	19,020
93.853	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK10405CSPR002AM004	1,402
93.853	3600	UNIVERSITY OF NEBRASKA	4410141005203AM01	6,693
93.853	3600	UNIVERSITY OF PENNSYLVANIA	572976AM03	-8,078
93.853	3600	UNIVERSITY OF PENNSYLVANIA	583281AM003	16,156
93.853	3600	UNIVERSITY OF PENNSYLVANIA	585761AM04	54,521
93.853	3600	UNIVERSITY OF PUERTO RICO	2021001487	74,848
93.853	3600	UNIVERSITY OF ROCHESTER	417793URFAOGR510748AM0	26,068
93.853	3600	UNIVERSITY OF ROCHESTER	SUB00000073AM1GURFAOGR	40,664
93.853	3600	UNIVERSITY OF ROCHESTER	SUB00000073AM2URFAOGR5	11,409
93.853	3600	UNIVERSITY OF TENNESSEE	224652UWAAM04	166,544
93.853	3600	UNIVERSITY OF VIRGINIA	GB10965169717AM01	149,084
93.853	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU230464	61,431
93.855	3600	ADERA	AM1	37,386
93.855	3600	ADERA	UW637043	13,363
93.855	3600	ANTIGEN DISCOVERY INC	ADIUW2020001AM02	21,790
93.855	3600	BELBROOK LABS LLC	UW637454	192,049
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0135002S01A01AM02	20,123
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0139201S01AM02	151,306
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0139202S01	61,412



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93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY22ITN293AM03	25,256
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY22ITN488FY21ITN488AM	9,947
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY22ITN490AM1	1,776
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY22ITN536AM02	167,911
93.855	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	FY23ITN293AM4	17,606
93.855	3600	BOSTON CHILDREN'S HOSPITAL	GENFD0002265374	78,504
93.855	3600	BRIGHAM AND WOMEN'S HOSPITAL	125980AM01	50,496
93.855	3600	BROWN UNIVERSITY	00002083	26,057
93.855	3600	CASE WESTERN RESERVE UNIVERSITY	RES510939AM04	-7,635
93.855	3600	CHILDREN'S HOSPITAL OF PHILADELPHIA	GRANTIDGRT00001924	9,742
93.855	3600	COLUMBIA UNIVERSITY	2GG01537401AM01	44,178
93.855	3600	CORNELL UNIVERSITY ITHACA	13889321147AM01	56,518
93.855	3600	DARTMOUTH COLLEGE	R1629	2,384
93.855	3600	EMORY UNIVERSITY	A011120AM03	18,182
93.855	3600	EMORY UNIVERSITY	A011120AM04	73,141
93.855	3600	EMORY UNIVERSITY	A390459AM03	182,969
93.855	3600	EMORY UNIVERSITY	A400416AM03	44,302
93.855	3600	EMORY UNIVERSITY	A599934AM02FORMERA5504	11,620
93.855	3600	EMORY UNIVERSITY	A603323AM02FORMERA5530	5,580
93.855	3600	EMORY UNIVERSITY	A609557FORMERLYA416500	59,626
93.855	3600	EMORY UNIVERSITY	A611769	46,414
93.855	3600	EMORY UNIVERSITY	A611940AM03	19,329
93.855	3600	EMORY UNIVERSITY	A613872	7,549
93.855	3600	EMORY UNIVERSITY	A644471AM05	15,843
93.855	3600	EMORY UNIVERSITY	A675795	424,007

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93.855	3600	EMORY UNIVERSITY	A680754	287,322
93.855	3600	EMORY UNIVERSITY	A683318	259,226
93.855	3600	EMORY UNIVERSITY	A704758AM01	44,547
93.855	3600	EMORY UNIVERSITY	A746868	2,696
93.855	3600	EMORY UNIVERSITY	A750305	17,892
93.855	3600	EMORY UNIVERSITY	A756772FORMERLYA611769	21,051
93.855	3600	EMORY UNIVERSITY	A756995AM02	61,678
93.855	3600	EMORY UNIVERSITY	A780946FORMERLYA746868	8,686
93.855	3600	EMORY UNIVERSITY	A803557	2,268
93.855	3600	EMORY UNIVERSITY	A807049	10,642
93.855	3600	FHI360	PO21000543MOD01	16,777
93.855	3600	FHI360	PO21000543MOD4	16,038
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001012355AM03	-65,729
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001024201AM03	-23
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001037385AM02	-1,200
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001044376AM02	-34,021
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001101341	-572
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001102926PROJECT42588	145,509
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001107418AM01	97,486
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001107418AM02	90,194
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001109937AM01	50,503
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001109948AM01	38,054
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001109961AM01	22,591
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001109974AM01	5,653
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001109978	115,483
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110005	113,178
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110063AM01	161,937
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110079	2,430

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93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110162	177,515
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110166	-115,819
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110169	450
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110203	-1,379
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110279AM01	31,894
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110282AM01	44,952
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110285AM01	546,600
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001110382	764
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117181	604,625
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117482	2,758,512
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117484	2,462,833
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117494	134,715
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117495	112,018
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117496	3,397,801
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117500	34,999
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117543	155,340
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117585AM01	145,641
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117845	8,658
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001117989AM01	140,006
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001120220	336
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001122791AM01	30,891
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001122826AM01	128,982
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001122997	53,238
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001124580	373,531
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001127020	143,578
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001127578	39,549
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001127578AM01	7,418
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001128715	18,968

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93.855	3600	FRED HUTCHINSON CANCER CENTER	0001129517	19,622
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001129961AM001	47,294
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001132716	210,983
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001134355	410,494
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001134732AM01	94,367
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001134736AM01	280,827
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001136337	70,429
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001137333	11,731
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001138583	174,415
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001138842	880,908
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001141585	28,841
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001143509	99,612
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001144692	324,636
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001144972	581,249
93.855	3600	FRED HUTCHINSON CANCER CENTER	0001144973	4,551
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109937AM01	6,877
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109948AM01	23,843
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109961	7,721
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109961AM01	747
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109977	17,044
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001109978	14,150
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110063AM01	38,148
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110166	124,254
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001110282AM01	31,030
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001122826AM01	15,144
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001124580	303,936
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001127020	107,223
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001127578	6,922

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93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001128715	17,384
93.855	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001141585	14,050
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001110276	18,042
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0001117844	36,234
93.855	3600	GEORGE WASHINGTON UNIVERSITY	20M23AM03	5,999
93.855	3600	GEORGE WASHINGTON UNIVERSITY	21M118AM02	54,124
93.855	3600	HARVARD UNIVERSITY	15126451207350025	36,842
93.855	3600	HARVARD UNIVERSITY	15241651194570021AM01	-502
93.855	3600	HDT BIO CORPORATION	1R61AI16181101002AM02	30,998
93.855	3600	HENRY M JACKSON FDN FOR ADV OF MIL MED	5668PO1013805HJF65843	111,207
93.855	3600	ID GENOMICS INC	IDGUW03	11,612
93.855	3600	INDIANA UNIVERSITY	8989WUAM02	43,166
93.855	3600	INST FOR CLINCAL EFFECTIVENESS & HEALTH	TBC2022UOW	237,713
93.855	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20210003AM01	15,300
93.855	3600	ITHAX PHARMACEUTICALS, INC.	A148479AM04	121,936
93.855	3600	JOHNS HOPKINS UNIVERSITY	2005307175AM01	555,291
93.855	3600	JOHNS HOPKINS UNIVERSITY	LDR02MOD03PO2004908062	15,941
93.855	3600	JOHNS HOPKINS UNIVERSITY	LDR02PO2004908062MOD04	22,925
93.855	3600	JOHNS HOPKINS UNIVERSITY	UM1AI068632MOD01	88,400
93.855	3600	JOHNS HOPKINS UNIVERSITY (JHU)	2005307175AM01	71,141
93.855	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210453UWAM02	7,049
93.855	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG210453UWAM3	10,109
93.855	3600	LEEDS UNIVERSITY	125394	28,961
93.855	3600	LUMEN BIOSCIENCE, INC.	UW661158	286,341
93.855	3600	LUMEN BIOSCIENCE, INC.	UW661774	49,652
93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE & FNDN	4695AM04	457

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93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE & FNDN	9167PRIOR9155AM04	265,672
93.855	3600	MASSACHUSETTS GENERAL HOSPITAL	234124AM01	267,423
93.855	3600	MONTANA STATE UNIVERSITY	G16418W7010AM06	28,376
93.855	3600	MONTANA STATE UNIVERSITY	G16418W7010AM08	29,540
93.855	3600	NORTHERN ARIZONA UNIVERSITY	100525301	34,137
93.855	3600	NORTHERN ARIZONA UNIVERSITY	100525301AM01	371,091
93.855	3600	NORTHWESTERN UNIVERSITY	60060177UWA01	53,152
93.855	3600	OHIO STATE UNIVERSITY	GR102740PRIOR60062782A	190,521
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1013170UWAAM04	123,038
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1020009UWA	22,879
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1020009UWAAM01	64,882
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1020638UW	9,235
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1020638UWAM01	5,372
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1022434UWAA3	157,712
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)	1013170UWAAM04	2,748
93.855	3600	OREGON STATE UNIVERSITY	P0515AAAAM02	4,345
93.855	3600	ORLANCE INC	A147555MOD03	8,372
93.855	3600	ORLANCE INC	A153251MOD03	170,141
93.855	3600	ORLANCE INC	MOD02	83,885
93.855	3600	ORLANCE INC	UW662945	52,856
93.855	3600	PENNSYLVANIA STATE UNIVERSITY	S003033DHHS	104,376
93.855	3600	RHODE ISLAND HOSPITAL	7137555AM03	49,010
93.855	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	2077	-1,511
93.855	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	2478PO25244955AM01	364,945
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	11645SUBMOD05	42,303
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	11670SUBMOD05	58,348
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	11671SUBMOD05	1,058

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93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12175SUBMOD04	253,349
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12179SUBMOD03	128,244
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12234SUBMOD02	390,237
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12331SUBMOD02	53,337
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12366SUBMOD2	26,622
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12490SUBMOD01	132,623
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12491SUBMOD02	17,612
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12509SUBMOD01	122,896
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12509SUBMOD02	323,469
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12760SUB	228,827
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12760SUBMOD01	533,162
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12773SUBMOD01	364,244
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12783SUBMOD01	79,107
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12808SUBMOD01	188,659
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12829SUB	52,033
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12829SUBMOD1	26,434
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12921SUB	71,712
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	12924SUB	62,583
93.855	3600	SOUTHCENTRAL FOUNDATION	2022372	59,912
93.855	3600	STATE UNIVERSITY OF NEW YORK BINGHAMTON	90654UNIVOFWASHINGTONA	150,675
93.855	3600	STELLENBOSCH UNIVERSITY	S006256	49,293
93.855	3600	TEMPLE UNIVERSITY	26570802UWASHAM02	23,330
93.855	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000510836SC006AMA02	1,023,584
93.855	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000529618SC006R24A1067	276,089
93.855	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00010756AM01	17,484
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1559GXG085AM02	159,568
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560BLC850	573,694

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93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560BLC923AM01	3,765,594
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560BYC861AM05	256,748
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560BZA310AM01	35,387
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560GLA568AM01	6,635
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560GLA895	20,870
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1560GLC470AM04	13,599
93.855	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1650GLA201AM01	1,280,321
93.855	3600	UNIVERSITY OF CALIFORNIA RIVERSIDE	S001012AM04	151,532
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10182SCAM07	25,654
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10951SCAM04	67,551
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11003SCAM06	47,697
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11313SCAM07	969,699
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12906SCAM01	161,243
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12944SCAM01	118,802
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13150SCAM01	175,264
93.855	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	13738SC	15,977
93.855	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	1559GXG085AM02	5,307
93.855	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	1560BYC861AM02	-2,448
93.855	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	1560BYC861AM04	534,081
93.855	3600	UNIVERSITY OF CAPE TOWN	UCT00035674	387
93.855	3600	UNIVERSITY OF COLORADO	FY231210001	13,239
93.855	3600	UNIVERSITY OF IDAHO	AH6466846139AM01	157,817
93.855	3600	UNIVERSITY OF IDAHO	CB2558SB897826AM07	73,974
93.855	3600	UNIVERSITY OF MASSACHUSETTS WORCESTER	OSP2018036AM008	19,655
93.855	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5122353AM03	5,752
93.855	3600	UNIVERSITY OF NOTRE DAME	203504UWAM04	166,000



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93.855	3600	UNIVERSITY OF OKLAHOMA	202129AM02	52,935
93.855	3600	UNIVERSITY OF PENNSYLVANIA	582399AM01	4
93.855	3600	UNIVERSITY OF PENNSYLVANIA	584707AM02	102,672
93.855	3600	UNIVERSITY OF PITTSBURGH	AWD000026821349442AM02	11,888
93.855	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00002206AM02	47,266
93.855	3600	UNIVERSITY OF TEXAS MEDICAL BRANCH	218514302	10,794
93.855	3600	UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL	GMO180806AM05	163,273
93.855	3600	UNIVERSITY OF UTAH	10062083UWAM1	137,210
93.855	3600	UNIVERSITY OF UTAH	1006210302UW	265,470
93.855	3600	UNIVERSITY OF UTAH	1006210302UWAM01	11,400
93.855	3600	UNIVERSITY OF WISCONSIN MADISON	0000002115	156,425
93.855	3600	UNIVERSITY OF WISCONSIN MADISON	0000002293	169,953
93.855	3600	UNIVERSITY OF WISCONSIN MADISON	0000002888	87,707
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	UW684572	3,821
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC101103AM02	34,884
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC101103AM03	39
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC101103AM3	15,578
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC74709AM04	249,903
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC85048AM02	83,387
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC85657AM02	-3,396
93.855	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC85657AM03	145,653
93.855	3600	VIRTICI CORPORATION	AI152646	45,971
93.855	3600	WEILL MEDICAL COLLEGE OF CORNELL UNIV	2219792AM05	10,037
93.855	3600	WISTAR INSTITUTE	2590172324AM01	272,808
93.855	3650	ALBERT EINSTEIN COLLEGE OF MEDICINE	"31162B	111,803
93.855	3650	MAYO CLINIC	"WAS255636	115,189
93.855	3650	RESEARCH TRIANGLE INSTITUTE	"11312021753066834L	25,242

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93.855	3650	RESEARCH TRIANGLE INSTITUTE	"43120217530	5,834
93.855	3650	TULANE UNIVERSITY	"TULHSC5605792223	19,940
93.855	3650	UNIVERSITY OF ORTH CAROLINA CHAPEL HILL	"5106846	44,361
93.855	3650	UNIVERSITY OF MINNESOTA	"H009691402	53,503
93.855	3650	UNIVERSITY OF NEBRASKA MEDICAL CENTER	"3453012214001	179,996
93.855	3650	UNIVERSITY OF PRETORIA	"MO070619	26,221
93.859	3600	BROWN UNIVERSITY	00002186	22,646
93.859	3600	FLORIDA INTERNATIONAL UNIVERSITY	000577AM01	53,156
93.859	3600	FRED HUTCHINSON CANCER CENTER	0001135621	8,839
93.859	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20190005AM03	125,649
93.859	3600	MONTANA STATE UNIVERSITY	G26622W9487AM02	243,603
93.859	3600	PENNSYLVANIA STATE UNIVERSITY	S002007DHHSAM01	83,714
93.859	3600	PROTEIN METRICS	UWOSPA161600AM01	102,844
93.859	3600	SOUTHCENTRAL FOUNDATION	2021466	4,403
93.859	3600	SOUTHCENTRAL FOUNDATION	2021468	4,584
93.859	3600	SOUTHCENTRAL FOUNDATION	2022010	3,267
93.859	3600	SOUTHCENTRAL FOUNDATION	2022214PRIOR2021370AM0	15,214
93.859	3600	SOUTHCENTRAL FOUNDATION	2022417	57,891
93.859	3600	SOUTHCENTRAL FOUNDATION	2022505AM01	87,614
93.859	3600	SOUTHCENTRAL FOUNDATION	2022506AMEND2021466AM1	34,528
93.859	3600	STANFORD UNIVERSITY	62244825136718AM01	172,038
93.859	3600	STANFORD UNIVERSITY	62244825136718AM03	66,878
93.859	3600	STANFORD UNIVERSITY	62244825136718AM06	382,341
93.859	3600	UNIV OF KANSAS MEDICAL CTR RSCH INST INC	FY2023059	56,320
93.859	3600	UNIVERSITY OF FLORIDA	SUB00003607	53,150
93.859	3600	UNIVERSITY OF UTAH	1004493208AM006	1,569
93.859	3600	VANDERBILT UNIVERSITY	UNIV60752AM03	-3,460
93.859	3650	ORTHWEST INDIAN COLLEGE	"NWIC24230SAWSU	270,076

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93.859	3650	SOUTHERN METHODIST UNIVERSITY	"G0019077500	60,509
93.859	3650	TEXAS A&M UNIVERSITY	"M2100083	65,761
93.859	3650	THE CITY UNIVERSITY OF NEW YORK - YORK COLLEGE	"CM00008490	8,923
93.859	3650	WABANAKI PUBLIC HEALTH	"139375	525,033
93.859	3650	WILLAMETTE UNIVERSITY	"R15GM132845WSU	29,869
93.859	3750	Montana State University Billings	621-003-01	35,563
93.859	6990	PSU	205cre480	32,027
93.860	3600	OLIVE VIEW-UCLA EDUCATION & RESEARCH INSTITUTE	2022R3	36
93.860	3600	OLIVE VIEW-UCLA EDUCATION & RESEARCH INSTITUTE	2211R1	20,621
93.865	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	618B4436SE49714971AM03	79,015
93.865	3600	ANELLEO, INC.	AM01	119,704
93.865	3600	ANN & ROBERT H LURIE CHILDRENS HOSPITAL	A220163S002	14,874
93.865	3600	BRIGHAM AND WOMEN'S HOSPITAL	125594AM02	68,920
93.865	3600	CROSSLIFE TECHNOLOGIES INC	UW665699	176,695
93.865	3600	FLORIDA STATE UNIVERSITY	R000003132	3,412
93.865	3600	FLORIDA STATE UNIVERSITY	R000003162	9,962
93.865	3600	FRED HUTCHINSON CANCER CENTER	0001027004AM03	-163,256
93.865	3600	FRED HUTCHINSON CANCER CENTER	0001109966AM01	317,660
93.865	3600	FRED HUTCHINSON CANCER CENTER	0001127576AM01	338,534
93.865	3600	GELBCHEM LLC	UW664451	36,697
93.865	3600	GEORGIA INSTITUTE OF TECHNOLOGY	AWD002298G2AM02	21,681
93.865	3600	HARVARD UNIVERSITY	11726702875119062	1,638
93.865	3600	HARVARD UNIVERSITY	11726703875119062	20,415
93.865	3600	HEALTH RESEARCH INC	49001	14,440
93.865	3600	LOUISIANA STATE UNIVERSITY	AH19105003A4AM04	7,203
93.865	3600	MASSACHUSETTS GENERAL HOSPITAL	239457AM01	51,017

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93.865	3600	NORTHERN ARIZONA UNIVERSITY	100495102	16,379
93.865	3600	SALUS DISCOVERY LLC	AM01	142,025
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12119SUBMOD04	19,514
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12380SUBMOD02	3,235
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12567SUBMOD1	7,944
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12733SUBMOD01	48,669
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12870SUBMOD01	256,385
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12871SUBAWD00000304MOD	33,938
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	12952SUBMOD01	217,980
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	13005SUB	91,420
93.865	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	IJ14GRANTA1SIBCR	10,552
93.865	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	IJ25IJ22SIBCR	4,036
93.865	3600	SHEPHERD CENTER INC	SHEP230005	1,726
93.865	3600	SHIRLEY RYAN ABILITYLAB	82326UWY2	3,161
93.865	3600	SHIRLEY RYAN ABILITYLAB	82326UWY2A1AM01	11,569
93.865	3600	UNIVERSITY OF CALIFORNIA IRVINE	20221728	48,852
93.865	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1920GUA066AM05	34,752
93.865	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00009201AM05	20,280
93.865	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00013590AM02	28,199
93.865	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00016114AM02	218,087
93.865	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000753817AM01	-4,342
93.865	3600	UNIVERSITY OF MISSOURI COLUMBIA	C000793527	136,160
93.865	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5109092AM03	7,028
93.865	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5109092AM04	24,927
93.865	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5126130	19,964
93.865	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5126131	145,532

