

COMMONWEALTH OF MASSACHUSETTS

**UNIFORM GUIDANCE
SINGLE AUDIT REPORT**

YEAR ENDED JUNE 30, 2022

COMMONWEALTH OF MASSACHUSETTS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	4
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	10
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SUMMARY OF AUDITORS' RESULTS	29
FINANCIAL STATEMENT FINDINGS	31
FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS	36

**INDEPENDENT AUDITORS' 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***

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts
Boston, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Massachusetts (Commonwealth), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements and have issued our report thereon dated June 20, 2023. Our report contains emphasis of matter paragraphs for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, correction of errors, and other auditors' report on the financial statements of the Massachusetts Department of Transportation. Our report also includes a reference to other auditors who audited the financial statements of certain activities, funds and component units of the Commonwealth, which represent the indicated percentages of total assets and total revenues as described in our report on the Commonwealth's financial statements and as presented in the following table.

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Governmental Activities	Lotteries Fund; Massachusetts School Building Authority Fund	5.03%	8.67%
Business-Type Activities	University of Massachusetts; State Universities; Community Colleges	73.03%	10.29%
Lotteries Fund	Lotteries Fund	8.02%	100.00%
Massachusetts School Building Authority Fund	Massachusetts School Building Authority Fund	100.00%	100.00%
University of Massachusetts	University of Massachusetts	100.00%	100.00%
State Universities	State Universities	100.00%	100.00%
Community Colleges	Community Colleges	100.00%	100.00%
Aggregate Remaining Fund Information	External Investment Trust Funds	26.47%	54.27%

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

Opinion Unit	Entity	Percent of Opinion Unit's Total	
		Assets	Revenues / Additions
Aggregate Discretely Presented Component Units	Massachusetts Department of Transportation; Massachusetts Bay Transportation Authority; Commonwealth Health Insurance Connector; Massachusetts Convention Center Authority; Massachusetts Development Finance Agency; Massachusetts Clean Energy Center; Massachusetts Technology Park Corporation; Massachusetts Housing Partnership; Economic Development Entities; Higher Education Foundations	89.96%	98.05%

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors. The financial statements of the Massachusetts Municipal Depository Trust, the Massachusetts Housing Partnership Fund, and the Massachusetts Growth Capital Corporation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or reportable instances of noncompliance associated with these entities.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be material weaknesses.

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commonwealth'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*.

The Commonwealth's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the findings identified in our audit and described in the accompanying schedule if findings and questioned costs. The Commonwealth's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commonwealth'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 Commonwealth's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Boston, Massachusetts
May 31, 2023

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts
Boston, Massachusetts

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Commonwealth of Massachusetts' (the Commonwealth) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commonwealth's major federal programs for the year ended June 30, 2022. The Commonwealth's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

As discussed in Note 1 to the schedule of expenditures of federal awards, the Commonwealth's basic financial statements include the operations of certain entities whose federal awards are not included in the accompanying schedule of expenditures of federal awards for the year ended June 30, 2022. Our audit, described below, did not include the operations of the entities identified in note 1 as these entities conducted separate audits in accordance with the Uniform Guidance, if required.

Summary of Opinions

Major Federal Program/Cluster	Type of Opinion
Child and Adult Care Food Program	Qualified
Unemployment Insurance	Qualified
WIOA Cluster	Qualified
Highway Planning and Construction Cluster	Qualified
Low-Income Home Energy Assistance	Qualified
Child Nutrition Cluster	Unmodified
Moving to Work Demonstration Program	Unmodified
Crime Victim Assistance	Unmodified
Emergency Rental Assistance	Unmodified
Homeowner Assistance Fund	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	Unmodified

Major Federal Program/Cluster	Type of Opinion
Rehabilitation Services - Vocational Rehabilitation Grants to States	Unmodified
Education Stabilization Fund	Unmodified
Child Support Enforcement	Unmodified
Adoption Assistance	Unmodified
Childrens Health Insurance Program	Unmodified
Medicaid Cluster	Unmodified
Disability Insurance/SSI Cluster	Unmodified

Qualified Opinions on the Five Major Federal Programs Identified in the Preceding Table

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Commonwealth complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the identified major programs for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs Identified in the Preceding Table

In our opinion, the Commonwealth complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commonwealth and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commonwealth's compliance with the compliance requirements referred to above.

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

Matters Giving Rise to Qualified Opinion on the Five Major Federal Programs Identified in the Following Table

As described in the accompanying schedule of findings and questioned costs, the Commonwealth did not comply with the requirements regarding:

Program	Assistance Listing	Noncompliance	Finding Number
Child and Adult Care Food Program	10.558	Eligibility Subrecipient Monitoring	2022-004
Unemployment Insurance	17.225	Matching	2022-005
WIOA Cluster	17.258, 17.259, 17.278	Reporting - Financial	2022-010
WIOA Cluster	17.258, 17.259, 17.278	Reporting - FFATA	2022-011
Highway Planning and Construction Cluster	20.205, 20.219	Suspension and Debarment	2022-014
Low-Income Home Energy Assistance	93.568	Reporting - FFATA	2022-018

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commonwealth’s federal programs.

Auditors’ 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 Commonwealth’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commonwealth’s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commonwealth'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 Commonwealth'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 Commonwealth's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, 2022-006, 2022-007, 2022-008, 2022-009, 2022-012, 2022-013, 2022-015, 2022-016, 2022-017, 2022-019, and 2022-020. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Commonwealth's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commonwealth'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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

and questioned costs as items 2022-004, 2022-005, 2022-010, 2022-011, 2022-014, and 2022-018 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, 2022-006, 2022-007, 2022-008, 2022-009, 2022-012, 2022-013, 2022-015, 2022-016, 2022-017, 2022-019, and 2022-020 to be significant deficiencies.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements.

We issued our report thereon dated May 31, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mr. William McNamara, Comptroller
Commonwealth of Massachusetts

CliftonLarsonAllen LLP

Boston, Massachusetts
REPORT DATE

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S Department of Agriculture:			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ -	\$ 4,050,655
10.093	Voluntary Public Access and Habitat Incentive Program	116,986	116,986
10.170	Specialty Crop Block Grant Program - Farm Bill	348,189	373,448
10.171	Organic Certification Cost Share Programs	11,088	11,088
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	-	53,351
10.536	CACFP Training Grants	36,074	41,530
10.541	Child Nutrition-Technology Innovation Grant	-	649,711
10.542	COVID-19 - Pandemic EBT Food Benefits	-	320,608,368
10.545	Farmers' Market Supplemental Nutrition Assistance Program Support Grants	98,892	98,892
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	75,459,479	84,951,938
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	5,687,021	5,687,021
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	81,146,500	90,638,959
10.558	Child and Adult Care Food Program	52,415,950	53,343,179
10.558	COVID-19 - Child and Adult Care Food Program	8,399,251	8,412,371
	Total Child and Adult Care Food Program	60,815,201	61,755,550
10.560	State Administrative Expenses for Child Nutrition	-	5,253,883
10.572	WIC Farmers' Market Nutrition Program (FMNP)	-	451,946
10.576	Senior Farmers Market Nutrition Program	-	504,913
10.578	WIC Grants To States (WGS)	-	13,525
10.579	Child Nutrition Discretionary Grants Limited Availability	454,086	454,086
10.649	COVID-19 - Pandemic EBT Administrative Costs	1,260,799	4,919,308
10.664	Cooperative Forestry Assistance	213,154	1,550,259
10.676	Forest Legacy Program	514,786	677,885
10.680	Forest Health Protection	-	37,064
10.698	State & Private Forestry Cooperative Fire Assistance	34,647	34,647
10.868	Rural Energy for America Program	39,917	39,917
10.931	Agricultural Conservation Easement Program	1,143,863	2,166,332
SNAP Cluster:			
10.551	Supplemental Nutrition Assistance Program	3,764	3,392,038,170
10.551	COVID-19 - Supplemental Nutrition Assistance Program	-	500
	Total Supplemental Nutrition Assistance Program	3,764	3,392,038,670
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	4,769,314	77,375,218
10.561	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	7,507,166
	Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	4,769,314	84,882,384
	Total SNAP Cluster	4,773,078	3,476,921,054
Child Nutrition Cluster:			
10.555	National School Lunch Program	537,305,150	537,339,457
10.555	COVID-19 - National School Lunch Program	43,840,527	43,843,187
	Total National School Lunch Program	581,145,677	581,182,644
10.559	Summer Food Service Program for Children	46,026,886	46,561,628
10.559	COVID-19 - Summer Food Service Program for Children	-	12,837
	Total Summer Food Service Program for Children	46,026,886	46,574,465
10.582	Fresh Fruit and Vegetable Program	3,061,745	3,230,055
	Total Child Nutrition Cluster	630,234,308	630,987,164