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93.865	3600	UNIVERSITY OF PITTSBURGH	AWD0000318841932613	5,482
93.865	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	134751633AM03	90,561
93.865	3600	UNIVERSITY OF TEXAS MEDICAL BRANCH	238626306	177,687
93.865	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19329MOD4	322,772
93.865	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU220482MOD2	517,387
93.865	3600	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	500180103	-48
93.865	3600	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	500180103AM02	228,923
93.865	3600	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	500180103AM03	80,970
93.865	3650	ARIZONA STATE UNIVERSITY	"ASUB00000308	-11,885
93.866	3600	ALLEN INSTITUTE	A142285AM03	29,777
93.866	3600	ALLEN INSTITUTE	A142285AM04	743,023
93.866	3600	ALLEN INSTITUTE	A142285AM05	368,786
93.866	3600	ALLEN INSTITUTE	UW636835	46,741
93.866	3600	ALLEN INSTITUTE	UW636837	25,169
93.866	3600	AUGUSTA UNIVERSITY	378455	20,187
93.866	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	01064588	24,004
93.866	3600	BOSTON MEDICAL CENTER	4961UWASH03A2AM02	55,105
93.866	3600	BOSTON UNIVERSITY	4500003041AM05	141,502
93.866	3600	BOSTON UNIVERSITY	4500003082AM04	60,336
93.866	3600	BOSTON UNIVERSITY	4500003432AM003	109,159
93.866	3600	BOSTON UNIVERSITY	4500003470AM03	73,207
93.866	3600	BOSTON UNIVERSITY	4500004111AM004	92,963
93.866	3600	BOSTON UNIVERSITY	4500004405AM006	388,817
93.866	3600	BRIGHAM AND WOMEN'S HOSPITAL	125298AM02	128,108
93.866	3600	BROWN UNIVERSITY	00001958AM01	46,315
93.866	3600	BROWN UNIVERSITY	00002080AM01	191,994

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93.866	3600	BROWN UNIVERSITY	00002197	41,256
93.866	3600	CLEVELAND CLINIC FOUNDATION	CCF22039468AM01	12,366
93.866	3600	COLUMBIA UNIVERSITY	1GG01479201AM02	58,102
93.866	3600	COLUMBIA UNIVERSITY	3GG01535303AM01	96,894
93.866	3600	COLUMBIA UNIVERSITY	3GG01754302AM1	84,513
93.866	3600	COLUMBIA UNIVERSITY	4GG01512901POG16773AM0	32,291
93.866	3600	COLUMBIA UNIVERSITY	8GG01582206G15783	135,926
93.866	3600	COLUMBIA UNIVERSITY	8GG01582207AM01	1,308
93.866	3600	COLUMBIA UNIVERSITY	8GG01582207G15783AM02	813
93.866	3600	DREXEL UNIVERSITY	900142AM01	48,253
93.866	3600	DUKE UNIVERSITY	A033241AM03	450,731
93.866	3600	EMORY UNIVERSITY	A546972AM004	98,708
93.866	3600	EMORY UNIVERSITY	A684278	58,143
93.866	3600	EMORY UNIVERSITY	A700669FORMERLYA546972	308,880
93.866	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255B7414609AM05	166,964
93.866	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255B8514609AM07	82,934
93.866	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255B8514609AM08	111,652
93.866	3600	ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	0255E3014609AM01	55,176
93.866	3600	INSTITUTE FOR SYSTEMS BIOLOGY	20200009AM01	18,242
93.866	3600	JACKSON LABORATORY	210317032204AM01	64,072
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211392UWONCAM02	106,266
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211393UWOFFCAM02	3,116
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211393UWONCAM01	112,054
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211393UWONCAM03	152,527
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211393UWVSLUAM03	114,440
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211394UWONCAM01	64,709
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211394UWVSLUAM02	299,885
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211395UWONCAM3	174,418

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<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211396UWOFFCAM02	649,141
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211396UWONCAM02	154,810
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211397UWONCAM02	63,616
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211398UWONCAM01	925,120
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211398UWSLU	172,694
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211399UWONCAM01	177,582
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211399UWSLUAM2	106,282
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211400UWOFFCAM02	116,190
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	RNG211400UWONCAM02	92,757
93.866	3600	KAISER FOUNDATION HEALTH PLAN OF WA	UW664737	53,691
93.866	3600	KAISER FOUNDATION RESEARCH INSTITUTE	RNG209925UWAM07	54,338
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211393UWOFFCAM02	599
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211393UWONCAM03	5,819
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211393UWSLUAM03	2,736
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211394UWONCAM01	13,512
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211394UWSLUAM02	59,861
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211395UWONCAM3	7,722
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211396UWOFFCAM02	115,897
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211397UWONCAM02	11,120
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211399UWONCAM01	47,664
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211399UWSLUAM2	3,569
93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211400UWOFFCAM02	21,656

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93.866	3600	KAISER PERMANENTE WASHINGTON HEALTH RESEARCH INSTITUTE	RNG211400UWONCAM02	19,987
93.866	3600	MAYO CLINIC	UNI304383PO69058593	42,908
93.866	3600	MAYO CLINIC	UNW312328PO000055634	5,139
93.866	3600	MAYO CLINIC	UOW26313402PO68234536A	201,492
93.866	3600	MAYO CLINIC	WAS26313402	40
93.866	3600	NATIONAL BUREAU OF ECONOMIC RESEARCH INC	418400002UWAM04	99,143
93.866	3600	NORTHERN CALIFORNIA INST FOR RSCH & EDUC	SHL212004AM05	35,372
93.866	3600	NORTHWESTERN UNIVERSITY	60048332UWA04	-1,134
93.866	3600	NORTHWESTERN UNIVERSITY	60048332UWA05	32,575
93.866	3600	NORTHWESTERN UNIVERSITY	60060219UWAA01	109,551
93.866	3600	NORTHWESTERN UNIVERSITY	6048329UWA05	3,163
93.866	3600	NORTHWESTERN UNIVERSITY	6048330UWA06	6,324
93.866	3600	NORTHWESTERN UNIVERSITY	6048331UWA05	3,163
93.866	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1015875UWAAM01	53,610
93.866	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1015875UWAAM02	155,516
93.866	3600	RUSH UNIVERSITY MEDICAL CENTER	17021705SUB04AM02	-1,962
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW218BW25SIBCRM01	23,966
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW218FUJIMT3SIBCR	32,982
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW218OMERM2SIBCRM01	-1,312
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW218SFUJIMT3SIBCR	14,135
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BW218SRE22SIBCR	8,492
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CD39PARTARM1SIBCR	9,914
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CD39UW1	7,298
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CD39UW2AM1	28,299
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ116HERODM4SIBCR	8,520
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ118GJ13SIBCR	11,045



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93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ118GJ14SIBCR	2,109
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ118HERODM3SIBCR	27,401
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	GJ118UW2AM02	49,571
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	IJ22IJ24SIBCR	8,693
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AHANM2SIBCR	16,771
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AHANM3SIBCR	12,652
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AKB22SIBCR	25,539
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AKB23SIBCR	18,242
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AMCMILP3SIBCR	20,892
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	KB210AMCMILP4SIBCR	17,909
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LG16IJ21SIBCR	2,354
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15JADHAV2SIBCR	5,720
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15LONGA1SIBCR	16,035
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15LONGA2SIBCR	4,582
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15TOSCAL2SIBCRM01	71,798
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15UW2	99,388
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LN15UW2AM01	59,944
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE158PE14SIBCR	16,617
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE163LG12SIBCR	9,042
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	PE163PE12SIBCR	13,164
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD112ATD15SIBCR	4,447
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD120ATD12SIBCR	14,265
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD122BHS21SIBCR	12,102
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD122BTD11SIBCR	35,840
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD122BUW1	10,591
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD122HS23SIBCR	1,371
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	TD122TD13SIBCR	4,712
93.866	3600	STANFORD UNIVERSITY	61627910128473AM004	-133

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93.866	3600	SUTTER BAY HOSPITALS	280201015S221AM06	181,098
93.866	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	164388164378AM06	432,937
93.866	3600	UNIV OF TEXAS HEALTH SCI CTR SAN ANTONIO	168701168699AM02	25,536
93.866	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1558GWA112AM04	11,425
93.866	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	10841SCAM04	15,812
93.866	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11075SCAM06	18,736
93.866	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	12347SCAM04	204,350
93.866	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA)	1560BWB288AM04	1,624
93.866	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO (UCSD)	87749088AM003	1,426
93.866	3600	UNIVERSITY OF COLORADO	FY19875002FY22875002AM	9,848
93.866	3600	UNIVERSITY OF COLORADO	FY22830001	125,020
93.866	3600	UNIVERSITY OF COLORADO	FY22830001AM03	382,329
93.866	3600	UNIVERSITY OF FLORIDA	SUB00002628AM03	27,246
93.866	3600	UNIVERSITY OF MELBOURNE	GL064596UWSY4AM04	61,247
93.866	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00009657AM04	83,654
93.866	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00011202AM03	106,959
93.866	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00016445	38,970
93.866	3600	UNIVERSITY OF MICHIGAN ANN ARBOR	SUBK00017248	6,915
93.866	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	SUBK00011202AM03	33,835
93.866	3600	UNIVERSITY OF MINNESOTA	P008447401AM01	21,694
93.866	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5124100AM01	18,266
93.866	3600	UNIVERSITY OF PENNSYLVANIA	577437AM04	20,040
93.866	3600	UNIVERSITY OF PENNSYLVANIA	580327AM02	19,139
93.866	3600	UNIVERSITY OF PENNSYLVANIA	580529AM01	14,137
93.866	3600	UNIVERSITY OF PENNSYLVANIA	584640AM03	13,882
93.866	3600	UNIVERSITY OF PENNSYLVANIA	584640AM04	26,873

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93.866	3600	UNIVERSITY OF PENNSYLVANIA	585940	17,565
93.866	3600	UNIVERSITY OF PENNSYLVANIA	586117AM2	102,042
93.866	3600	UNIVERSITY OF PENNSYLVANIA	587103AM5	5,430
93.866	3600	UNIVERSITY OF PITTSBURGH	AWD000035471358751AM01	229,201
93.866	3600	UNIVERSITY OF PITTSBURGH	AWD000047371370531	16,125
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	109309268AM04	28,225
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	124009907AM04	23,302
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	137298298AM01SCON00002	51,256
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	137298298AM2	258,855
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	97832536AM04	-32,368
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	SCON00004066	30,585
93.866	3600	UNIVERSITY OF SOUTHERN CALIFORNIA (USC)	131446809AM02	945
93.866	3600	UNIVERSITY OF TEXAS AUSTIN	UTAUSSUB00000895	32,464
93.866	3600	UNIVERSITY OF TEXAS MEDICAL BRANCH	218557601	-3,797
93.866	3600	UNIVERSITY OF TEXAS MEDICAL BRANCH	228557602	138,243
93.866	3600	UNIVERSITY OF TEXAS SAN ANTONIO	171841171837	66,191
93.866	3600	UNIVERSITY OF VERMONT	30340SUB52029UOFWASHAM	12,921
93.866	3600	UNIVERSITY OF WISCONSIN MADISON	000000685AM03	14,677
93.866	3600	UNIVERSITY OF WISCONSIN MADISON	0000002701	14,874
93.866	3600	UNIVERSITY OF WISCONSIN, MADISON	0000001964AM02	38,247
93.866	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	UW665882	3,116
93.866	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC68180AM05	122,552
93.866	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95666AM02	12,802
93.866	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95855	94,503
93.866	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC95855AM01	400,614
93.866	3600	WAKE FOREST UNIVERSITY	1080336641100000915AM	2,515
93.866	3600	WAKE FOREST UNIVERSITY	11024511611000000260	127,292
93.866	3600	WAKE FOREST UNIVERSITY	1143366410000551083AM0	159,223

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93.866	3600	WAKE FOREST UNIVERSITY	12773366411000000619	85,147
93.866	3600	WAKE FOREST UNIVERSITY	13303366411000000619	19,067
93.866	3600	WAKE FOREST UNIVERSITY	17104510811000000214	36,135
93.866	3600	WAKE FOREST UNIVERSITY	3713366410000111041AM0	62,676
93.866	3600	WASHINGTON UNIVERSITY IN ST LOUIS	WU19279MOD6AM06	46,952
93.866	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU2042MOD3	3,842
93.866	3650	COLUMBIA UNIVERSITY	"1GG019220	1,950
93.866	3650	UNIVERSITY OF ARIZONA	"676032	93,638
93.866	3650	UNIVERSITY OF CALIFORNIA DAVIS	"A201801S001	152,520
93.866	3650	UNIVERSITY OF COLORADO	"FY16001015	9,237
93.867	3600	ALLEN INSTITUTE	20200288AM02	18,310
93.867	3600	CHROMOLOGIC, LLC	MSA030	97,400
93.867	3600	COLUMBIA UNIVERSITY	1GG01795901	44,645
93.867	3600	JOHNS HOPKINS UNIVERSITY	2005261524AM02	110,971
93.867	3600	JOHNS HOPKINS UNIVERSITY	UG1EY033293	8,864
93.867	3600	JOHNS HOPKINS UNIVERSITY (JHU)	2004876349AM04	4,741
93.867	3600	MEDICAL COLLEGE OF WISCONSIN	AM001	5,751
93.867	3600	MEDICAL COLLEGE OF WISCONSIN	AM002	29,688
93.867	3600	MEDICAL COLLEGE OF WISCONSIN	AM01	21
93.867	3600	NEW YORK UNIVERSITY	F196001AM01	50,509
93.867	3600	RESEARCH FOUNDATION FOR STATE UNIV OF NY	R1343633	22,954
93.867	3600	STANFORD UNIVERSITY	62015716136077AM003	3,814
93.867	3600	STANFORD UNIVERSITY	62015716136077AM04	51,630
93.867	3600	STANFORD UNIVERSITY	62015716136077AM05	72,019
93.867	3600	STANFORD UNIVERSITY	62066366133041AM05	91,591
93.867	3600	STANFORD UNIVERSITY	62746996206461AM02	105,969
93.867	3600	STANFORD UNIVERSITY	63129299133041	28,587

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93.867	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000521712SC002	93,222
93.867	3650	JOHNS HOPKINS UNIVERSITY	"2003370134	-786
93.867	3650	OREGON HEALTH & SCIENCES UNIVERSITY	"1014154WSU	90,555
93.867	3650	UNIVERSITY OF IDAHO	"CB4725897942	24,838
93.867	3650	UNIVERSITY OF MARYLAND BALTIMORE COUNTY	"HHS0009001	253,713
93.877	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557GZC461AM01	7,246
93.877	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	1557PLA58501	18,415
93.877	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	2000GYC804AM002	49,114
93.877	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	2000GYC804AM03	166,832
93.879	3600	GEORGE MASON UNIVERSITY	E2048782AM02	2,602
93.879	3600	GEORGE MASON UNIVERSITY	E2060341	49,807
93.879	3600	UNIV OF TEXAS HEALTH SCI CTR AT HOUSTON	SA0000747AM03	43,264
93.889	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11786SC	53,318
93.889	3600	UNIVERSITY OF CALIFORNIA SAN FRANCISCO	11786SCAM03	39,989
93.914	3100	Public Health Seattle & King County	8449 PREV	130,768
93.917	3600	IDAHO DEPARTMENT OF HEALTH AND WELFARE	HC291600	93,555
93.924	6990	OHSU	1013415_cl	9,166
93.958	6990	Spokane County	21ASO2486	54,196
93.959	3600	MONTANA DEPARTMENT OF PUBLIC HEALTH	18102745160AM04	101,639
93.959	3600	MONTANA DEPARTMENT OF PUBLIC HEALTH	18332745160AM03	34,349
93.959	3600	UTAH DEPARTMENT OF HUMAN SERVICES	196354	74,918
93.967	3600	NATIONAL NETWORK OF PUBLIC HEALTH INST	G2530AG1143	35,136
93.970	3650	OREGON HEALTH & SCIENCES UNIVERSITY	"1016600WSU	86,559
93.977	3600	UNIVERSITY OF IDAHO	DM6068818823AM01	57,935
93.989	3600	AGA KHAN UNIVERSITY HOSPITAL	004AM03	54,669
93.989	3600	AGA KHAN UNIVERSITY HOSPITAL	005AM04	52,946

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93.989	3600	KWAME NKURUMAH UNIVERSITY OF SCI & TECH	A110910819CHS0502AM07	47,386
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDIA	202275	103,183
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDIA	AM1	2,777
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDIA	UW674085	13,582
93.989	3600	UNIVERSITY OF NAIROBI	A148221YR4	19,135
93.989	3600	UNIVERSITY OF NAIROBI	STRAMCHRYEAR1	2,624
93.989	3600	UNIVERSITY OF NAIROBI	UON1R21TW01146001MOD03	32,933
93.989	3600	UNIVERSITY OF UTAH	1005926203POU000334651	17,627
93.994	3700	PREPaRE Training-Idaho Lives	CONTRACT #23-7823	1,383
93.RD	3070	Seattle Children Hospital	12752SUB	116,253
93.RD	3600	ACOUSTIC INC	UW687290	20,863
93.RD	3600	ADVANCED BIOSCIENCE LABORATORIES INC	14011000070000MOD06	182,714
93.RD	3600	ADVANCED BIOSCIENCE LABORATORIES INC	14011000070000MOD07	23,382
93.RD	3600	ALTIS BIOSYSTEMS INC	UW630778	-16,192
93.RD	3600	ALZHEIMER'S ASSOCIATION	UW666857	4,252
93.RD	3600	ALZHEIMER'S ASSOCIATION	UW684295	19,044
93.RD	3600	AVITA MEDICAL	UW668867	7,960
93.RD	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0215103S01A01	21,365
93.RD	3600	BENAROYA RESEARCH INST AT VIRGINIA MASON	0215104S01	72,621
93.RD	3600	BIODEPOT LLC	UW631885	31,147
93.RD	3600	COMPUTERCRAFT CORPORATION	SUBCONTRACTNO4MOD1	102,299
93.RD	3600	COMPUTERCRAFT CORPORATION	SUBCONTRACTNO4MOD2	367,974
93.RD	3600	DUKE UNIVERSITY	146SPS260845AM001	35,266
93.RD	3600	DUKE UNIVERSITY	7271OPPORTUNITY1TO51A	17,849
93.RD	3600	DUKE UNIVERSITY	8308BMS01	13,001
93.RD	3600	FAMILY HEALTH CENTERS OF SAN DIEGO	75D30121C11341	126,904
93.RD	3600	FRED HUTCHINSON CANCER CENTER	0001063279AM03	8,325

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93.RD	3600	FRED HUTCHINSON CANCER CENTER	0001063279AM4	6,229
93.RD	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001135972	81,211
93.RD	3600	FRED HUTCHINSON CANCER CENTER (FHCC)	0001135972AM01	1,923
93.RD	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCR)	0001057710AM03	170,013
93.RD	3600	GEORGIA STATE UNIVERSITY	SP0001510001AM02	73,684
93.RD	3600	HARVARD UNIVERSITY	1097865110787AM03	-12,953
93.RD	3600	HARVARD UNIVERSITY	1097865110787AM04	661,724
93.RD	3600	HARVARD UNIVERSITY	1097865110787AM05	186,509
93.RD	3600	HEALTH RESEARCH INC	718701	10,547
93.RD	3600	HEALTH RESEARCH INC	721201	63,891
93.RD	3600	HEALTH RESEARCH INC	722101	72,148
93.RD	3600	HENNEPIN HEALTHCARE RESEARCH INSTITUTE	75N94019C00006AM03	20,523
93.RD	3600	ICF INCORPORATED, L.L.C.	53415	13,215
93.RD	3600	JAMES BELL ASSOCIATES, INC.	7820162400001	25,438
93.RD	3600	KAISER FOUNDATION RESEARCH INSTITUTE	OOS030579UW01AM01	3,927,910
93.RD	3600	KAISER FOUNDATION RESEARCH INSTITUTE	OOS030579UW01AM02	4,410,410
93.RD	3600	KAISER FOUNDATION RESEARCH INSTITUTE	OOS030579UW02AM02	5,401,913
93.RD	3600	KING COUNTY	7506PREV	16,097
93.RD	3600	LEIDOS BIOMEDICAL RESEARCH INC	SA21006MOD02	21,743
93.RD	3600	LEIDOS BIOMEDICAL RESEARCH, INC.	22CTADM0019MOD02	343,704
93.RD	3600	MEDIWOUND LTD	MW20180621	83,789
93.RD	3600	MISSOURI BREAKS INDUSTRIES INC	SHSTA1001UW	36,530
93.RD	3600	MISSOURI BREAKS INDUSTRIES INC	SHSTB1004UW	10,871
93.RD	3600	MISSOURI BREAKS INDUSTRIES INC	SHSTB2004UW	4,036
93.RD	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1014432UWAAM004	201,865
93.RD	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1014432UWAAM03	3,179
93.RD	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1014432UWAAM05	268,786

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.RD	3600	OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)	1020599UWAAM02	78,366
93.RD	3600	RUSH UNIVERSITY MEDICAL CENTER	20042803SUB02	491,817
93.RD	3600	RUSH UNIVERSITY MEDICAL CENTER	20042803SUB02AM02	3,812,493
93.RD	3600	SANDIA NATIONAL LABORATORIES	PO2152280REV03	73,900
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12248SUB	10,037
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12452SUBYEAR2BASEAM02	276,020
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12454SUBAM01	2
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12455SUBAM01	80,521
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12520SUBOPTION2AM01	60,073
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12647SUB	16,339
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12649SUB	70,780
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12651SUB	30,950
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12652SUB	48,068
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12659SUB	41,798
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12660SUB	35,074
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12661SUB	34,050
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12699SUB	83,079
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12700SUBAM01	45,713
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12709SUBAM01	553,433
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12910SUB	589,818
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12911SUB	35,573
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12912SUB	31,604
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12913SUB	568,903
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12914SUB	117,176
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12915SUB	125,073
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12930SUB	78,838
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12932SUB	7,453



**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12933SUB	418,397
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	12934SUB	30,173
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	13024SUB	157,388
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	13025SUB	105,511
93.RD	3600	SEATTLE CHILDREN'S HOSPITAL	UW630858	31,907
93.RD	3600	SPECTREE LLC	A175366	35,600
93.RD	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000524050T007007AM03	8,201
93.RD	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000527765T001001AM01	30,059
93.RD	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000527765T002001AM05	69,632
93.RD	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000527766T002001AM03	38,962
93.RD	3600	UNIVERSITY OF CALIFORNIA BERKELEY	00011170	99,657
93.RD	3600	UNIVERSITY OF CHICAGO	AWD101462EAM06	325,078
93.RD	3600	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	SP14257SB11AM03	2,189
93.RD	3600	UNIVERSITY OF MISSISSIPPI MEDICAL CENTER	SP14542SB11AM04	16,340
93.RD	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5122494AM02	72,175
93.RD	3600	UNIVERSITY OF SOUTHERN CALIFORNIA (USC)	131446521AM02	2,798
93.RD	3600	UNIVERSITY OF UTAH	1006111902UW	209,494
93.U01	3600	FRED HUTCHINSON CANCER CENTER	0001138839PROJ227752	1,603
93.U02	3600	BIOMIMETIX JV, LLC	00062660AM05	11,491
93.U04	3600	AMERICAN PSYCHIATRIC ASSOCIATION	AM03	3,568
93.U05	3600	EASTERN BAND OF CHEROKEE INDIANS	CONTRACT2200389	55,102
93.U06	3600	ACUMEN LLC	MIDS19F0003T0014AMOD4	3,372
93.U07	3600	ACUMEN LLC	MIDS19F0003T0014MOD003	809
93.U08	3600	UNIVERSITY OF CALIFORNIA LOS ANGELES	PO1557PZA551	439
93.U09	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC105667	136,319
93.U10	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC97784AM01	42,130
93.U11	3650	SEATTLE CHILDREN'S RESEARCH	12427SUB	45,184

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
93.U14	3650	CASTNER INC	21001	12,608
93.U17	3650	LOS ANGELES BIOMEDICAL RES INS	HHSN275201300024I	8,648
93.U18	3650	SRI INTERNATIONAL	PO81176	5,433
93.U20	1070	Build Evidence on Emplymnt Strategies (BEES)	HHSP233201500059I/SP23	630,390
93.U20	3650	UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER	RS2018087209	1,528
93.U21	3650	UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER	RS2018087209	18,307
93.U22	3030	National Alliance of State and Territorial AIDS Directors	HHS	161,700
93.U23	1070	Hendall BHSIS Grant	HHSS283201600001C	217,446
93.U24	6990	League of Innovations	I NU50CK00	5,142
94.002	6990	RSVP	62403	80,109
94.006	3600	JUMPSTART FOR YOUNG CHILDREN INC	2320200	27,351
94.006	3600	JUMPSTART FOR YOUNG CHILDREN INC	2320230	160,808
95.001	2250	Grant Co Sheriff's Office	K17921	5,923
95.001	2250	Grant Co Sheriff's Office	K18468	4,433
95.001	2250	Yakima Co Sheriff's Office	C120331GSC	3,151
95.001	3600	PUBLIC HOSPITAL DISTRICT 304	MB17JWA1NBX3	18,146
95.001	3600	PUBLIC HOSPITAL DISTRICT 304	PRIMEG20NW0014AAM02	9
97.044	3600	RUTGERS THE STATE UNIV OF NEW JERSEY	2122AM01	108,735
97.061	3600	TEXAS A&M UNIVERSITY	M200177901AM01	3,276
97.061	3600	UNIVERSITY OF TEXAS SAN ANTONIO	1000003203AM02	65,309
97.067	4770	Clallam County	OPSG FY20 LOU WDFW	21,718
97.067	4770	Okanogan County Sheriff	Okanogan County Sherif	38,980
97.067	4770	Whatcom County	202109021	22,817
97.067	4770	Whatcom County	202304006	2,338
97.091	3030	CITY OF SEATTLE	GVL23566	657,666
97.U02	3600	DEGENKOLB ENGINEERS	C1A4000200	14,680

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note F: Supplemental Information for Pass-Through Funds**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>State Agency No.</b>	<b>Pass-Through Entity Name</b>	<b>Award/Contract Control Number</b>	<b>Expenditure Amount</b>
97.U03	3650	MONTANA STATE UNIVERSITY	"G14823W9974"	39,242
98.001	3600	FHI360	1024620010020011244000	26,292
98.001	3600	FHI360	PROJECT102716001001005	181,038
98.001	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE & FNDN	9771AM01	420,277
98.001	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE & FNDN	9771AM02	219,571
98.001	3600	NATIONAL ACADEMIES OF SCIENCES	2000012483MOD04	127,524
98.001	3600	TUFTS UNIVERSITY	AI9014AM06	596,121
98.001	3600	UNIVERSITY OF NEVADA, RENO	UNR2062AM01	177,562
98.001	3600	US PHARMACOPEIAL CONVENTION INC	1000190MKTSDOCD	48,583
98.001	3600	US PHARMACOPEIAL CONVENTION INC	TOPQMUW3CROSSBUREAUCH0	7,350
98.001	3650	THE AMERICAN UNIVERSITY IN CAIRO	"WSU004120	202,770
98.001	3650	UNIVERSITY OF MARYLAND	"119339Z9003301	78,924
98.RD	3600	MACRO INTERNATIONAL INC (ICF MACRO)	52106	33,545
98.RD	3600	MANAGEMENT SCIENCES FOR HEALTH INC	MTAPS20037PO21MSH0327A	5,820
98.RD	3600	MANAGEMENT SCIENCES FOR HEALTH INC	MTAPS21046MOD01	20,002
98.RD	3600	MANAGEMENT SCIENCES FOR HEALTH INC	MTAPS22056AM03	56,584
98.U01	3650	MISSISSIPPI STATE UNIVERSITY	"19390031245514"	53,531
99.RD	3600	CARNEGIE MELLON UNIVERSITY	1990739456464AM01	34,930
99.RD	3600	DEFENSEWERX-ICWERX	UW637215	22,917
99.RD	3600	DEFENSEWERX-ICWERX	UW637836	149,749
99.RD	3600	ECS FEDERAL LLC	1740060301MOD08PO21000	23,317
99.RD	3600	ECS FEDERAL LLC	1740060301MOD09PO22000	107,850
99.RD	3600	GEORGIA INSTITUTE OF TECHNOLOGY	D8919S3AM03	28,882
99.RD	3600	SRI INTERNATIONAL INC	73337	29,460
<b>Total Pass-Through Funds</b>				<b>274,584,741</b>

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Notes G**  
**Supplemental Information for Pass-Through Federal Assistance**  
**(State as Subrecipient not included on the Schedule)**

*For the Fiscal Year Ended  
June 30, 2023  
(Expressed in Whole Dollars)*

<b>Assistance Listing Number</b>	<b>Federal Program Title</b>	<b>State Agency as Subrecipient</b>	<b>Agency Number</b>	<b>Non-State Grantor</b>	<b>Award/Contract No.</b>	<b>State Agency with Direct Federal Award</b>	<b>Expenditure Amount</b>
17.258	WIOA Adult Program	Employment Security Department	540	Olympic Consortium WDC-1	7310 7311 7312 7321 7322 7331 7332	Employment Security Department	742,735
17.258	WIOA Adult Program	Employment Security Department	540	North Central WA WDC-8	7701 7702	Employment Security Department	187,755
17.258	WIOA Adult Program	Employment Security Department	540	Eastern WA Partnership WDC-10	2981 2982	Employment Security Department	21,518
17.258	WIOA Adult Program	Employment Security Department	540	Spokane Area WDC-12	7811 7812	Employment Security Department	320,417
<b>Federal Program 17.258 Total</b>							<b>\$ 1,272,425</b>
17.259	WIOA Youth Activities	Employment Security Department	540	North Central WA WDC-8	7712 7711 7752 7751	Employment Security Department	159,351
<b>Federal Program 17.259 Total</b>							<b>\$ 159,351</b>
17.277	WIOA National Dislocated Worker Grants	Employment Security Department	540	Eastern WA Partnership WDC-10	2961	Employment Security Department	(165)
<b>Federal Program 17.277 Total</b>							<b>\$ (165)</b>
17.278	WIOA Dislocated Worker Formula Grants	Employment Security Department	540	Olympic Consortium WDC-1	6500 7341 7342 7351 7352 7361 7362 7380 7392	Employment Security Department	214,070
17.278	WIOA Dislocated Worker Formula Grants	Employment Security Department	540	Southwest WDC-7	7822	Employment Security Department	55,902
17.278	WIOA Dislocated Worker Formula Grants	Employment Security Department	540	North Central WA WDC-8	7742 7741	Employment Security Department	176,697
17.278	WIOA Dislocated Worker Formula Grants	Employment Security Department	540	Eastern WA Partnership WDC-10	2921 2922 2923 2933 2931 2932	Employment Security Department	709,396
17.278	WIOA Dislocated Worker Formula Grants	Employment Security Department	540	Spokane Area WDC-12	7801 7802 7960 7962	Employment Security Department	519,302
<b>Federal Program 17.278 Total</b>							<b>\$ 1,675,368</b>
66.123	Geographic Programs - Puget Sound Action Agenda	University of Washington	360	King County	UW667589	Department of Ecology	67,053
<b>Federal Program 66.123 Total</b>							<b>\$ 67,053</b>

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note H: Supplemental Information - Outstanding Loan Balances**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Ending Loan Balances as of June 30</b>
<b>University of Washington (Agency 3600)</b>		
84.038	Federal Perkins Loan Program	(3,164,275)
84.038	Federal Perkins Loan Program	17,783,668
	<b>Subtotal 84.038</b>	<b>14,619,393</b>
93.264	Nurse Faculty Loan Program (Nflp)	217,545
93.264	Nurse Faculty Loan Program (Nflp)	1,776,152
	<b>Subtotal 93.264</b>	<b>1,993,697</b>
93.342	Health Professions Student Loans, Including Primar	(878,957)
93.342	Health Professions Student Loans, Including Primar	14,199,658
	<b>Subtotal 93.342</b>	<b>13,320,701</b>
93.364	Nursing Student Loans	228,209
93.364	Nursing Student Loans	2,743,940
	<b>Subtotal 93.364</b>	<b>2,972,149</b>
93.408	ARRA - Nurse Faculty Loan Program	(3,572)
93.408	ARRA - Nurse Faculty Loan Program	13,670
	<b>Subtotal 93.408</b>	<b>10,098</b>
	<b>University of Washington Total</b>	<b>32,916,038</b>
<b>Washington State University (Agency 3650)</b>		
84.038	Federal Perkins Loan Program	8,370,277
	<b>Subtotal 84.038</b>	<b>8,370,277</b>
93.264	Nurse Faculty Loan Program (Nflp)	142,049
93.264	Nurse Faculty Loan Program (Nflp)	2,069,792
	<b>Subtotal 93.264</b>	<b>2,211,841</b>
93.342	Health Professions Student Loans, Including Primar	252,181
93.342	Health Professions Student Loans, Including Primar	2,330,720
	<b>Subtotal 93.342</b>	<b>2,582,901</b>
93.364	Nursing Student Loans	130,125
93.364	Nursing Student Loans	1,836,460
	<b>Subtotal 93.364</b>	<b>1,966,585</b>
	<b>Washington State University Total</b>	<b>15,131,604</b>

**State of Washington**  
**Schedule of Expenditures of Federal Awards**  
**Note H: Supplemental Information - Outstanding Loan Balances**

*For the Fiscal Year Ended*  
*June 30, 2023*  
*(Expressed in whole dollars)*

<b>Assistance Listing No.</b>	<b>Federal Program Title</b>	<b>Ending Loan Balances as of June 30</b>
<b><u>Eastern Washington University (Agency 3700)</u></b>		
84.038	Federal Perkins Loan Program	(525,463)
84.038	Federal Perkins Loan Program	1,408,368
<b>Subtotal 84.038</b>		<b>882,905</b>
<b>Eastern Washington University Total</b>		<b>882,905</b>
<b><u>Central Washington University (Agency 3750)</u></b>		
84.038	Federal Perkins Loan Program	
<b>Subtotal 84.038</b>		
<b>Central Washington University Total</b>		
<b><u>The Evergreen State College (Agency 3760)</u></b>		
84.038	Federal Perkins Loan Program	(961,275)
84.038	Federal Perkins Loan Program	962,842
<b>Subtotal 84.038</b>		<b>1,567</b>
<b>The Evergreen State College Total</b>		<b>1,567</b>
<b><u>Western Washington University (Agency 3800)</u></b>		
84.038	Federal Perkins Loan Program	(951,101)
84.038	Federal Perkins Loan Program	3,361,802
<b>Subtotal 84.038</b>		<b>2,410,701</b>
<b>Western Washington University Total</b>		<b>2,410,701</b>
<b><u>Community/Technical College System (Agency 6990)</u></b>		
84.038	Federal Perkins Loan Program	574,047
<b>Subtotal 84.038</b>		<b>574,047</b>
<b>Community/Technical College System Total</b>		<b>574,047</b>
<b>Total Loan Balances</b>		<b>51,916,862</b>

**State of Washington**  
**Single Audit Report**  
**For Fiscal Year Ended**  
**June 30, 2023**

**Auditee's Section**  
**Agency Corrective Action Plans**

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STATE OF WASHINGTON  
**OFFICE OF FINANCIAL MANAGEMENT**

*Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555*

May 9, 2024

Washington State Auditor’s Office  
 ATTN: Cavan Busch, Audit Manager  
 3200 Sunset Way S.E.  
 Olympia, WA 98504-0031

To the Washington State Auditor’s Office:

Enclosed with this letter is the state of Washington’s corrective action plans for the following audit findings in the fiscal year 2023 Single Audit report.

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2023-002	Office of Superintendent of Public Instruction	G - 10	E - 25
2023-003	Office of Superintendent of Public Instruction	G - 11	E - 29
2023-004	Office of Superintendent of Public Instruction	G - 12	E - 32
2023-005	Office of Superintendent of Public Instruction	G - 13	E - 36
2023-006	Employment Security Department	G - 14	E - 39
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2023-008	Employment Security Department	G - 16	E - 50
2023-009	Employment Security Department	G - 17	E - 55
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<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
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2023-020	Department of Commerce	G - 31	E - 120
2023-021	Department of Commerce	G - 32	E - 124
2023-022	Housing Finance Commission	G - 33	E - 127
2023-023	Housing Finance Commission	G - 34	E - 130
2023-024	Housing Finance Commission	G - 35	E - 134
2023-025	Housing Finance Commission	G - 36	E - 139
2023-026	Office of Financial Management	G - 37	E - 143
2023-027	Department of Commerce	G - 38	E - 149
2023-028	Department of Commerce	G - 39	E - 156
2023-029	Department of Social and Health Services	G - 40	E - 164
2023-030	Office of Financial Management	G - 42	E - 172
2023-031	Department of Commerce	G - 43	E - 180

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
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2023-033	Office of Superintendent of Public Instruction	G - 45	E - 189
2023-034	Office of Superintendent of Public Instruction	G - 46	E - 193
2023-035	Office of Superintendent of Public Instruction	G - 48	E - 198
2023-036	Office of Superintendent of Public Instruction	G - 49	E - 201
2023-037	Office of Financial Management	G - 50	E - 205
2023-038	Office of Superintendent of Public Instruction	G - 51	E - 210
2023-039	Department of Social and Health Services	G - 52	E - 214
2023-040	Department of Social and Health Services	G - 53	E - 219
2023-041	Department of Social and Health Services	G - 54	E - 223
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2023-044	Department of Health	G - 58	E - 237
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2023-046	Department of Health	G - 61	E - 251
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<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
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2023-059	Department of Children, Youth, and Families	G - 81	E - 322
2023-060	Department of Children, Youth, and Families	G - 82	E - 330
2023-061	Department of Children, Youth, and Families	G - 84	E - 337
2023-062	Department of Children, Youth, and Families	G - 86	E - 345
2023-063	Department of Children, Youth, and Families	G - 88	E - 352
2023-064	Department of Children, Youth, and Families	G - 89	E - 356
2023-065	Department of Children, Youth, and Families	G - 91	E - 367
2023-066	Department of Children, Youth, and Families	G - 92	E - 370
2023-067	Department of Children, Youth, and Families	G - 94	E - 374
2023-068	Department of Children, Youth, and Families	G - 95	E - 378
2023-069	Department of Children, Youth, and Families	G - 97	E - 384
2023-070	Department of Children, Youth, and Families	G - 98	E - 389
2023-071	Department of Children, Youth, and Families	G - 99	E - 394
2023-072	Department of Children, Youth, and Families	G - 100	E - 399
2023-073	Health Care Authority	G - 101	E - 404

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
2023-074	Health Care Authority	G - 103	E - 410
2023-075	Health Care Authority	G - 104	E - 424
2023-076	Department of Health	G - 105	E - 429
2023-077	Department of Social and Health Services	G - 106	E - 436
2023-078	Department of Social and Health Services	G - 108	E - 444
2023-079	Department of Social and Health Services	G - 109	E - 452
2023-080	Department of Social and Health Services	G - 110	E - 458
2023-081	Health Care Authority	G - 112	E - 467
2023-082	Health Care Authority	G - 113	E - 474
2023-083	Department of Social and Health Services	G - 114	E - 482
2023-084	Health Care Authority	G - 115	E - 487
2023-085	Health Care Authority	G - 116	E - 496
2023-086	Health Care Authority	G - 117	E - 499
2023-087	Health Care Authority	G - 118	E - 503

The state's corrective action plan is a compilation of the corrective action plan information provided to us by the applicable state agencies. The corrective action plan document is prepared in conjunction with the 2023 Single Audit.

We appreciate the efforts of the Washington State Auditor's Office in completing the Single Audit for the state for fiscal year 2023. If you have any questions regarding the corrective action plans, please do not hesitate to contact our office.

Sincerely,

Brian Tinney  
 Statewide Accounting Director

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State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	001	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>N/A</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office of Financial Management, with the collaboration of state agencies, strives for the highest standards in the preparation of the state’s financial statements. Responses from each agency are listed below:</p> <p><b>Health Care Authority</b></p> <p>The Authority recognizes the significance and priority of internal controls over recording and reporting financial transactions.</p> <p>Currently, the ProviderOne vendor provides an independent service organization control (SOC2) audit every other year. The estimated additional cost to purchase an annual SOC2 audit report is \$470,000 each biennium.</p> <p>In 2023, the Authority requested funding from the legislature for fiscal year 2025, to contract for the additional SOC2 audit report to resolve the audit finding. The decision package was not funded. The Authority will again submit a decision package for fiscal year 2026. If the decision package is approved, the contract would be amended in July 2025 and audits would begin on a yearly basis.</p> <p><i>Completion: Estimated July 2025</i></p> <p><b>Employment Security Department</b></p> <p>During fiscal year 2024, the Department provided additional accounting training to staff specifically for financial statement reporting. The increase in knowledge and skills will allow for proper calculation and detection of errors in the allowance for uncollectable receivables related to claimant overpayments.</p> <p><i>Completion: May 2024</i></p> <p>Estimated July 2025</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	N/A	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
N/A	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	002	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with required monitoring of subrecipients of the Child and Adult Care Food Program.</p> <table border="0"> <tr> <td data-bbox="669 548 966 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 548 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="669 579 966 611">10.558</td> <td data-bbox="1003 579 1094 611">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office has established and implemented the following internal controls to ensure subrecipients are monitored according to program requirements:</p> <ul style="list-style-type: none"> <li>• A procedure where the program supervisor and program director assign and track the monitoring activities that have been assigned to staff.</li> <li>• A procedure utilizing a data dashboard to track subrecipient review progress and completion.</li> </ul> <p>November 2023</p> <p>Chaundi Barbosa                      CACFP Director                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 764-0411  <a href="mailto:Chaundi.Barbosa@k12.wa.us">Chaundi.Barbosa@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.558	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
10.558	\$0						



Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	003	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Child and Adult Care Food Program.</p> <table border="0"> <tr> <td data-bbox="669 579 971 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 579 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="669 613 971 644">10.558</td> <td data-bbox="1003 613 1094 644">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>In response to the audit finding, the Office:</p> <ul style="list-style-type: none"> <li>• Will establish policies and procedures and internal controls to communicate federal award information and requirements to all subrecipients.</li> <li>• Is consulting with the U.S. Department of Agriculture for additional guidance on communicating subaward information for programs that are reimbursement based.</li> </ul> <p>Estimated August 2024</p> <p>Leanne Eko                      Chief Nutrition Officer                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-0410  <a href="mailto:Leanne.eko@k12.wa.us">Leanne.eko@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.558	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
10.558	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	004	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have internal controls over and did not comply with requirements to verify single audits were completed for all subrecipients of the Child and Adult Care Food Program.</p> <table border="0"> <tr> <td data-bbox="672 583 971 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="672 615 971 642">10.558</td> <td data-bbox="1003 615 1094 642">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office will implement internal controls to ensure all subrecipients requiring a single audit are identified and follow up on any program-related findings that require a management decision. Internal controls will include:</p> <ul style="list-style-type: none"> <li>• Updating procedures on maintaining the subrecipient audit tracking log.</li> <li>• Implementing a training plan for the Child Nutrition Services fiscal team, which includes cross training and completing the State Auditor’s Office subrecipient monitoring training.</li> </ul> <p>The Office will follow up with the subrecipient identified in the audit to ensure it obtains its required single audit.</p> <p>Estimated August 2024</p> <p>Debbie Libra                      Fiscal &amp; Claims Supervisor                      PO Box 47200                      Olympia, WA 98504-7200                      (564) 233-8620  <a href="mailto:Debbie.libra@k12.wa.us">Debbie.libra@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.558	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
10.558	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	005	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and was not compliant with requirements to perform risk assessments for subrecipients of the Child and Adult Care Food Program.</p> <table border="0"> <tr> <td data-bbox="669 583 958 613"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1094 613"><u>Amount</u></td> </tr> <tr> <td data-bbox="669 615 958 644">10.558</td> <td data-bbox="1003 615 1094 644">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office has established and implemented the following internal controls to ensure subrecipients are monitored according to program requirements:</p> <ul style="list-style-type: none"> <li>• Conduct a risk assessment annually on approved subrecipients during each renewal cycle.</li> <li>• Utilize the risk assessment results, Washington Integrated Nutrition System data, and USDA program specific guidance to determine how subrecipients will be monitored in the coming year.</li> <li>• Follow a risk assessment process to identify and track the monitoring status of each subrecipient.</li> </ul> <p>November 2023</p> <p>Chaudi Barbosa                      CACFP Director                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 764-0411  <a href="mailto:Chaudi.Barbosa@k12.wa.us">Chaudi.Barbosa@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.558	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
10.558	\$0						

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	006	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department made improper payments to ineligible beneficiaries of the Unemployment Insurance program.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td>\$603</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The State Auditor’s Office (SAO) made the assertion that the Department incorrectly interpreted guidance in the Unemployment Insurance Program Letter (UIPL) No. 16-20 requiring claimants to provide proof of employment to receive Pandemic Unemployment Assistance (PUA) payments. However, the section cited by SAO was paragraph b(ii) which only lays out the requirements for establishing the respond-by dates for providing documentation for review. The deadline for responses is different depending on whether the PUA claim was filed before January 31, 2021, or on/after that date. This paragraph does not establish the requirements for payment or non-payment of PUA weeks.</p> <p>In our finding response, the Department cited section C.2 of the UIPL, which states:</p> <p><i>If, in that timeframe, the individual fails to provide documentation or fails to show good cause to have the deadline extended, an overpayment must be established for all of the weeks paid beginning with the week ending January 2, 2021. This is because the individual cannot be deemed ineligible for a week of unemployment ending before the date of enactment solely for failure to submit documentation.</i></p> <p>Therefore, the three cases identified by SAO should not be exceptions under this guidance.</p> <p>Further, the Department received guidance from the U.S. Department of Labor on January 11, 2021, which confirmed the proper methodology used by the Department.</p> <p>Not Applicable</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$603	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$603								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	007	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Employment Security Department did not have adequate internal controls to ensure it submitted accurate financial reports for the Unemployment Insurance program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">17.225</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">17.225 COVID-19</td> <td></td> </tr> </table> Corrective action complete  The Department has implemented procedures to ensure the ETA 9130 and ETA 2112 reports have a secondary review by management prior to submission to the federal grantor. Additionally, documentation of the review and submission will be maintained.  February 2024  Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	008	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the Unemployment Insurance program.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="padding-right: 20px;"><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td>\$0</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>In response to the prior year’s finding, the Department immediately implemented the secondary review of the monthly ETA 9055 performance reports. However, the auditor’s recommendation and the Department’s implementation occurred after state fiscal year 2023 had begun.</p> <p>The Department expects adequate internal controls to be in place and functioning for fiscal year 2024 and onward.</p> <p>The conditions noted in this finding were previously reported in finding 2022-005.</p> <p>May 2023</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	009	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td>\$0</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Historically, the Benefit Accuracy Measurement (BAM) unit has been challenged to maintain full levels of staffing. Staff turnover, long training requirements, and unique skill sets make these positions difficult to maintain.</p> <p>During the prior audit period, the Department was in a hiring freeze for Unemployment Insurance administrative funding, furthering the challenge to fully staff the unit and meet program requirements. The hiring freeze was lifted in April 2023 and the unit began filling vacant positions in May 2023. Due to the lengthy training timelines for new positions, the Department anticipated the unit would not meet federally mandated performance measures for case reviews for state fiscal year 2023.</p> <p>The Department continues to partner and frequently communicate with the U.S. Department of Labor (USDOL) Regional Offices to discuss staffing and training models. The Quality Assurance Manager and the Case Review Supervisor are committed to routinely monitor caseload, workload, and the overall assurance of meeting the BAM operations performance goals and measures as set forth by USDOL.</p> <p>The conditions noted in this finding were previously reported in findings 2022-006, 2021-005, and 2020-011.</p> <p>Estimated March 2025</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2023	010	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it profiled all claimants under the Unemployment Insurance program to identify people likely to need reemployment services and ensure staff providing those services received required training.</p> <table border="0" data-bbox="673 613 1096 703"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the recommendation to review the calculation of the profile score within the Unemployment Tax and Benefit (UTAB) system. The Department will explore a plan and review resource allocations to more effectively validate the profile score to ensure that coefficient values are correctly determined and assigned by the UTAB system.</p> <p>The Department partially concurs with the recommendation to reconcile the UTAB and Reemployment Appointment Scheduler (RAS) interface. There is currently a process in place to notify the RAS team if a record fails at the time of data transmission between UTAB and RAS. The Department will review its processes to verify the complete UTAB exit file was successfully received by RAS.</p> <p>The Department does not concur with the recommendation to implement additional internal controls over the claimant profiling process. The Department has coordinated closely with the U.S. Department of Labor (USDOL) to conduct the randomized control trial (RCT) to evaluate the Reemployment Services and Eligibility Assessments (RESEA). The Department has written approval from USDOL to utilize this method concurrently with the program’s established process. All program-eligible applicants are scored and provided a risk profile score based on both established standards and a random score for the purposes of carrying out the RCT.</p> <p>The Department does not concur with the recommendation to ensure all employees receive the required RESEA training before providing reemployment screening services to claimants. The Department has internal controls in place to ensure training requirements are met and staff are not granted access to schedule appointments for RESEA services without first receiving the required training.</p> <p>The exceptions noted by the auditors relate to the annual refresher training. In the fall of 2022, the Department implemented procedures to formally track the refresher training completed by RESEA staff. The audit exceptions identified were for two staff not currently providing RESEA services to clients. These individuals will receive the refresher training prior to providing RESEA services going forward.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	17.225		\$0	17.225 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
17.225		\$0										
17.225 COVID-19												



Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	010 (cont'd)	Completion Date: Estimated April 2025  Agency Contact: Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a>

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2023	011	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Workforce Innovation and Opportunity grant.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>17.258</td> <td>\$0</td> </tr> <tr> <td>17.259</td> <td></td> </tr> <tr> <td>17.278</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has implemented procedures to ensure the Federal Funding Accountability and Transparency Act (FFATA) reports are completed timely, and documentation of the review and submission to the federal agency is maintained. The Department:</p> <ul style="list-style-type: none"> <li>• Established new credentials within the federal reporting system which will allow the Department to provide verification of the timeliness of the reports.</li> <li>• Updated the process to require completing and saving supporting documentation for the reports prior to entering data into the federal system separately by the Grants Manager.</li> <li>• Expanded training on the federal FFATA requirements and system to additional staff within the Grants Management Unit to ensure adequate coverage.</li> </ul> <p>January 2024</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.258	\$0	17.259		17.278	
<u>Assistance Listing #</u>	<u>Amount</u>										
17.258	\$0										
17.259											
17.278											

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	012	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Highway Planning and Construction program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">20.205</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Washington State Department of Transportation (WSDOT) is committed to ensuring our grant programs comply with federal regulations regarding required risk assessments.</p> <p>Risk assessments for subrecipients under the Federal Highway Administration grant programs are the responsibility of WSDOT's Regional Local Programs Engineers, located in the six WSDOT regions. The Department has attempted to complete a risk assessment at each phase of a project, however, staff turnover contributed to the lack of consistency and timeliness in completing these assessments.</p> <p>To help ensure consistency, the Department has updated position descriptions for Local Programs Engineers to reflect this requirement. The Department will:</p> <ul style="list-style-type: none"> <li>• Continue to communicate with Regional Local Programs Engineers to ensure risk assessments are performed and properly documented in accordance with the risk assessment program guidelines.</li> <li>• Continue to communicate with regional management to ensure required monitoring activities by staff are tracked, and the status of these activities are reported as part of annual performance evaluations.</li> </ul> <p>Estimated June 2024</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
20.205	\$0						

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	013	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to collect certified payrolls from contractors on projects funded by the Highway Planning and Construction program.</p> <table border="0" data-bbox="673 577 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">20.205</td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>In April 2019 and July 2020, the Department received management decision letters from the Federal Highway Administration (FHWA) in response to similar findings for the fiscal years 2018 and 2019, respectively, which stated:</p> <ul style="list-style-type: none"> <li>• FHWA approved the Department’s Construction Manual and Standard Specifications and confirmed that documented procedures contain the necessary controls to ensure reasonable compliance with 29 CFR 5.5 and the Davis-Bacon and Related Acts.</li> <li>• FHWA agreed that current processes in place are reasonable and satisfy the intent of the Department of Labor’s certified payroll requirements.</li> <li>• FHWA considers this finding to be resolved.</li> </ul> <p>The Department continues to strive for improvements in this area. To further address the audit recommendations, the Department is planning on taking the following actions by December 2024:</p> <ul style="list-style-type: none"> <li>• Update the Construction Manual to include language for certified payroll collection requirements when no work is performed on federal projects.</li> <li>• Review and update the Construction Manual, as needed, to clarify the authority to withhold payments regarding federal wage administration.</li> <li>• Standardize the required frequency of checking for certified payroll collection and the methods to document tracking.</li> <li>• Define “timely,” given the circumstances surrounding weekly collection of certified payrolls and sanctions on a monthly pay estimate, including:                         <ul style="list-style-type: none"> <li>○ Defining the timeline when the Department must communicate overdue certified payroll to the contractor and the allowable methods of that communication.</li> <li>○ Defining the timeline for determining when the Department must consider imposing sanctions on the contractor after a certified payroll is overdue.</li> <li>○ Defining the minimum required documentation that sanctions (e.g., partial deferral of payment) were considered against the contractor regarding an overdue certified payroll.</li> </ul> </li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>		20.205	\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
	20.205	\$0							

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	013 (cont'd)	<ul style="list-style-type: none"> <li>• Communicate any changes to the Construction Manual to appropriate construction staff and partners.</li> <li>• Continue to work with our federal grantor, FHWA, for any further actions needed to resolve this finding.</li> </ul> <p>Completion Date: Estimated December 2024</p> <p>Agency Contact: Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	014	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with quality assurance program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.</p> <table border="0" data-bbox="665 615 1096 682"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">20.205</td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is committed to ensuring that our grant programs comply with federal regulations related to quality assurance (QA) requirements and safeguarding that materials and workmanship conform to approved plans and specifications through testing, inspections, or certifications. The Department has worked closely with the Federal Highway Administration (FHWA) on our QA program and continues to receive feedback on the strength of our program.</p> <p>The Department has been working towards replacement of the Record of Materials (ROM) legacy system; therefore, it was not practical to modify the system to help correct issues previously reported in the fiscal year 2022 audit. During fiscal year 2023, the Department eliminated the practice requiring updates to the ROM within 30 days of payment and instead relied on the required documentation as evidence of proper materials acceptance. Due to the timing of implementation, these changes were not fully reflected in the current year’s audit.</p> <p>In January 2023, as a result of recommendations from the fiscal year 2022 audit, the Department modified its practice related to how tester data is reviewed and entered into the tester certification tracking system. All offices now funnel tester data to the Headquarters Quality Assurance Program for review and entry. These procedure changes were communicated to appropriate staff and are reflected in the Construction Manual, which was reviewed and approved by FHWA. The Department is also assessing replacement of additional software legacy programs associated with the QA program.</p> <p>The Department will continue to improve the QA program while waiting for the new software programs to be fully developed. To address the audit recommendations, the Department’s Construction Division will examine current policies and procedures/practices related to the audit issues. The Department will:</p> <ul style="list-style-type: none"> <li>• Update policies and procedures, including the Department’s Construction Manual (M46-01), as needed to ensure staff practices meet federal regulations. Updates will also include other clarifications to address documentation and evidence of compliance, and a reasonable level of controls regarding materials testing, inspections, certification, acceptance, and tester certifications.</li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>		20.205	\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
	20.205	\$0							

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	014 (cont'd)	<ul style="list-style-type: none"> <li>• Obtain approval of updates to the Construction Manual from the FHWA.</li> <li>• Communicate changes in policies and procedures to division staff and stakeholders.</li> <li>• Provide training to Project Engineering Office staff to emphasize QA program requirements.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-011, 2021-011, 2020-017 and 2019-019.</p> <p>Completion Date: Estimated June 2024</p> <p>Agency Contact: Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	015	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with cash management requirements for the Formula Grants for Rural Areas program.</p> <table border="0" data-bbox="673 546 1104 619"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>20.509</td> <td>\$41,555</td> </tr> </table> <p>Corrective action complete</p> <p>The audit identified a payment that was entered into the Electronic Clearing House Operation (ECHO) system with incorrect project information. The Department has since implemented additional controls to help ensure the draws of program funds are timely and accurate and are drawn for the correct program.</p> <p>To address the audit recommendations, the Department:</p> <ul style="list-style-type: none"> <li>• Assigned Project Support and Receivable (PS&amp;R) staff to submit Public Transportation ECHO draws. Two additional staff have been identified as backup in this process to ensure draws are processed timely.</li> <li>• Rescheduled the entry of draw information into the ECHO system to the morning to allow for timely corrections as needed.</li> <li>• Updated the ECHO system to allow automatic confirmation email for payments entered into the system.</li> </ul> <p>Additionally,</p> <ul style="list-style-type: none"> <li>• The PS&amp;R Manager will automatically receive draw confirmation emails and conduct a review and check as the draws are being submitted.</li> <li>• Additional checks and balances will be performed by the person entering information into the ECHO system.</li> <li>• The Public Transportation division has a validation process in place for staff to check the amounts with the project.</li> </ul> <p>The Department will continue to review procedures regularly and update as required to ensure compliance.</p> <p>The questioned costs identified in the audit have been reimbursed to the incorrectly charged federal program.</p> <p>October 2023</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.509	\$41,555
<u>Assistance Listing #</u>	<u>Amount</u>						
20.509	\$41,555						



Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	016	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Formula Grants for Rural Areas program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">20.509</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Washington State Department of Transportation concurs with the finding.</p> <p>As of October 2023, the Public Transportation Division (PTD) had conducted all five site visits identified in the condition of this finding.</p> <p>The PTD is also planning on implementing the auditor’s recommendations, specifically to:</p> <ul style="list-style-type: none"> <li>• Update the PTD policies and procedures to document the risk-based site visit approach more accurately. This update will clarify how an organization’s risk assessment score impacts the timing and number of administrative and financial site visits. This update will not impact capital reviews and drug and alcohol site visits because PTD staff conduct them every two years regardless of risk assessment scores.</li> <li>• Evaluate new ways for management, supervisors, and staff to monitor site visit completion and established due dates more effectively. Once a new process is developed, management will ensure policies and/or procedures are updated and communicate the new process to impacted staff.</li> </ul> <p>Estimated June 2024</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.509	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
20.509	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	017	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients of the Emergency Rental Assistance program were allowable and properly supported.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>21.023 COVID-19</td> <td>\$4,123,486</td> </tr> </table> <p>Corrective action complete</p> <p>The funding for the Emergency Rental Assistance program ended on June 30, 2023. The Department is no longer funding this program.</p> <p>To address the control deficiencies reported in the prior year’s finding, the Department improved internal control processes, resulting in improved compliance.</p> <p>The Department strives to meet all federal requirements and any repayment of questioned costs will be determined through the normal audit resolution process with the U.S. Treasury.</p> <p>The conditions noted in this finding were previously reported in finding 2022-016.</p> <p>July 2023</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$4,123,486
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$4,123,486						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	018	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Emergency Rental Assistance program.</p> <table border="0"> <tr> <td data-bbox="670 548 971 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 548 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="670 579 971 611">21.023 COVID-19</td> <td data-bbox="1003 579 1094 611">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>In November 2023, the Homelessness Assistance Unit implemented the following procedures to strengthen internal controls and ensure compliance with reporting requirements for federal programs:</p> <ul style="list-style-type: none"> <li>• Monthly expenditures are reviewed and approved by the program coordinator and federal team manager before being submitted into the federal reporting system. The expenditure approval is documented via email.</li> <li>• Annual report data is reviewed and approved by the federal team manager and documented via email.</li> <li>• Annual federal reports are submitted to the required federal department and are saved and posted to the Commerce webpage.</li> </ul> <p>Funding for this program ended June 30, 2023. The Department will follow these updated procedures for other federal programs with similar reporting requirements.</p> <p>The conditions noted in this finding were previously reported in finding 2022-017.</p> <p>November 2023</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	019	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over reporting requirements for the Emergency Rental Assistance program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.023 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Department has implemented procedures to strengthen internal controls and eliminate possible errors to ensure required approval of quarterly financial reports (SF-425) is documented within the Contracts Management System (CMS).</p> <p>The Accounting Department is responsible for the completion of the SF-425. Accounting management staff, or their delegate, utilize a newly created tracking log to document the date approval is submitted within CMS. The documentation of approval confirms the completion of management review prior to submission of the report.</p> <p>Funding for this program ended June 30, 2023. The Department will follow these updated procedures for other federal programs with similar reporting requirements.</p> <p>The conditions noted in this finding were previously reported in finding 2022-017.</p> <p>October 2023</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	020	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Emergency Rental Assistance program.</p> <table border="0"> <tr> <td data-bbox="665 548 971 579"><u>Assistance Listing #</u></td> <td data-bbox="1000 548 1089 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="665 579 971 611">21.023 COVID-19</td> <td data-bbox="1000 579 1089 611">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The U.S. Department of Treasury funding for this federal program ended June 30, 2023. As a result of a similar finding issued in fiscal year 2022, the Department has implemented procedures to strengthen internal controls to ensure compliance with the subrecipient fiscal monitoring requirements and confirm expenditures are allowable and properly supported.</p> <p>In fiscal year 2023, the program hired a new employee to assist with program monitoring duties.</p> <p>As of January 2024, the Department implemented the following procedures:</p> <ul style="list-style-type: none"> <li>• Increased the number of client files reviewed during program monitoring from five to ten for each grantee.</li> <li>• Expanded monthly monitoring to include the collection and review of specific back-up documentation to accompany all payment requests to ensure payments are allowable and properly supported.</li> </ul> <p>January 2024</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	021	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over federal requirements to ensure subawards for the Emergency Rental Assistance program contained the correct federal award identification elements.</p> <table border="0"> <tr> <td data-bbox="672 583 971 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="672 615 971 642">21.023 COVID-19</td> <td data-bbox="1003 615 1094 642">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>During 2022, the Department identified the need to determine subrecipient and contractor classifications on the face sheet of all contracts. The Department implemented the following actions:</p> <ul style="list-style-type: none"> <li>• Added a check box to all federal contract template face sheets to designate whether a contract is issued to a subrecipient or contractor.</li> <li>• Added all federal subaward required data elements to the face sheet.</li> </ul> <p>The Department followed these updated procedures until the program ended June 30, 2023.</p> <p>October 2022</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525-2525                      Olympia, WA 98504                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$0						

Housing Finance Commission

Agency 148

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	022	Finding:  Questioned Costs:  Status:  Corrective Action:   Completion Date:  Agency Contact:	The Housing Finance Commission did not have adequate internal controls over eligibility requirements for the Homeowner Assistance Fund program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.026 COVID-19</td> <td>\$0</td> </tr> </table> Corrective action in progress  The Commission will take the following corrective actions to strengthen controls over eligibility requirements for the Homeowner Assistance Fund (HAF) program: <ul style="list-style-type: none"> <li>• Select an increased percentage of approved, denied, and withdrawn HAF applications that have previously been reviewed by the contractor, as part of the Quality Control process, for a secondary review by program staff.</li> <li>• Review a selection of HAF applications independent of the Quality Control process performed by the contractor.</li> <li>• Review a selection of approved HAF applications prior to disbursing funds to confirm eligibility determinations are proper.</li> </ul> Estimated June 2024  Lucas Loranger Senior Finance Director 1000 Second Ave, Suite 2700 Seattle, WA 98104-3601 (206) 464-7139 <a href="mailto:Lucas.Loranger@wshfc.org">Lucas.Loranger@wshfc.org</a>	<u>Assistance Listing #</u>	<u>Amount</u>	21.026 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.026 COVID-19	\$0						

Housing Finance Commission

Agency 148

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	023	Finding:  Questioned Costs:  Status:  Corrective Action:        Completion Date:  Agency Contact:	The Housing Finance Commission did not have adequate internal controls over earmarking requirements for the Homeowner Assistance Fund program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.026 COVID-19</td> <td style="text-align: right;">\$0</td> </tr> </table> Corrective action in progress  The Commission will take the following corrective actions to strengthen controls over earmarking requirements for the Homeowner Assistance Fund (HAF) program: <ul style="list-style-type: none"> <li>• Develop a system to track and monitor expenditures in relation to overall program expenditures to ensure earmarking requirements are within allowable parameters.</li> <li>• Select an increased percentage of approved, denied, and withdrawn HAF applications that have previously been reviewed by the contractor, as part of the Quality Control process, for a secondary review by program staff.</li> <li>• Review a selection of HAF applications independent of the Quality Control process performed by the contractor.</li> <li>• Review a selection of approved HAF applications prior to disbursing funds to confirm eligibility determinations are proper.</li> </ul> Estimated June 2024  Lucas Loranger Senior Finance Director 1000 Second Ave, Suite 2700 Seattle, WA 98104-3601 (206) 464-7139 <a href="mailto:Lucas.Loranger@wshfc.org">Lucas.Loranger@wshfc.org</a>	<u>Assistance Listing #</u>	<u>Amount</u>	21.026 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.026 COVID-19	\$0						



Housing Finance Commission

Agency 148

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	024	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.</p> <table border="0" data-bbox="672 548 1094 611"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.026 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>To address the deficiencies identified by the auditors in completing quarterly performance reports, the Commission has taken the following corrective actions to strengthen controls over reporting for the Homeowner Assistance Fund (HAF) program:</p> <ul style="list-style-type: none"> <li>• The Homeownership Division and Finance Division staff will perform regular reconciliation of records to identify any discrepancies and to ensure all records are complete and accurate.</li> <li>• The records maintained by the Finance Division, specifically the general ledgers, are the designated source of financial data for the quarterly and annual reports for the Washington HAF program.</li> <li>• Third parties are required to develop or update the program manual regarding data used for reporting purposes by June 30, 2024. The manual needs to incorporate recommendations of the audit finding.</li> <li>• Any supporting data obtained from a third party needs to be vetted by the third party and the Homeownership Division staff.</li> <li>• Leadership (division manager or above) will perform final review of data as well as the quarterly or annual report to be submitted to the grantor.</li> </ul> <p>By June 30, 2024, the Commission will consult with the U.S. Department of the Treasury to determine if revision and resubmission of the reports are necessary to correct amounts reported. The Commission will follow the audit resolution process as determined by the grantor.</p> <p>Estimated June 2024</p> <p>Lucas Loranger                      Senior Finance Director                      1000 Second Ave, Suite 2700                      Seattle, WA 98104-3601                      (206) 464-7139  <a href="mailto:Lucas.Loranger@wshfc.org">Lucas.Loranger@wshfc.org</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.026 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.026 COVID-19	\$0						

Housing Finance Commission

Agency 148

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	025	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Housing Finance Commission did not have adequate internal controls over and did not comply with reporting requirements for the Homeowner Assistance Fund program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.026 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>To address the deficiencies identified by the auditors in completing annual performance reports, the Commission has taken the following corrective actions to strengthen controls over reporting for the Homeowner Assistance Fund (HAF) program:</p> <ul style="list-style-type: none"> <li>• Homeownership Division and Finance Division staff will perform regular reconciliation of records to identify any discrepancies and to ensure all records are complete and accurate.</li> <li>• The records maintained by the Finance Division, specifically the general ledgers, are the designated source of financial data for the quarterly and annual reports for the Washington HAF program.</li> <li>• Third parties are required to develop or update a program manual regarding data used for reporting purposes by June 30, 2024. The manual needs to incorporate recommendations of the audit finding.</li> <li>• Any supporting data obtained from a third party needs to be vetted by the third party and the Homeownership Division staff.</li> <li>• Leadership (division manager or above) will perform final review of data as well as the quarterly or annual report to be submitted to the grantor.</li> </ul> <p>By June 30, 2024, the Commission will consult with the U.S. Department of the Treasury to determine if revision and resubmission of the reports are necessary to correct amounts reported. The Commission will follow the audit resolution process as determined by the grantor.</p> <p>Estimated June 2024</p> <p>Lucas Loranger                      Senior Finance Director                      1000 Second Ave, Suite 2700                      Seattle, WA 98104-3601                      (206) 464-7139  <a href="mailto:Lucas.Loranger@wshfc.org">Lucas.Loranger@wshfc.org</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.026 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.026 COVID-19	\$0						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	026	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used for only allowable activities.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$300,000,000</td> </tr> </table> <p>Corrective action not taken</p> <p>The Office does not concur with the audit finding.</p> <p>The state of Washington implemented internal controls and created Fund 706 to track the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) expenditures. The state, through legislation, approved the transfer of \$300 million from the SLFRF account to various state transportation accounts under the revenue loss provision. The Office reaffirms that all expenditures from the transportation accounts that received the SLFRF funds were used to maintain government services.</p> <p>The <i>State Administrative and Accounting Manual</i> requires all state agencies to establish internal controls over payments for goods and services, including ensuring payments are lawful and for proper purposes, reviewing payments to ensure they are supported, as well as documenting the review of all payments. State agencies continued to follow their established internal controls to ensure expenditures from the transportation accounts were proper and allowable for both non-SLFRF and SLFRF funds.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Work with the U.S. Treasury, through the audit resolution and management decision process, to ensure no questioned costs are required to be repaid.</li> <li>• Document all correspondence with the grantor during the audit resolution process.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-018.</p> <p>Not applicable</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$300,000,000
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$300,000,000						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	027	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$95,560</td> </tr> </table> <p>Corrective action complete</p> <p>The Department’s Eviction Rental Assistance program which was funded with the Coronavirus State and Local Fiscal Recovery Funds ended in June 2023. During the audit period, the Department implemented procedures to strengthen internal controls to ensure expenditures were allowable, properly supported, and in compliance with the subrecipient fiscal monitoring requirements.</p> <p>The Department’s Homelessness Assistance Unit implemented the following corrective actions:</p> <ul style="list-style-type: none"> <li>• Updated unit reimbursement procedures to include a requirement for supporting documentation that details transaction level expenditure information for direct expenses that reconciles to payment requests.</li> <li>• Provided training to staff on reviewing transaction level supporting documentation to ensure expenditures reconcile with reimbursement requests and are within the period of performance.</li> <li>• Added a review note to each reimbursement request to document the grant coordinator’s review of documentation and reconciliation to payment requests.</li> <li>• Worked with the Department’s internal control officer for review and feedback of the updated procedures.</li> </ul> <p>The Department is currently working to standardize a reimbursement documentation process that is in compliance with federal requirements.</p> <p>The Department will discuss any repayment of questioned costs through the normal audit resolution process with the Department of Treasury.</p> <p>The conditions noted in this finding were previously reported in finding 2022-019.</p> <p>April 2024</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$95,560
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$95,560						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	028	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to monitor subrecipients and to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.027 COVID-19</td> <td style="text-align: right;">\$75,251,225</td> </tr> </table> <p>Corrective action in progress</p> <p>The Legislature appropriated Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the Department’s Energy Division to award assistance to utility service providers to eliminate customer account arrearages. Payments for the program ended in 2022 and the program is no longer funded by the Department.</p> <p>The Department will implement procedures to strengthen internal controls for future programs managed by the Energy Division to ensure payments to subrecipients are adequately supported, allowable, and only reimburse costs incurred during the grant period of performance.</p> <p>As part of the audit resolution process, the Department will:</p> <ul style="list-style-type: none"> <li>• Work with utilities to obtain official client arrearage reports to verify the amounts paid and the period in which they were incurred.</li> <li>• Verify all households served were eligible per U.S. Treasury guidance.</li> <li>• Reconcile all allowable and unallowable expenditures.</li> <li>• Consult with the grantor to discuss the resolution of any questioned costs identified.</li> </ul> <p>Estimated July 2024</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$75,251,225
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$75,251,225						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	029	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0" data-bbox="672 611 1153 674"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">21.027 COVID-19</td> <td style="text-align: right;">\$312,659,850</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with the finding.</p> <p>The Department’s Office of Refugee and Immigrant Assistance (ORIA) administered this funding through the Washington COVID-19 Immigrant Relief Fund program and contracted with a subrecipient organization to conduct eligibility determinations to approve and disburse funds to undocumented immigrants. This program is now closed, with all subrecipient contracts ended and the final payments sent in early 2023.</p> <p>The Department is taking action to strengthen internal controls over subrecipient monitoring for ORIA’s contracts.</p> <p>By July 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Complete a review of all active contracts utilizing federal funding to ensure subrecipients are accurately identified.</li> <li>• Explore the feasibility of increasing ORIA and Economic Services Administration accounting staff resources to support the workload increase associated with monitoring subrecipients.</li> </ul> <p>By October 2024, the Department will convene a work group with contracts and accounting staff to create effective internal controls and written procedures for fiscal and program monitoring of ORIA’s subrecipient contracts. This will include the following:</p> <ul style="list-style-type: none"> <li>• Verify the subrecipient status for each contract is correctly determined and recorded in the Agency Contracts Database.</li> <li>• Include the required subrecipient language in the contract.</li> <li>• Obtain a copy of the indirect rate certification or cost allocation plan from the subrecipient.</li> <li>• Complete risk assessments.</li> <li>• Create appropriate monitoring plans for each subrecipient.</li> <li>• Conduct fiscal monitoring of each subrecipient to obtain assurance that the use of federal funds complies with federal laws and regulations.</li> <li>• Create corrective action plans when required.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$312,659,850
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$312,659,850						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	029 (cont'd)	<p>By January 2025, the Department will ensure all ORIA program staff responsible for monitoring receive training on the updated procedures.</p> <p>In addition, the Office of the Secretary will request the Department's Internal Audit and Consultation office conduct an internal audit of ORIA to ensure the program implements strong internal controls, properly accounts for federal funds, and materially complies with federal requirements.</p> <p>The Department does not concur with the questioned costs. The funds were used to assist Washington workers/families who were affected by the COVID-19 pandemic but were unable to access federal stimulus programs and other social support due to their immigration status. Repayment of these funds would only hinder the state's ability to provide critical services to our clients.</p> <p>If the grantor contacts the Department regarding the questioned costs, the Department will discuss this with the Department of Health &amp; Human Services and will take additional action as appropriate.</p> <p>Completion Date: Estimated January 2025</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	030	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office has continued to strengthen internal controls for the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) reporting to ensure compliance with the federal requirements.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Monitor updates to the U.S Treasury’s Project and Expenditure Report User Guide.</li> <li>• Improve the quarterly reporting template and assist state agencies during the reporting process.</li> <li>• Communicate with agencies to remind them of the requirement to maintain adequate supporting documentation for all reports, including quarterly reported obligations.</li> <li>• Ensure reported amounts, including corrections or adjustments made during the reporting period, are properly tracked and documented for the subsequent reporting cycles.</li> <li>• Perform reconciliations of reported expenditures to ensure agency expenditures are accurately reported, allowing for adjustments/ corrections required due to issues with the reporting system.</li> <li>• Ensure reported expenditures and supporting accounting records are adequately reviewed by management before the information is uploaded to the federal reporting system.</li> <li>• Document correspondences with the U.S. Treasury when system errors are identified and resolutions recommended by the grantor, if received.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-020.</p> <p>January 2024</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	031	Finding:  Questioned Costs:  Status:  Corrective Action:          Completion Date:  Agency Contact:	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the audit finding.</p> <p>The Legislature appropriated Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the Department’s Energy Division to award assistance to utility service providers to eliminate customer account arrearages.</p> <p>The Department maintains that internal controls were in place for the program requirements. A risk assessment was not necessary because all utility providers who applied and served eligible citizens were awarded funding. Payments for the program ended in 2022 and the program is no longer funded by the Department. As a result, the Department does not plan to implement any corrective action.</p> <p>Similar conditions noted in this finding were previously reported in finding 2022-021 for the Emergency Rental Assistance program which was also funded by SLFRF.</p> <p>Not applicable</p> <p>Gena Allen, CFE                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	032	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Coronavirus State and Local Fiscal Recovery Fund.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$0</td> </tr> </table> Corrective action complete  During 2022, the Department identified the need to determine subrecipient and contractor classifications on the face sheet of all contracts. The Department implemented the following actions: <ul style="list-style-type: none"> <li>• Added a check box to all federal contract template face sheets to designate whether a contract is issued to a subrecipient or contractor.</li> <li>• Added all federal subaward required data elements to the face sheet.</li> </ul> October 2022  Gena Allen, CFE Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	033	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it filed all reports required by the Federal Funding Accountability and Transparency Act for the Title I, Part A program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.010</td> <td style="text-align: right;">\$0</td> </tr> </table> Corrective action complete  In response to the audit finding, the Office: <ul style="list-style-type: none"> <li>• Established effective internal controls to ensure all required Federal Funding Accountability and Transparency Act reports are submitted. This includes ensuring Title IA is included in the cross-check of all federal programs after manual entries have been completed in the Subaward Reporting System.</li> <li>• Ensures management monitors reporting of this information monthly to ensure future reports are submitted completely and accurately.</li> </ul> October 2023  Michelle Sartain Grants Management Supervisor PO Box 47200 Olympia, WA 98504-7200 (360) 742-2045 <a href="mailto:Michelle.sartain@k12.wa.us">Michelle.sartain@k12.wa.us</a>	<u>Assistance Listing #</u>	<u>Amount</u>	84.010	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
84.010	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2023	034	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with requirements to ensure it met the earmarking requirements for the Special Education program.</p> <table border="0" data-bbox="673 546 1104 703"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>84.027</td> <td>\$378,206</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> <tr> <td>84.173 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>When the Special Education program underwent a fiscal leadership transition in 2021, the incoming director identified necessary changes in agency procedures for closing out fiscal year (FY) 2021. The director and budget analyst have been maintaining weekly check-ins since May 2022 to discuss the implementation of proper internal controls.</p> <p>Beginning in FY 2023, the Office has fully implemented processes to ensure spending plans do not exceed the maximum allowable amounts earmarked for administration and other state-level activities.</p> <p>The updated procedures require the director of operations and the budget analyst to perform the following:</p> <ul style="list-style-type: none"> <li>• Review criteria for spending plans at the beginning of the fiscal year.</li> <li>• Review the Grant Award Notice and Grants to States Summary Table and Preschool Grants to States Summary Table.</li> <li>• Review spending plans and update the maximum allowable amounts earmarked for administration and other state-level activities in the spending plan throughout the fiscal year.</li> <li>• Meet weekly to review spending plans and update plans as requests are received.</li> <li>• Review monthly expenditure reports during weekly meetings.</li> </ul> <p>These updated procedures have contributed to increased communication and partnership between the director of Operations and the budget analyst. These internal controls provide assurance that the Office will meet earmarking requirements and compliance with federal rules.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2022-025.</p> <p>March 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$378,206	84.027 COVID-19		84.173		84.173 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
84.027	\$378,206												
84.027 COVID-19													
84.173													
84.173 COVID-19													

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	034 (cont'd)	Agency Contact:	Tania May Assistant Superintendent, Special Education PO Box 47200 Olympia, WA 98504-7200 (360) 725-6075 <a href="mailto:Tania.may@k12.wa.us">Tania.may@k12.wa.us</a>

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2023	035	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction improperly charged \$42,265 to the Special Education Cluster.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>84.027</td> <td>\$42,265</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> <tr> <td>84.173 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>As stated in the finding, the Office has adequate internal controls to comply with period of performance requirements. To address the allowable periods for journal vouchers (corrections), the Office will ensure the correction cycle will align with federally established liquidation periods.</p> <p>In response to the finding, the Office has updated procedures to strengthen internal controls, as follows:</p> <ul style="list-style-type: none"> <li>• Monitor monthly expenditures to ensure the Office stays within the allowable pre-determined threshold and grant award limit.</li> <li>• Complete expenditure corrections within the grant liquidation period.</li> <li>• Liquidate obligations charged to the grant on the last business day of January (or 120 days after the budget period ends).</li> <li>• Request prior approval of late liquidations from the federal grantor as needed.</li> </ul> <p>The Office will communicate the corrective action plan with internal stakeholders to ensure compliance with updated process/procedures.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>January 2024</p> <p>Amy Kollar              Director of Agency Financial Services              PO Box 47200              Olympia, WA 98504-7200              (360) 725-6283  <a href="mailto:Amy.kollar@k12.wa.us">Amy.kollar@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$42,265	84.027 COVID-19		84.173		84.173 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
84.027	\$42,265												
84.027 COVID-19													
84.173													
84.173 COVID-19													

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2023	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.027</td> <td>\$0</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> <tr> <td>84.173 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>In April 2022, the Office’s Special Education division revised and expanded the form package that Educational Service Districts (ESDs) need to submit as part of year-end reporting. Additionally, ESDs are required to respond to a series of questions and provide applicable documentation for contracts and procurement, time and effort process and reports, documentation for professional development expenditures, and year-end expenditure reports.</p> <p>Based on the results from monitoring activities over year-end reporting, ESDs will be selected for additional monitoring and may be subject to an onsite visit if deemed necessary.</p> <p>In March 2023, the Office finalized the Fiscal Monitoring Procedures Handbook for ESDs. The following corrective actions have been implemented:</p> <ul style="list-style-type: none"> <li>• ESDs were required to upload documentation by February 1, 2024.</li> <li>• The Office completed a review of submitted documents and issued reports to ESDs as of February 29, 2024. The reports identified required or recommended corrective actions.</li> <li>• The Office issued final reports to ESDs within 60 calendar days after documentation was reviewed, as of April 30, 2024.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-026 and 2021-023.</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:Tania.may@k12.wa.us">Tania.may@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$0	84.027 COVID-19		84.173		84.173 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
84.027	\$0												
84.027 COVID-19													
84.173													
84.173 COVID-19													

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	037	Finding:  Questioned Costs:  Status:  Corrective Action:        Completion Date:  Agency Contact:	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.</p> <table border="0"> <thead> <tr> <th data-bbox="654 552 812 579"><u>Assistance Listing #</u></th> <th data-bbox="1003 552 1094 579"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="654 579 812 609">84.425D</td> <td data-bbox="1003 579 1094 609">\$0</td> </tr> <tr> <td data-bbox="654 609 812 638">84.425R</td> <td></td> </tr> <tr> <td data-bbox="654 638 812 667">84.425U</td> <td></td> </tr> <tr> <td data-bbox="654 667 812 697">84.425V</td> <td></td> </tr> <tr> <td data-bbox="654 697 812 726">84.425W</td> <td></td> </tr> </tbody> </table> <p>Corrective action not required</p> <p>The Office does not concur with the audit finding.</p> <p>The Office maintains monthly monitoring details on agency expenditures. The expenditure data has not changed since the close of the fiscal year. The finding was based on preliminary information and data that the auditors obtained in November 2023.</p> <p>In December 2023, the Office submitted updated expenditure data to the Office of Elementary and Secondary Education (OESE) in accordance with OESE guidance to correctly include every budgeted funding source in the maintenance of effort (MOE) calculations. The Office met the MOE requirement for fiscal year 2023; therefore, there is no need for a waiver request.</p> <p>The Office will also continue to work with the Legislature, which is the state-level authority for state appropriations, to ensure the state maintains the MOE requirements.</p> <p>Not applicable</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.425D	\$0	84.425R		84.425U		84.425V		84.425W	
<u>Assistance Listing #</u>	<u>Amount</u>														
84.425D	\$0														
84.425R															
84.425U															
84.425V															
84.425W															



Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	038	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal reporting requirements for the Education Stabilization Fund program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>84.425D</td> <td>\$0</td> </tr> <tr> <td>84.425R</td> <td></td> </tr> <tr> <td>84.425U</td> <td></td> </tr> <tr> <td>84.425V</td> <td></td> </tr> <tr> <td>84.425W</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>Certain data elements missing on the annual Elementary and Secondary School Emergency Relief (ESSER) performance report was not due to lack of internal controls, but rather a result of:</p> <ul style="list-style-type: none"> <li>Late publication of the federal reporting template which did not allow timely collection of cost details from school districts.</li> <li>Non-alignment of reporting time frame with school district fiscal year and the decision against assumptions of state level expenditure for reporting.</li> </ul> <p>To address the audit recommendations, the Office is organizing a series of webinars and trainings for school districts, so they are prepared to annually submit required key information directly to the Office for ESSER reporting. Through these training events, the Office’s fiscal team can answer questions and assist districts to ensure timely and accurate reporting and comply with federal requirements.</p> <p>The Office has been having ongoing conversations with the U.S. Department of Education regarding federal reporting on the ESSER funds. At this time, there is no indication that the grantor will request the information to be resubmitted.</p> <p>Estimated June 2024</p> <p>TJ Kelly                      Chief Financial Officer                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6301  <a href="mailto:Thomas.Kelly@k12.wa.us">Thomas.Kelly@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.425D	\$0	84.425R		84.425U		84.425V		84.425W	
<u>Assistance Listing #</u>	<u>Amount</u>														
84.425D	\$0														
84.425R															
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	039	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.044</td> <td>\$0</td> </tr> <tr> <td>93.044 COVID-19</td> <td></td> </tr> <tr> <td>93.045</td> <td></td> </tr> <tr> <td>93.045 COVID-19</td> <td></td> </tr> <tr> <td>93.053</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of January 2024, the Department:</p> <ul style="list-style-type: none"> <li>Created a subawards and amendments tracking spreadsheet with the required fields and contract information for reports required by the Federal Funding Accountability and Transparency Act (FFATA).</li> <li>Assigned two fiscal staff to ensure FFATA reporting activities are submitted in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS).</li> </ul> <p>As of February 2024, the Department:</p> <ul style="list-style-type: none"> <li>Ensured federal fiscal year 2024 funded contracts that were executed in December 2023 for the Office of Aging were entered in FSRS.</li> <li>Added procedures for the Office Chief or designee to review the subawards and amendments tracking spreadsheet monthly for FFATA reporting to ensure federal deadlines are met consistently.</li> </ul> <p>By July 2024, the Department will collaborate with the Administration of Community Living to develop a plan to address the FFATA reporting backlog in state fiscal years 2022 and 2023, and to ensure all FFATA reports are entered in FSRS for all previous years.</p> <p>Estimated July 2024</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.044	\$0	93.044 COVID-19		93.045		93.045 COVID-19		93.053	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.044	\$0														
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	040	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it communicated federal award identification elements to subrecipients of the Aging Cluster Programs.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.044</td> <td>\$0</td> </tr> <tr> <td>93.044 COVID-19</td> <td></td> </tr> <tr> <td>93.045</td> <td></td> </tr> <tr> <td>93.045 COVID-19</td> <td></td> </tr> <tr> <td>93.053</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>The Department receives Notices of Award (NOA) from the Administration of Community Living roughly three to four times per award in partial amounts.</p> <p>To reduce the time and effort it takes to issue subaward amendments to the 13 Area Agencies on Aging (AAA), the Department decided to post NOAs on the Department’s intranet used to communicate management bulletins and other documents to the AAAs to make the process more efficient.</p> <p>Unfortunately, the Department did not update subaward language to outline this change in the process.</p> <p>By August 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Include NOAs, with the required 14 federal identification elements, for each funding source in the initial subaward as an Exhibit D in the contracts. In addition, contract staff will ensure Exhibit D is attached to the initial subaward before the contracts are signed.</li> <li>• Add language to the subaward informing the AAAs that future NOAs will be posted on the Department’s intranet.</li> </ul> <p>Estimated August 2024</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.044	\$0	93.044 COVID-19		93.045		93.045 COVID-19		93.053	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.044	\$0														
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	041	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Aging Cluster programs obtained required single audits.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.044</td> <td>\$0</td> </tr> <tr> <td>93.044 COVID-19</td> <td></td> </tr> <tr> <td>93.045</td> <td></td> </tr> <tr> <td>93.045 COVID-19</td> <td></td> </tr> <tr> <td>93.053</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of March 2024, the Department:</p> <ul style="list-style-type: none"> <li>• Issued communication and management letters to the two Area Agencies on Aging (AAAs) whose single audits were not submitted to the Federal Audit Clearinghouse (FAC).</li> <li>• Updated the single audit monitoring tracking sheet to document the dates of audit requests, receipts, dates of review, confirmation of FAC receipt, dates of communication with AAAs, dates when management letters are sent, and the AAAs' responses.</li> </ul> <p>By July 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Implement a reminder process for all AAAs to submit single audit reports six months after the subrecipients' fiscal year-end.</li> <li>• Send email reminders until audit reports are received or once AAAs communicate an estimated audit completion date.</li> <li>• Document all communication.</li> </ul> <p>By September 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Review the monitoring tracking sheet nine months after the subrecipients' fiscal year-end to ensure all single audits are received timely.</li> <li>• Follow up monthly on outstanding audit reports and ensure timely issuance of management decision letters.</li> </ul> <p>Estimated September 2024</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.044	\$0	93.044 COVID-19		93.045		93.045 COVID-19		93.053	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.044	\$0														
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93.045 COVID-19															
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University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	042	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The University of Washington did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.067</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The University acknowledges that two reports were submitted late, and therefore not in compliance with Federal Funding Accountability and Transparency Act (FFATA) requirements.</p> <p>As of November 2023, the University submitted the two reports in the FFATA Subaward Reporting System and performed a review of all active subawards to ensure no other reports were required.</p> <p>The University is still working on developing automatic internal reports to assist in the identification and review of FFATA-reportable actions. Implementation of this process is expected to occur in the fiscal year 2025.</p> <p>Meanwhile, the University is working toward implementing additional steps to:</p> <ul style="list-style-type: none"> <li>• Strengthen identification of subawards meeting the threshold for FFATA reporting through manual assessment or ad-hoc reports.</li> <li>• Improve tracking of submitted FFATA reports.</li> <li>• Strengthen management’s monitoring process through a secondary review by the leadership team.</li> </ul> <p>The automatic reports, once developed, will replace the manual process described above.</p> <p>The conditions noted in this finding were previously reported in finding 2022-029.</p> <p>Estimated December 2024</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98105-4718                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.067	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
93.067	\$0						

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	043	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The University of Washington did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it followed up on findings and issued management decisions.</p> <table border="0" data-bbox="673 577 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.067</td> <td></td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The University uses an initial certification process to determine whether a subrecipient is subject to the single audit and requests a copy of or link to the online audit report. If the subrecipient is not subject to the single audit, a series of questions are asked and a risk assessment is carried out based on the information gathered.</p> <p>The University does not have an automatic annual process to determine if a subrecipient has received the required single or program-specific audits. Rather, the University relies on the terms of the subaward, which requires the subrecipient to certify that they:</p> <ul style="list-style-type: none"> <li>• Continue to comply with the Uniform Guidance requirements.</li> <li>• Notify the University of adverse findings.</li> <li>• If not subject to the single audit, provide copies of the most recent program audit or other financial statement audit to allow the University to assess internal controls.</li> </ul> <p>To address the audit finding, the University updated the initial certification form to allow for a more definitive determination of whether a subrecipient is subject to the single audit. The University will also strengthen internal controls by:</p> <ul style="list-style-type: none"> <li>• Verifying with publicly available information to confirm if the audit requirement is applicable.</li> <li>• Implementing an annual assessment for each active federal subaward utilizing questionnaire and publicly available information to be aware of any findings or questioned costs.</li> <li>• Updating tracking mechanism to document each initial and ongoing assessment.</li> </ul> <p>The University will continue to issue written management decisions for all applicable audit findings and ensure subrecipients develop and perform acceptable corrective actions to address all audit recommendations.</p> <p>The conditions noted in this finding were previously reported in finding 2022-030.</p> <p>Estimated December 2024</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.067		\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
93.067		\$0							

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	043 (cont'd)	Agency Contact:	Erick Winger Controller 4300 Roosevelt Way NE Seattle, WA 98105-4718 (206) 543-5322 <a href="mailto:erickw@uw.edu">erickw@uw.edu</a>

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	044	<p>Finding: The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.</p> <p>Questioned Costs: <u>Assistance Listing #</u> <u>Amount</u>                      93.268 \$416,027                      93.268 COVID-19</p> <p>Status: Corrective action not taken</p> <p>Corrective Action: The Department does not concur with the finding.</p> <p>The Department disagrees with the State Auditor’s Office (SAO) assessment of a material weakness in internal controls over the consolidated contract provider payment process for the Immunizations Cooperative Agreements program. The level of documentation received from the subrecipient accounting system provided assurance that the exceptions questioned by SAO met federal cost principles for allowability and period of performance.</p> <p>The Department has established processes in place to ensure payments are allowable and meet cost principles for the program. These include:</p> <ul style="list-style-type: none"> <li>• Program staff maintain detailed budget information for each subrecipient by project area, and as A-19s are submitted, program and accounting staff update budget spreadsheets. When reviewing the support provided by the subrecipient, staff ensure amounts submitted by project are reasonable and align with expectations for the budget period submitted.</li> <li>• Program staff refer to the federal Immunization Program Operations Manual to determine procedures related to allowable costs, purchases, and procurement.</li> <li>• The Fiscal Monitoring Unit provides technical assistance and training to program staff and subrecipients while onsite and at the request of the entities receiving funding.</li> <li>• Program staff provides policy guidance, technical assistance, and training to subrecipients related to program compliance requirements.</li> </ul> <p>The program has continued to strengthen processes to ensure supporting documentation aligns with the agency’s documentation matrix for subrecipients in accordance with assigned risk level.</p> <p>The Department is planning on meeting with federal grantors to work through the exceptions and questioned costs identified in the finding.</p> <p>The conditions noted in this finding were previously reported in finding 2022-031.</p>



Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	044 (cont'd)	Completion Date: Not applicable  Agency Contact: Jeff Arbuckle External Audit Manager PO Box 47890 Olympia, WA 98504-7890 (360) 701-0798 <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a>

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	045	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.268</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.268 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department agrees with the finding.</p> <p>In response to the prior year’s finding, the Department implemented procedures to ensure Federal Funding Accountability and Transparency Act (FFATA) reports are submitted timely, and management performs and documents review of the reports before submission in the FFATA Subaward Reporting System (FSRS). These include using the signature date of the subaward documents as the obligation date to ensure timely submission of the FFATA reports.</p> <p>Due to the timing of the audit, the above procedures were not in place during all of state fiscal year 2023, which resulted in some of the exceptions noted by the auditors.</p> <p>As stated in the finding’s <i>Cause of Condition</i>, the subaward amendments were submitted late because the transition of the Data Universal Numbering System number to Unique Entity Identifier had caused significant delays for sub-awardees to provide the updated identifier information for reporting in FSRS.</p> <p>The conditions noted in this finding were previously reported in finding 2022-032.</p> <p>October 2022</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.268	\$0	93.268 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.268	\$0								
93.268 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2023	046	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls to ensure payments to subrecipients were allowable, met cost principles, and were within the period of performance for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0" data-bbox="673 577 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.323</td> <td></td> <td style="text-align: right;">\$1,735</td> </tr> <tr> <td>93.323 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The Department disagrees with the State Auditor’s Office (SAO) assessment of a material weakness in internal controls over the consolidated contract provider payment process for the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program. The Department has established processes in place to ensure payments are allowable and meet cost principles for the program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients with regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the ELC program has monitoring controls in place and evidence of review at the program level. Program staff maintain a detailed spreadsheet that documents review and approval and includes any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>The Department is planning on meeting with federal grantors to work through the exceptions and questioned costs identified in the finding.</p> <p>The conditions noted in this finding were previously reported in finding 2022-033.</p> <p>Not applicable</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.323		\$1,735	93.323 COVID-19		
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93.323		\$1,735										
93.323 COVID-19												

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	047	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with suspension and debarment requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0"> <tr> <td data-bbox="673 552 966 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 552 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="673 579 966 606">93.323</td> <td data-bbox="1003 579 1094 606">\$0</td> </tr> <tr> <td data-bbox="673 606 966 634">93.323 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>During the COVID-19 pandemic, the Department operated under a competitive procurement waiver in order to expedite funding to critical partners throughout the state. Efforts to accelerate contracts combined with the misperception that Educational Service Districts (ESD) are an extension of the Office of Superintendent of Public Instruction prompted the decision to use an Interagency Agreement, and no suspension and debarment check was performed at the time the contract was signed.</p> <p>This was an isolated occurrence, and the Department has corrected the error moving forward to include the suspension and debarment clause with all ESD contracts.</p> <p>July 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.323	\$0	93.323 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.323	\$0								
93.323 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	048	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0"> <tr> <td data-bbox="673 552 966 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 552 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="673 581 966 609">93.323</td> <td data-bbox="1003 581 1094 609">\$0</td> </tr> <tr> <td colspan="2" data-bbox="673 611 966 638">93.323 COVID-19</td> </tr> </table> <p>Corrective action complete</p> <p>In response to the fiscal year 2022 audit recommendations, the Department implemented procedures to ensure management review and approval of the fiscal report, Case Investigation and Contact Tracing (CICT) report, and the Reopening Schools testing report are documented and retained before submission to the federal grantor.</p> <p>At the beginning of fiscal year 2023, the auditors were still conducting field work for the prior year’s audit. Procedures were not in place at that time when reports were submitted to the Case Risk and Exposure Surveillance Tool and RedCap systems. As a result, corrective actions were not fully implemented during the current audit year.</p> <p>The CICT reporting was discontinued as of August 2023, and the Reopening Schools project ended after July 31, 2023.</p> <p>The conditions noted in this finding were previously reported in finding 2022-034.</p> <p>January 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.323	\$0	93.323 COVID-19	
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93.323	\$0								
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Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure subrecipients of the Epidemiology and Laboratory Capacity for Infectious Diseases program received required single audits, and that it appropriately followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.323</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.323 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department will review internal controls to ensure:</p> <ul style="list-style-type: none"> <li>• Timely review of federal subrecipient single audits.</li> <li>• Management decision letters are issued to subrecipients.</li> <li>• Subrecipients take timely and appropriate action on all deficiencies pertaining to the federal award.</li> </ul> <p>Management will monitor the control activities to ensure future compliance with the requirements.</p> <p>Estimated December 2024</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.323	\$0	93.323 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.323	\$0								
93.323 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2023	050	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with fiscal monitoring requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0" data-bbox="673 546 1104 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.323</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.323 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Department has implemented corrective actions to address the prior year’s finding and does not concur with this finding.</p> <p>The State Auditor’s Office (SAO) did not report on the subrecipient review process in its entirety. The Department’s Fiscal Monitoring Unit (FMU) is not an audit department and functions differently than what SAO recommended in the finding. Federal guidance does not require a certain percentage of samples to be selected to ensure adequate review.</p> <p>The Department’s subrecipient monitoring process is comprehensive and involves the steps outlined below:</p> <ul style="list-style-type: none"> <li>• Complete initial risk assessment of subrecipients post contract execution to determine the level of support required from each entity as backup documentation for payment requests.</li> <li>• Program contract managers review supporting documentation prior to payment.</li> <li>• FMU conducts subrecipient monitoring visits to ensure each entity has adequate internal controls to comply with federal requirements. This includes:                         <ul style="list-style-type: none"> <li>○ Reviewing at least three months of invoices submitted by subrecipients and judgmentally selecting transactions based on subject matter expertise about DOH, specific programs, and federal guidance. The review includes ensuring adequate supporting documentation is maintained for invoiced amounts, such as timesheets and receipts.</li> <li>○ Reviewing entity policies, procedures, and history of compliance.</li> <li>○ Assessing manual and automated internal controls, and applicable cost allocation methodology.</li> <li>○ Reviewing applicable contracts.</li> </ul> </li> </ul> <p>Each entity has a consistent internal control structure across all funding types. As such, FMU performs subrecipient monitoring site reviews of the entity, not for a specific grant. The reviewers are required to document all grants received by the entity and select a few transactions from each, if applicable. FMU typically selects to review a quarter of the invoiced amounts. If a grant award is not represented in the invoices selected, FMU will select additional invoices to ensure all awards are included.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.323		\$0	93.323 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.323		\$0										
93.323 COVID-19												

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	050 (cont'd)	Similar conditions noted in this finding were previously reported in finding 2022-033.  Completion Date: Not applicable  Agency Contact: Jeff Arbuckle External Audit Manager PO Box 47890 Olympia, WA 98504-7890 (360) 701-0798 <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a>



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	051	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with Temporary Assistance for Needy Families funds were allowable and properly supported.</p> <table border="0" data-bbox="673 577 1153 640"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.558</td> <td style="text-align: right;">\$107,338,725</td> </tr> </table> <p>Corrective action in progress</p> <p>The Working Connections Child Care (WCCC) program was previously managed by the Department of Social and Health Services (DSHS) and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the Temporary Assistance for Needy Families grant. This consisted of making significant grant level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements were met. The Department’s grant adjustments were processed based on eligible clients and allowable activities.</p> <p>The Department does not currently have the staff to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by the State Auditor’s Office. In response to the auditor’s recommendations, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided to develop and maintain the business process that would allow adjustments to include child-level data beginning July 2024.</p> <p>The conditions noted in this finding were previously reported in findings 2022-035 and 2021-028.</p> <p>Estimated December 2025</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.558	\$107,338,725
<u>Assistance Listing #</u>	<u>Amount</u>						
93.558	\$107,338,725						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	052	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Refugee and Entrant Assistance program.</p> <table border="0" data-bbox="678 583 1096 646"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.566</td> <td></td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the auditor’s findings.</p> <p>The Department will immediately report all first tier subawards, including amendments, totaling \$30,000 or more to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS).</p> <p>By June 2024, to ensure ongoing compliance with the FFATA reporting requirements, the Department will:</p> <ul style="list-style-type: none"> <li>• Establish effective internal controls and written procedures to ensure:                             <ul style="list-style-type: none"> <li>○ All first-tier subawards of \$30,000 or more are reported.</li> <li>○ Grant amendments for initial awards that are below \$30,000 are tracked as soon as the modifications trigger reporting requirements.</li> <li>○ Reports for submission contain the required data elements.</li> </ul> </li> <li>• Implement and communicate the procedures for reporting first tier subawards to the Division of Finance and Financial Resources (DFFR) for inputting into FSRS.</li> <li>• Develop written procedures for inputting subawards appropriately in FSRS and will communicate those procedures to DFFR staff.</li> </ul> <p>By July 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Compile the required data elements for the 29 first tier subawards and the 18 subaward amendments, in addition to any new subawards in fiscal year 2024 that meet the reporting threshold, and report to DFFR for input into FSRS.</li> <li>• Work with DFFR to develop and subsequently implement a process to verify all subawards and subaward amendments have been reported in FSRS.</li> </ul> <p>Estimated July 2024</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.566		\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
93.566		\$0							

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	052 (cont'd)	Agency Contact:	Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	053	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Refugee and Entrant Assistance programs received required single audits, and that it followed up on findings and issued management decisions.</p> <table border="0" data-bbox="672 611 1096 674"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.566</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>By September 2024, the Department’s Office of Refugee and Immigrant Assistance (ORIA) will follow up with the remaining 35 subrecipients and require the completion of the Subrecipient Federal Financial Assistance form for fiscal year 2023, as needed.</p> <p>By November 2024, ORIA will:</p> <ul style="list-style-type: none"> <li>• Follow up with the remaining 35 subrecipients to verify that they completed a single audit if they received \$750,000 or more in federal assistance.</li> <li>• Inform any subrecipients that have not been audited about the single audit requirement.</li> <li>• Work with Economic Services Administration (ESA) accounting staff to review all completed audit reports and, for any findings found, issue a management decision on the effectiveness of the subrecipients’ proposed corrective actions to address the findings.</li> <li>• Work with ESA accounting unit to establish and implement effective internal controls and written procedures to:                         <ul style="list-style-type: none"> <li>○ Identify subrecipients who receive \$750,000 or more annually in federal assistance from all sources.</li> <li>○ Verify if subrecipients complete required audits, if applicable, and take appropriate action if audits are not completed.</li> <li>○ Review single and program-specific audit reports for findings.</li> <li>○ Write and issue a management decision, when appropriate, within six months outlining the Department’s determination of the adequacy of the subrecipient’s proposed corrective actions to address the finding.</li> <li>○ Monitor the subrecipient’s corrective action plan for timely and effective completion.</li> </ul> </li> </ul> <p>By December 2024, ESA accounting staff will track and monitor subrecipient activities to ensure appropriate and timely corrective action is taken to resolve single and programmatic audit findings.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.566	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
93.566	\$0						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	053 (cont'd)	<p>By March 2025, ORIA and ESA accounting unit will train all program staff responsible for monitoring the new procedures to ensure a full understanding of the shared responsibilities for compliance with department policies.</p> <p>Completion Date: Estimated March 2025</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan				
2023	054	<p>Finding: The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal requirements to perform fiscal and program monitoring of subrecipients for the Refugee and Entrant Assistance programs.</p> <p>Questioned Costs: <table border="0" style="display: inline-table; vertical-align: top;"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.566</td> <td style="text-align: right;">\$0</td> </tr> </table></p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Department concurs with the finding.</p> <p>In response to a prior audit finding, the Department’s Office of Refugee and Immigrant Assistance (ORIA) developed a subrecipient versus contractor determination tool. However, this tool was not formalized until April 2023, and implementation and training occurred in April through June 2023.</p> <p>The Department is taking action to strengthen internal controls over subrecipient monitoring for ORIA’s contracts.</p> <p>By July 2024, the Department will:</p> <ul style="list-style-type: none"> <li>• Complete a review of all active contracts utilizing federal funding to ensure subrecipients are accurately identified.</li> <li>• Explore the feasibility of increasing ORIA and Economic Services Administration accounting staff resources to support the workload increase associated with monitoring subrecipients.</li> </ul> <p>By October 2024, the Department will convene a work group with contracts and accounting staff to create effective internal controls and written procedures for fiscal and program monitoring of ORIA’s subrecipient contracts. This will include the following:</p> <ul style="list-style-type: none"> <li>• Verify the subrecipient status for each contract is correctly determined and recorded in the Agency Contracts Database.</li> <li>• Include the required subrecipient language in the contract.</li> <li>• Obtain a copy of the indirect rate certification or cost allocation plan from the subrecipient.</li> <li>• Complete risk assessments.</li> <li>• Create appropriate monitoring plans for each subrecipient.</li> <li>• Conduct fiscal monitoring of each subrecipient to obtain assurance that the use of federal funds complies with federal laws and regulations.</li> <li>• Create corrective action plans when required.</li> </ul> <p>By January 2025, the Department will ensure all ORIA program staff responsible for monitoring receive training on the updated procedures.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.566	\$0
<u>Assistance Listing #</u>	<u>Amount</u>					
93.566	\$0					

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	054 (cont'd)	Completion Date: Estimated January 2025  Agency Contact: Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2023	055	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Low-Income Home Energy Assistance Program.</p> <table border="0" data-bbox="673 546 1104 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.568</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.568 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Low-Income Home Energy Assistance Program (LIHEAP) utilized a reporting process that was audited as part of the fiscal year 2023 audit. The LIHEAP program has the following process:</p> <ul style="list-style-type: none"> <li>• The program manager prepares the necessary reports.</li> <li>• The managing director reviews reports before submittal.</li> <li>• The program manager submits reports once the managing director’s approval is received.</li> <li>• The program manager receives notice that the report has been accepted by the grantor.</li> <li>• The program manager saves a copy of the report, documentation and the report submission acceptance from the grantor.</li> </ul> <p>To address the deficiencies reported by the auditors, program management implemented additional steps into their reporting process:</p> <ul style="list-style-type: none"> <li>• The LIHEAP program manager retains all data reports from the LIHEAP data system used for reporting.</li> <li>• LIHEAP information technology staff save a snapshot of the entire database from the date of the report. This allows point-in-time reporting information to be retained as audit support documentation and for audit support.</li> <li>• The managing director sends written/email approval to the program manager for reports reviewed.</li> <li>• The program manager retains written approvals as audit support documentation and for audit support.</li> </ul> <p>Following the auditors’ recommendations, the LIHEAP program submitted updated Grantee Survey and Household Reports, which were accepted by the grantor’s awarding portal.</p> <p>The conditions noted in this finding were previously reported in findings 2022-039 and 2021-032.</p> <p>March 2024</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.568		\$0	93.568 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.568		\$0										
93.568 COVID-19												



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	055 (cont'd)	Agency Contact:	Gena Allen, CFE Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	056	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with federal requirements to ensure subawards for the Low-Income Home Energy Assistance Program contained the federal award identification elements.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.568</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.568 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has two programs that administer and award Low-Income Home Energy Assistance Program (LIHEAP) funds: the Energy Assistance program and the Weatherization program.</p> <p>The Energy Assistance program created a plan to improve the documentation and communication regarding required federal award identification elements to ensure compliance with 2 CFR 200.332, which outlines requirements for pass-through entities. For all contracts:</p> <ul style="list-style-type: none"> <li>• The Federal Award Identification Number (FAIN) will be included on the face sheet, information sheet, and section one in each contract. This will eliminate errors resulting from multiple federal awards being issued from a single contract.</li> <li>• The information will be entered by the LIHEAP Commerce Specialist and reviewed by the LIHEAP Program Manager and the Community and Economic Opportunities Managing Director prior to execution of each contract.</li> </ul> <p>The Weatherization program will also follow this process to correct similar deficiencies reported by the auditors.</p> <p>In the spring of 2023, the Department instituted an agency-wide process to comply with the Requirements for Pass Through Entities in 2 CFR 200.332. A template is completed and provided to all federal subrecipients at the time the subaward is issued. The agency requirements were also communicated through our Daily Digest Communication, once in 2022 and again in 2023. Additionally, the Internal Control Officer has worked with program staff to familiarize them with the requirements and process.</p> <p>December 2023</p> <p>Gena Allen, CFE              Internal Control Officer              PO Box 42525              Olympia, WA 98504-2525              (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.568	\$0								
93.568 COVID-19									

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	057	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to perform risk assessments and monitor subrecipients of the Low-Income Home Energy Assistance Program.</p> <table border="0"> <tr> <td data-bbox="678 583 971 611"><u>Assistance Listing #</u></td> <td data-bbox="1003 583 1094 611"><u>Amount</u></td> </tr> <tr> <td data-bbox="678 615 971 642">93.568</td> <td data-bbox="1003 615 1094 642">\$0</td> </tr> <tr> <td data-bbox="678 646 971 674">93.568 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has two programs that administer and award Low-Income Home Energy Assistance Program (LIHEAP) funds: the Energy Assistance program and the Weatherization program. There were no issues identified with the Energy Assistance program.</p> <p>The Weatherization program has improved its risk assessment process to include the following:</p> <ul style="list-style-type: none"> <li>• Provided proper training and development to new program staff to ensure risk assessments are completed on time.</li> <li>• Expanded the list of approvers for all steps within the risk assessment process, including supervisors, to demonstrate a thorough review process is in place.</li> </ul> <p>The Weatherization program has improved the monitoring process by incorporating the following:</p> <ul style="list-style-type: none"> <li>• Perform monitoring visits of all subrecipients per federal requirements two times per year instead of one.</li> <li>• Complete a full review and assessment of the monitoring process by the Compliance Manager and monitoring team.</li> <li>• Update all monitoring related forms, tools, and protocols to ensure accuracy, consistency, and completeness. The updated protocols will be in place in program year 2024.</li> <li>• Maintain an expanded list of approvers, including supervisors, for all steps within the monitoring process.</li> <li>• Continue to monitor all subrecipients at a level that exceeds federal program requirements of 5% of completed units.</li> <li>• Create a plan for addressing the monitoring frequency of high-risk subrecipients.</li> <li>• Monitor all associated funding sources to ensure compliance with program rules.</li> <li>• Utilize our data system and monitoring activities to evaluate the objectives for monitoring LIHEAP funds in the Weatherization program.</li> </ul> <p>January 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.568	\$0								
93.568 COVID-19									

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	057 (cont'd)	Agency Contact:	Gena Allen, CFE Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	058	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the Child Care and Development Fund Cluster programs were allowable and properly supported.</p> <table border="0" data-bbox="667 583 1479 709"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.575</td> <td style="text-align: center;">356,042,172</td> </tr> <tr> <td></td> <td style="text-align: center;">93.575 COVID-19</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), Administration for Children &amp; Families (ACF), which oversees the CCDF program at the federal level, reviews all State Auditor’s Office (SAO) findings and issues management decision letters. The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:</p> <p style="padding-left: 40px;"><i>“The ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”</i></p> <p>In addition, ACF did not sustain the disallowance of questioned costs and stated:</p> <p style="padding-left: 40px;"><i>“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”</i></p> <p>The ACF recommended:</p> <p style="padding-left: 40px;"><i>“...that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.”</i></p> <p>The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the activities allowed finding was not substantiated.</p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.575	356,042,172		93.575 COVID-19			93.596	
	<u>Assistance Listing #</u>	<u>Amount</u>													
	93.575	356,042,172													
	93.575 COVID-19														
	93.596														

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	058 (cont'd)	<p>The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO.</p> <p>In response to the auditor’s recommendations, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided to develop and maintain the business process that would allow adjustments to include child-level data beginning July 2024.</p> <p>The conditions noted in this finding were previously reported in findings 2022-041, 2021-033, 2020-038, 2019-035, 2018-034, 2017-024, 2016-021, 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31, 9-12 and 8-13.</p> <p>Completion Date: Estimated December 2025</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

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Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2023	059	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with client eligibility requirements for child care services paid with the Child Care and Development Fund and Temporary Assistance for Needy Families funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.558</td> <td>\$0</td> </tr> <tr> <td>93.575</td> <td></td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department will continue to maintain internal controls using our program integrity procedures, utilizing a combination of centralized and local case reviews to identify error trends, identify root causes, and develop solutions to the root causes.</p> <p>To address the fiscal year 2023 eligibility audit findings, the Department will:</p> <ul style="list-style-type: none"> <li>• Conduct root cause analysis of internal audit findings, particularly for cases with errors due to household composition and approved activities, and develop appropriate corrective actions as needed.</li> <li>• Develop and deliver updated household composition training for all staff.</li> <li>• Improve and publish the desk aid outlining simplified eligibility determination process that includes procedures for those families who do not have an approved activity.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-036, 2021-035, 2020-039, 2019-032, 2018-030, 2017-026, 2016-023, 2015-026, 2014-026, 2013-017 and 2012-30.</p> <p>Estimated July 2024</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.558	\$0	93.575		93.575 COVID-19		93.596	
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Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2023	060	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="673 577 1096 703"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), Administration for Children &amp; Families (ACF), which oversees the CCDF program at the federal level, reviews all State Auditor’s Office (SAO) findings and issues management decision letters. The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:</p> <p style="padding-left: 40px;"><i>“The ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”</i></p> <p>In addition, ACF did not sustain the disallowance of questioned costs and stated:</p> <p style="padding-left: 40px;"><i>“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”</i></p> <p>The ACF recommended:</p> <p style="padding-left: 40px;"><i>“...that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.”</i></p> <p>The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the activities allowed finding was not substantiated.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
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Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	060 (cont'd)	<p>The Department is committed to collaborating with SAO to determine an appropriate methodology that identifies a sampling unit that can be used to accurately test compliance. The SAO maintained that the program is not auditable without child-level data. The Department does not currently have the staff and resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO.</p> <p>In response to the auditor’s recommendations, the Department submitted a budget request for the 2024 supplemental budget. Funding was provided to develop and maintain the business process that would allow adjustments to include child-level data beginning July 2024.</p> <p>The conditions noted in this finding were previously reported in findings 2022-042, 2021-036 and 2020-040.</p> <p>Completion Date: Estimated December 2025</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

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Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	061	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with period of performance requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="673 546 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> <td></td> </tr> <tr> <td>93.596</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), Administration for Children &amp; Families (ACF), which oversees the CCDF program at the federal level, reviews all State Auditor’s Office (SAO) findings and issues management decision letters. The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:</p> <p style="padding-left: 40px;"><i>“The ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”</i></p> <p>In addition, ACF did not sustain the disallowance of questioned costs and stated:</p> <p style="padding-left: 40px;"><i>“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”</i></p> <p>The ACF recommended:</p> <p style="padding-left: 40px;"><i>“...that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.”</i></p> <p>The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the activities allowed finding was not substantiated.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575		\$0	93.575 COVID-19			93.596		
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2023	062	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with financial reporting requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="673 546 1096 672"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), Administration for Children &amp; Families (ACF), which oversees the CCDF program at the federal level, reviews all State Auditor’s Office (SAO) findings and issues management decision letters. The Department received a management decision letter dated October 3, 2023, from HHS for finding 2021-033 (2020-038) which states:</p> <p><i>“The ACF noted that the auditor raised concern about the Department’s accounting procedures and efforts made to trace expenditures at the transaction-level. As the basis for the finding, the auditor used CFRs (200.53, 200.303, 200.403, 200.410) that do not apply to CCDF. Federal regulations allow Lead Agencies to expend and account for CCDF funds in accordance with their own procedures.”</i></p> <p>In addition, ACF did not sustain the disallowance of questioned costs and stated:</p> <p><i>“Although the Department’s internal controls were lacking, the ACF has not identified any funds that were expended on ineligible activities.”</i></p> <p>The ACF recommended:</p> <p><i>“...that the Department work with the auditors to determine an appropriate methodology that can be tested to ensure child care payments comply with Federal regulations.”</i></p> <p>The Department met with ACF and SAO on November 8, 2023, to discuss the ACF decision at which time ACF upheld the above statements that the activities allowed finding was not substantiated.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
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2023	063	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act for the Child Care and Development Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding.</p> <p>During the audit period, the Department experienced a high level of staff turnover and vacancy rates resulting in missed and inaccurate Federal Funding Accountability and Transparency Act (FFATA) reporting.</p> <p>As of October 2023, the Department implemented the following corrective actions:</p> <ul style="list-style-type: none"> <li>• Reviewed written policies and procedures with cost allocation and grant management staff.</li> <li>• Corrected the FFATA reports in question and submitted them in the Subaward Reporting System.</li> </ul> <p>The Department is committed to strengthening internal controls and complying with FFATA reporting requirements. Management will continue to monitor the process to ensure future reports are submitted accurately and completely.</p> <p>October 2023</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
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Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	064	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with health and safety requirements for the Child Care and Development Fund program.</p> <table border="0" data-bbox="673 546 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> <td></td> </tr> <tr> <td>93.596</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is strongly committed to ensuring the health, safety, and well-being of all children in care.</p> <p>The Department concurs with the finding and has taken the following actions:</p> <ul style="list-style-type: none"> <li>• In the fall of 2022, the Department began recruiting new staff to address staff turnover issues and providing training on child care licensing rules and regulations.</li> <li>• In November 2022, added new positions to assist supervisors with onboarding and training new staff and focused training on monitoring visits, caseload management, and health and safety requirements.</li> <li>• Implemented a data driven, phased in approach, to return staff to in-person field work after the COVID-19 pandemic:                         <ul style="list-style-type: none"> <li>○ In July 2022, implemented return to in-person field work by reducing pandemic level requirements and authorizing staff to visit providers on-site to assist with meeting health and safety requirements.</li> <li>○ In February 2023, developed and implemented a field practice onboarding process to streamline training for newly hired staff on practices to support the annual monitoring of all licensed child care providers.</li> <li>○ In the spring of 2023, prioritized monitoring visits to return to compliance with Child Care and Development Fund program health and safety requirements.</li> </ul> </li> <li>• Conducted a root cause analysis to determine other underlying causes for missed monitoring visits and untimely follow-ups, and how to address them.</li> <li>• For license-exempt family, friend, and neighbor (FFN) providers, the Department:                         <ul style="list-style-type: none"> <li>○ Received approval from the Office of Child Care for a hybrid monitoring approach (in-person and virtual visits).</li> <li>○ Dedicated staff resources to update the WA Compass system to include all health and safety requirements for FFNs and address data format issues.</li> </ul> </li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575		\$0	93.575 COVID-19			93.596		
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Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	064 (cont'd)	<p>The Department will continue to strengthen internal controls as follows:</p> <p>For licensed providers:</p> <ul style="list-style-type: none"> <li>• Create in-training licensing positions to assist with staff recruitment efforts.</li> <li>• Continue to track and monitor health and safety requirements with available tools until all WA Compass system development is completed.</li> <li>• Examine ways to secure resources to add additional full-time staff to support caseload needs.</li> </ul> <p>For FFN providers:</p> <ul style="list-style-type: none"> <li>• Continue to track and monitor FFN health and safety requirements with available tools until all WA Compass system development is completed.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-045, 2021-039, 2020-042, 2019-039, 2018-035, 2017-025, 2016-022 and 2015-024.</p> <p>Completion Date: Estimated July 2025</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>



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2023	065	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate controls over and did not comply with certain requirements of its Public Assistance Cost Allocation Plan.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td>\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding and is committed to improving internal controls.</p> <p>The Department did not have adequate staffing levels to maintain the business processes for one monthly workbook for the Public Assistance Cost Allocation Plan. The Department was not able to complete the September 2022 workbook for cost base 100 (administrative charges) due to competing state and federal fiscal year close deadlines. Available staff were focused on grant reconciliations and closing out the prior fiscal year financial transactions.</p> <p>The Department has reviewed the base edit form written procedures with staff and added monthly reminders for the Cost Allocation and Grants Management Unit. In addition, the Department has confirmed that all cost base 100 workbooks have been properly completed for the state fiscal year 2024.</p> <p>The conditions noted in this finding were previously reported in finding 2022-047.</p> <p>March 2024</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
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2023	066	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure payments to providers for travel and family visits were allowable and adequately supported for the Foster Care program.</p> <table border="0"> <tr> <td data-bbox="670 548 966 579"><u>Assistance Listing #</u></td> <td data-bbox="998 548 1089 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="670 579 966 611">93.658</td> <td data-bbox="998 579 1089 611">\$0</td> </tr> <tr> <td data-bbox="670 611 966 642">93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department is committed to strengthening internal controls and complying with grant requirements. As stated in the finding's <i>Cause of Condition</i>, the Department was unable to fully implement the prior corrective action plan during the audit period.</p> <p>In April 2023, the Fiscal Integrity Unit collaborated with other divisions to implement the following internal controls:</p> <ul style="list-style-type: none"> <li>• Utilized algorithms in the Sprout system to identify reimbursement requests outside of a reasonable amount.</li> <li>• Required providers to submit additional documentation or explanation for those identified amounts.</li> <li>• Implemented a re-run process for prior billing periods to eliminate potential double billings by providers.</li> <li>• Trained headquarters and field office accounting staff to utilize the new algorithms and review additional documentation prior to processing payments.</li> <li>• Required program staff review and approval of all vendor invoices prior to release of payment for the Eastern Washington regions.</li> </ul> <p>In January 2024, the Fiscal Integrity Unit identified and implemented regional program approvals for Western Washington providers.</p> <p>The Contracts office has also taken the following actions:</p> <ul style="list-style-type: none"> <li>• In August 2023, filled one vacant staff position dedicated to reviewing child welfare contracts to include family time visit payments.</li> <li>• In November 2023, developed compliance audit plans for child welfare contracts and began fiscal monitoring of family time visit payments.</li> <li>• In December 2023, filled an additional vacant staff position dedicated to reviewing child welfare contracts.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-048 and 2021-040.</p> <p>January 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
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Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	067	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure monthly foster care maintenance payments to children’s caregivers were adequate and accurate for the Foster Care program.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is committed to strengthening internal controls and complying with grant requirements. As stated in the finding’s <i>Cause of Condition</i>, the Department utilizes FamLink as the case management system for the Foster Care program which, due to system limitations, did not have the reporting capabilities to track rate setting reviews during the audit period.</p> <p>To assist with tracking rate setting requirements, the Department:</p> <ul style="list-style-type: none"> <li>• Created a new report in FamLink to assist rate assessors in identifying six-month reviews that have not been performed timely.</li> <li>• Implemented monthly tracking by supervisors to assist with internal controls and compliance.</li> </ul> <p>In response to the auditor’s recommendations and to assist in compliance, the Department has submitted a request to the technical team for an update to the report to also show when the next rate assessment is due.</p> <p>Estimated June 2024</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2023	068	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure group care facility employees and adults residing in prospective caregivers' households had cleared background checks before having unsupervised access to children.</p> <table border="0" data-bbox="672 583 1096 674"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department partially concurs with the finding.</p> <p>The auditors identified two exceptions where fingerprint checks for two family foster home adults were completed two days later than the required timeline of 15 calendar days. The delay was due to the misspelling of one applicant's last name in the system. Upon correction, the applicants subsequently completed the fingerprint checks and were determined eligible.</p> <p>As stated in the finding's <i>Cause of Condition</i>, the Department developed a corrective action plan to address the internal control deficiencies in response to the prior year's finding which had not been fully implemented within the current audit period. The Department is confident that all staff who work with children and youth have cleared background checks.</p> <p>As of April 1, 2023, the Department implemented a new process for processing background checks for group care facilities to strengthen internal controls, documentation, and clarification on the "effective date." The updated process is outlined below:</p> <ul style="list-style-type: none"> <li>• A new form was created with clear instructions for the group care facilities to provide the applicant/employee information, including the background check confirmation code, directly to the Department's Background Check Unit (BCU).</li> <li>• The BCU works with the applicant/employee through the fingerprint background check process.</li> <li>• The results are sent directly to the BCU, at which time they complete a child abuse/neglect history check and if needed a suitability assessment. The BCU documents the results in FamLink with the date the background check is completed.</li> <li>• The BCU emails the results to the group care facility and the Department's Licensing Division (LD) group. If the applicant/employee is cleared and is not a renewal, LD staff adds the applicant/employee to the group care facility in FamLink with the clearance information attached.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-050.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.658		\$0	93.658 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.658		\$0										
93.658 COVID-19												

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	068 (cont'd)	Completion Date: April 2023  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	069	Finding:  Questioned Costs:  Status:  Corrective Action:   Completion Date:  Agency Contact:	The Department of Children, Youth, and Families did not have adequate internal controls over reporting requirements for the Foster Care program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.658 COVID-19</td> <td></td> </tr> </table> Corrective action complete  The Department partially concurs with the finding.  The Department acknowledges that errors were made in the crosswalks and quarterly reports submitted during the audit period. To address the auditor’s specific finding, the Department has: <ul style="list-style-type: none"> <li>• Reviewed and updated all electronic versions of the quarterly crosswalks for accuracy.</li> <li>• Submitted corrections for the federal fiscal year 2023 Quarter 3 report.</li> </ul> The conditions noted in this finding were previously reported in finding 2022-051.  February 2024  Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	070	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable and properly supported for the Social Services Block Grant.</p> <table border="0" data-bbox="673 577 1120 640"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.667</td> <td>\$8,518,020</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department maintains that funds were not improperly charged to the Social Services Block Grant (SSBG) program. The Department utilizes grant-level management for all federal funds, including the SSBG program. This process consists of making grant-level adjustments between allowable grant sources to properly spend grant funds within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG funds to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data recommended by the State Auditor’s Office (SAO) for some transfers.</p> <p>Cost objectives within the accounting system are used to track SSBG funding. Expenditures eligible for the SSBG program are transferred at the cost objective level and not the transaction level. The SAO tested a sample of 16,006 payments which totaled 94% of total provider payments charged to the grant. SAO found that all payments were for activities that were supported, allowable, authorized, and accurate.</p> <p>SAO is questioning the costs of the remaining payments because the transfer of expenditures was not completed at the transaction level. Those remaining payments were transferred from eligible and allowable expenditures for the SSBG program. The Department is committed to collaborating with SAO to determine an appropriate methodology which identifies a sampling unit that can be used to accurately test compliance.</p> <p>In response to the auditor’s recommendations, the Department will develop and maintain a business process that would allow adjustments to include transaction level data.</p> <p>Estimated December 2025</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.667	\$8,518,020
<u>Assistance Listing #</u>	<u>Amount</u>						
93.667	\$8,518,020						



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	071	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure cash draws for the Social Services Block Grant were properly supported.</p> <table border="0" data-bbox="673 546 1120 619"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.667</td> <td style="text-align: center;">\$1,504,566</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department maintains that funds were not improperly charged to the Social Service Block Grant (SSBG) program. This is a two-year grant that the Department spends down in one fiscal year. The expenditures drawn were allowable and within the period of performance and the one exception identified was due to the timing of expenditure transfers.</p> <p>The Department utilizes grant-level management for all federal funds, including the SSBG program. This process consists of making grant-level adjustments between allowable grant sources to properly spend grant dollars within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG funds to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data recommended by the State Auditor’s Office (SAO) for some transfers. The Department is committed to collaborating with SAO to determine an appropriate methodology which identifies a sampling unit that can be used to accurately test compliance.</p> <p>In response to the auditor’s recommendations, the Department will develop and maintain a business process that would allow adjustments to include transaction level data.</p> <p>Estimated December 2025</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.667	\$1,504,566
	<u>Assistance Listing #</u>	<u>Amount</u>							
	93.667	\$1,504,566							

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	072	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with reporting requirements to ensure reports were complete and accurate for the Social Services Block Grant program.</p> <table border="0" data-bbox="672 583 1096 646"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.667</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department maintains that funds were not improperly charged or reported for the Social Services Block Grant (SSBG) program. The Department provided the State Auditor’s Office (SAO) with detailed expenditure data reports, email documentation showing management’s review of the expenditures being charged to the SSBG program, and changes being requested prior to federal submission. In addition, the federal reporting system creates an email after certification, which the Department shared with the SAO.</p> <p>The Department utilizes grant-level management for all federal funds, including the SSBG program. This process consists of making grant-level adjustments between allowable grant sources to properly spend grant funds within the allowable period of performance and ensure level of effort and matching requirements are met. The Department allocated the SSBG funds to eligible clients and allowable activities in compliance with 45 CFR 98.67 but did not include the level of data recommended by the SAO for some transfers. The Department is committed to collaborating with SAO to determine an appropriate methodology which identifies a sampling unit that can be used to accurately test compliance.</p> <p>In response to the auditor’s recommendations, the Department will:</p> <ul style="list-style-type: none"> <li>• Review internal controls and federal requirements related to SSBG reporting.</li> <li>• Develop and maintain a business process that would allow adjustments to include transaction level data.</li> </ul> <p>Estimated December 2025</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.667	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
93.667	\$0						

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan																	
2023	073	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$0</td> </tr> <tr> <td>93.767 COVID-19</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>Audited financial reports:                      The Authority agrees it allowed Managed Care Organizations (MCO) to submit annual audited financial reports in accordance with Statutory Accounting Principles to be consistent with the standards used by the Washington State Office of the Insurance Commissioner. The Authority will amend contract language to require MCOs to submit audited financial reports prepared in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards, in order to comply with federal requirements.</p> <p>The Managed Care Oversight Audit Plan details the scheduled audits and prioritizes the various required audits. Going forward, the audit plan will list more specific information regarding the requirements and these changes will be added to the strategic plan.</p> <p>Periodic audits:                      The Authority does not concur with the auditor’s opinion that periodic audits must be “conducted and fully complete” at least once every three years. The federal regulations found in 42 CFR §438.602 specifically states:  <i>“The State must periodically, but no less frequently than once every 3 years, conduct, or contract for the conduct of, an independent audit...”</i></p> <p>The term “complete” is not included in the federal regulations. The Authority will reach out to the Centers for Medicare &amp; Medicaid Services to confirm its interpretation of the regulation.</p> <p>The conditions noted in this finding were previously reported in findings 2022-054 and 2021-048.</p> <p>Estimated July 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$0	93.767 COVID-19		93.775		93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>																		
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93.778																			
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	073 (cont'd)	Agency Contact:	Kari Summerour, CPA External Audit Compliance Manager PO Box 45502 Olympia, WA 98504-5502 (360) 725-9586 <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan																	
2023	074	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and Children’s Health Insurance Program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$0</td> </tr> <tr> <td>93.767 COVID</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority does not concur that four providers did not receive a proper license check, nor that the backdated provider was noncompliant with regulations prior to receiving a National Provider Identifier (NPI). When a provider’s license expires, the Authority enters an end date for the provider taxonomy to prevent future payments. The Authority does not pay claims without an NPI and this is compliant with federal requirements.</p> <p>Corrective action has been in process to address revalidation issues. As of January 1, 2024, the Authority implemented a system change moving the revalidation date to 90 days before the end of the five-year period.</p> <p>The Authority is developing additional procedures to strengthen internal controls over provider enrollment.</p> <p>The conditions noted in this finding were previously reported in findings 2022-055, 2021-047, 2020-046, 2019-048, 2018-042, 2017-033, and 2016-035.</p> <p>Estimated December 2024</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$0	93.767 COVID		93.775		93.777		93.777 COVID		93.778		93.778 COVID	
<u>Assistance Listing #</u>	<u>Amount</u>																		
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93.777																			
93.777 COVID																			
93.778																			
93.778 COVID																			

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	075	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority improperly charged \$3,491 to the Medicaid program.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.778</td> <td>\$3,491</td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Authority partially concurs with the finding. The condition identified by the auditors was the result of federal requirements in place during the COVID-19 public health emergency. The condition will be addressed by existing procedures during the unwinding process.</p> <p>No corrective action is necessary.</p> <p>In accordance with 42 U.S.C. § 1396b(u), questioned costs will not be repaid as they do not exceed the allowable error rate of three percent of total expenditures verified by the Center for Medicare and Medicaid Services Payment Error Rate Measurement process.</p> <p>Not applicable</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.778	\$3,491	93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.778	\$3,491								
93.778 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	076	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure timely review of hospital complaints.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department has a process to screen complaints for possible imminent danger and will evaluate current procedures to identify necessary changes to ensure initial screening dates are properly reflected for subsequent assessment and review.</p> <p>The Department will also strengthen internal controls to ensure our licensing and regulatory systems are sufficient in managing the process of handling all facilities complaints to capture the screening for imminent danger within two working days. Once that process is complete, the Department will perform quarterly audits to confirm and document that timely screening of complaints is taking place as required.</p> <p>The Department will also identify strategies to improve staffing challenges and stability.</p> <p>Estimated December 2024</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
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93.778 COVID-19															

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	077	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid Program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$576,072</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that the Medicaid Provider Disclosure Statement (MPDS) forms for the identified exceptions were not obtained within the five-year revalidation timeline due to the increased workload during the public health emergency. The Department does not agree all the exceptions should result in questioned costs.</p> <p>The Department is disputing the questioned costs related to one nursing home, totaling \$231,810. Although the MPDS was not submitted within the five-year revalidation timeline, the Department determined there were no changes to ownership or managing employees since the previous MPDS form was received.</p> <p>As of March 2023, automated provider screenings are completed monthly for all providers as required.</p> <p>As of March 2024, the Department’s nursing home revalidation process was modified to provide guidance to staff when a nursing home does not provide the required MPDS during the 5-year revalidation period. The process includes procedures prior to termination of the contract to ensure resident safety and choice, as well as when to stop payment.</p> <p>By December 2024, the Department will consult with the U.S. Department of Health and Human Services (HHS) regarding the disagreement with the \$231,810 of questioned costs. The Department will work with HHS regarding the remaining \$344,262 of questioned costs and take additional action as appropriate.</p> <p>The conditions noted in this finding were previously reported in finding 2022-059.</p> <p>Estimated December 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$576,072	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$576,072														
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2023	077 (cont'd)	Agency Contact: Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	078	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid intermediate care facilities.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that it did not meet the Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID) Survey requirements, due to the backlog created by the public health emergency and a 20 percent staff vacancy rate. The Department does not agree that it was due to lack of internal controls. It was through applied internal controls that we identified concerns and were able to allocate resources to meet the most serious concerns.</p> <p>As of March 2024, the Department:</p> <ul style="list-style-type: none"> <li>Met the 15.9-month recertification timeline.</li> <li>Created a statement of deficiency and plan of correction tracking tool in Smartsheet for each team in Residential Care Services to track deadlines. This system generates automatic email alerts to key staff on approaching deadlines and when recertification deadlines have arrived.</li> </ul> <p>The 12.9-month statewide average is based on the overall average of months for all ICF-IID surveys, which included some of those surveys that were in a significant backlog due to the pandemic. Statistically, even when the state is meeting the 15.9-month timeframe for each home and lowering the number of months between surveys, it is expected that the bell curve average will take time to shift toward 12.9 months. The Department believes this will be achieved by January 2026.</p> <p>The conditions noted in this finding were previously reported in findings 2020-053, 2019-061, 2018-052, 2017-042, 2016-037, 2015-045, 2014-046.</p> <p>Estimated January 2026</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID		93.778		93.778 COVID	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	079	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not have adequate internal controls over and did not comply with survey requirements for Medicaid nursing homes.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that it did not meet the Nursing Home Recertification Survey requirements, due to the backlog created by the public health emergency and a 20 percent staff vacancy rate. The Department does not agree that it was due to lack of internal controls. It was through applied internal controls that we identified the need to hire a contractor to assist with the recertification backlog to meet compliance requirements.</p> <p>As of March 2024, the Department met the 15.9-month recertification timeline.</p> <p>The 12.9-month statewide average is based on the overall average of months for all nursing home surveys, which included some of those surveys that were in a significant backlog due to the pandemic. Statistically, even when the state is meeting the 15.9-month timeframe for each home and lowering the number of months between surveys, it is expected that the bell curve average will take time to shift toward 12.9 months. The Department believes this will be achieved by January 2026.</p> <p>The conditions noted in this finding were previously reported in finding 2020-054.</p> <p>Estimated January 2026</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	080	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services' Aging and Long-Term Support Administration did not have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that it did not meet the Immediate Jeopardy and Non-Immediate Jeopardy complaint timelines due to the backlog created by the public health emergency and a 20 percent staff vacancy rate. The Department does not agree that it was due to lack of internal controls.</p> <p>Over the past two years, the Department had 30 new staff who were not certified to complete investigations independently; there were only three available trainers who spent the majority of their time in 2022 and early 2023 addressing training needs. Once staff completed the training and applied for certification, testing sites were limited resulting in staff having difficulty finding available testing slots. In late 2022, this process transitioned from in-person to virtual which provided greater opportunity for timelier certification.</p> <p>As of March 31, 2023, all staff have the required certification, and the training backlog has been resolved.</p> <p>As of February 2024, Immediate Jeopardy (2 days) complaints were completed on time. The Department implemented a procedure to review the status of intakes at the regional level monthly to ensure timelines continue to remain compliant for Immediate Jeopardy complaints.</p> <p>By June 2024, the Department will ensure Non-Immediate Jeopardy intakes are completed in a timely manner. Once the Department is in compliance with Non-Immediate Jeopardy complaints, the monthly review procedures will also be implemented.</p> <p>The conditions noted in this finding were previously reported in findings 2022-057 and 2021-054.</p> <p>Estimated June 2024</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2023	080 (cont'd)	Agency Contact:	Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	081	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.</p> <table border="0"> <thead> <tr> <th data-bbox="672 575 971 604"><u>Assistance Listing #</u></th> <th data-bbox="1003 575 1089 604"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="672 604 971 634">93.775</td> <td data-bbox="1003 604 1089 634">\$0</td> </tr> <tr> <td data-bbox="672 634 971 663">93.777</td> <td></td> </tr> <tr> <td data-bbox="672 663 971 693">93.777 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="672 693 971 722">93.778</td> <td></td> </tr> <tr> <td data-bbox="672 722 971 751">93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Health Care Authority partially concurs with the audit finding.</p> <p>The Authority does not audit inpatient hospital cost reports because it is not a federal requirement. The Authority has updated the Washington Administrative Code and its State Plan to align with federal regulations.</p> <p>The Authority partially concurs with the auditor’s assertion that it does not audit hospital and financial and statistical records. The Authority contracts for audits of Disproportionate Share Hospitals which includes roughly half of the hospitals in Washington. These audits include other financial and statistical records and meet this requirement. The auditor was provided information regarding these audits. The Authority will develop a desk audit process to review the financial statements of Washington hospitals, as necessary, and will create policies and procedures related to this process.</p> <p>The Authority does not concur with the auditor’s conclusion that it does not audit hospital billings or have methodology, policies, or procedures related to these audits. The Authority conducts utilization review and payment integrity audits of inpatient hospitals on an ongoing basis, which includes verification of billed charges. This information is well-documented and was provided to the auditor during the audit.</p> <p>The Authority will continue to formally document its internal controls over this compliance area.</p> <p>The conditions noted in this finding were previously reported in findings 2022-060, 2021-051, and 2020-049.</p> <p>Estimated October 2024</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2023	082	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority does not concur with the auditor’s conclusion that it needs to update the state plan to include all methods and procedures used to safeguard against unnecessary utilization of care and services. The Authority has received written guidance from the Centers for Medicare &amp; Medicaid Services (CMS) that it does not need to individually list the methods and procedures but rather complete the template document in the state plan and select from a list of applicable methods. CMS approved this portion of the state plan effective July 1, 2023.</p> <p>The Authority has adequate internal controls to ensure compliance with utilization control requirements and partially concurs with the auditor’s recommendation related to implementing and monitoring a statewide surveillance and utilization control program. The Authority recently updated the Fraud and Detection System (FADS) and is in the process of updating policies and procedures related to FADS operation and the statewide surveillance and utilization control program. The FADS system triggers alerts and judgmental sampling is used by staff to assess risk and determine follow-up procedures. The system is in its early implementation phase and the Authority is still in the process of establishing written criteria.</p> <p>The conditions noted in this finding were previously reported in findings 2022-061, 2021-050, 2020-047, 2020-048, 2019-052, 2019-053, and 2018-047.</p> <p>Estimated December 2024</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
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Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2023	083	Finding:  Questioned Costs:  Status:  Corrective Action:          Completion Date:  Agency Contact:	<p>The Department of Social and Health Services did not have adequate internal controls to ensure individuals are eligible to receive benefits for the Money Follows the Person program.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.791</td> <td>\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that the Financial and Social Services Communication (14-443) forms were not provided to terminate the enrollment of the four exceptions identified in the finding. However, in those exceptions, the Roads to Community Living (RCL) disenrollment communication was made in accordance with the existing Nursing Facility Case Management policy as defined in Chapter 10 of the <i>Long-Term Care (LTC) Manual</i>. In addition, all clients met eligibility criteria for RCL services or were converted to another Home and Community Based program within the 365-day RCL demonstration year limitation.</p> <p>In these cases, the client was converted to a state plan or waiver with the new program start date noted on the 14-443 forms. The 14-443 form is a communication tool used by the Department’s public benefit specialists. For Modified Adjusted Gross Income (MAGI) enrolled Medicaid participants, benefits are managed by the Washington State Health Care Authority and the 14-443 form is not required or used by the Department’s public benefit specialists. This MAGI beneficiary communication detail was not articulated in the RCL chapter of the LTC Manual.</p> <p>As of May 2024, the Department updated Chapter 29 of the LTC Manual to clarify instructions related to when the 14-443 form must be completed for MAGI participants and what needs to be included on the form when it is required.</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.791	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
93.791	\$0						



Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	084	Finding:  Questioned Costs:  Status:  Corrective Action:       Completion Date:  Agency Contact:	<p>The Health Care Authority did not have adequate internal controls to ensure payments to providers for the Block Grants for Prevention and Treatment of Substance Abuse program were allowable and met period of performance requirements.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td>\$3,447,346</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Authority does not concur with the finding.</p> <p>The Authority maintains that its internal controls are effective, and procedures are compliant with grant requirements. No corrective action will be implemented.</p> <p>The costs questioned by the auditor do not reflect funds that have been paid or drawn from the grantor. As a result, there are no funds to return to the grantor.</p> <p>The conditions noted in this finding were previously reported in findings 2022-067, 2021-057, and 2020-059.</p> <p>Not applicable</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$3,447,346	93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.959	\$3,447,346								
93.959 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	085	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate internal controls over earmarking requirements for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td><u>Assistance Listing #</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td>\$0</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>Monthly tracking workbooks are being completed and reviewed throughout the fiscal year. To address the audit recommendation, the Authority implemented formal communication for review of the monthly tracking workbooks and began maintaining documentation of the review in December 2022.</p> <p>The Authority is in compliance with the earmarking requirements of the program. No further procedural changes are needed.</p> <p>The conditions noted in this finding were previously reported in findings 2022-068 and 2021-056.</p> <p>December 2022</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$0	93.959 COVID-19	
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93.959	\$0								
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	086	Finding:  Questioned Costs:  Status:  Corrective Action:          Completion Date:  Agency Contact:	<p>The Authority did not have adequate internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority concurs with the finding.</p> <p>The Authority implemented the following to comply with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Office of Contracts and Procurement includes a Federal Funding Accountability and Transparency Act (FFATA) form as the last attachment in all subawards and ensures it is complete prior to forwarding it to Grants Accounting.</li> <li>• Grants Accounting staff were trained on an interim process to routinely monitor FFATA contracts forwarded by the Office of Contracts and Procurement and enter agency information into the FFATA Subaward Reporting System.</li> </ul> <p>The Authority will establish a validation process to ensure executed subawards are identified for reporting and completed reports are reviewed. The Authority will also formalize internal processes into procedures and continue to provide training to staff involved in the process.</p> <p>The conditions noted in this finding were previously reported in findings 2022-069 and 2021-058.</p> <p>Estimated June 2024</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$0	93.959 COVID-19	
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93.959	\$0								
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Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2023	087	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	<p>The Health Care Authority did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse program received required single audits, and that it appropriately followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td colspan="2" style="text-align: right;">93.959 COVID-19</td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>Effective July 2023, the Authority transitioned the subrecipient monitoring single audit tracking process to a new unit. The Authority will:</p> <ul style="list-style-type: none"> <li>• Implement and formalize new procedures to ensure subrecipients receive required single audits.</li> <li>• Follow up on findings and issue timely management decisions.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-066.</p> <p>Estimated June 2024</p> <p>William Sogge, CPA, CIA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$0	93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.959	\$0								
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