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture (continued):			
Food Distribution Cluster:			
10.565	Commodity Supplemental Food Program	\$ 202,875	\$ 203,809
10.565	COVID-19 - Commodity Supplemental Food Program	15,871	15,871
	Total Commodity Supplemental Food Program	218,746	219,680
10.568	Emergency Food Assistance Program (Administrative Costs)	1,502,659	1,615,282
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)	604,663	654,663
	Total Emergency Food Assistance Program (Administrative Costs)	2,107,322	2,269,945
	Total Food Distribution Cluster	2,326,068	2,489,625
	Total U.S. Department of Agriculture	783,567,636	4,604,900,146
U.S. Department of Commerce:			
11.407	Interjurisdictional Fisheries Act of 1986	-	108,883
11.419	Coastal Zone Management Administration Awards	-	2,750,505
11.420	Coastal Zone Management Estuarine Research Reserves	45,841	313,770
11.454	Unallied Management Projects	-	548,080
11.463	Habitat Conservation	11,523	66,673
11.472	Unallied Science Program	719,876	879,587
11.474	Atlantic Coastal Fisheries Cooperative Management Act	-	141,800
Economic Development Cluster:			
11.307	COVID-19 - Economic Adjustment Assistance	43,425	43,425
	Total Economic Development Cluster	43,425	43,425
	Total U.S. Department of Commerce	820,665	4,852,723
U.S. Department of Defense:			
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	-	640,642
12.400	Military Construction, National Guard	-	354,846
12.401	National Guard Military Operations and Maintenance (O&M) Projects	-	43,321,569
	Total U.S. Department of Defense	-	44,317,057
U.S. Department of Housing and Urban Development:			
14.181	Supportive Housing for Persons with Disabilities	2,632,174	2,632,174
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	22,771,184	23,914,590
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	17,195,946	17,517,171
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	39,967,130	41,431,761
14.231	Emergency Solutions Grant Program	3,973,083	4,162,289
14.231	COVID-19 - Emergency Solutions Grant Program	19,741,009	19,977,014
	Total Emergency Solutions Grant Program	23,714,092	24,139,303
14.238	Shelter Plus Care	37,278	37,278
14.239	Home Investment Partnerships Program	-	258,104,748
14.241	Housing Opportunities for Persons with AIDS	322,518	322,518
14.241	COVID-19 - Housing Opportunities for Persons with AIDS	34,128	34,128
	Total Housing Opportunities for Persons with AIDS	356,646	356,646
14.261	Homeless Response System Data and Performance	-	140,894
14.267	Continuum of Care Program	13,657,723	15,609,945

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (continued):			
14.275	Housing Trust Fund	\$ 5,050,146	\$ 5,347,366
14.326	Project Rental Assistance Demonstration (PRA Demo) Program of Section 811 Supportive Housing for Persons with Disabilities	1,333,404	1,365,146
14.401	Fair Housing Assistance Program State and Local	-	918,920
14.401	COVID-19 - Fair Housing Assistance Program State and Local	-	15,000
	Total Fair Housing Assistance Program State and Local	-	933,920
14.880	Family Unification Program (FUP)	2,804,292	2,804,292
14.881	Moving to Work Demonstration Program	334,792,542	338,304,823
14.881	COVID-19 - Moving to Work Demonstration Program	912,862	1,109,492
	Total Moving to Work Demonstration Program	335,705,404	339,414,315
14.896	Family Self-Sufficiency Program	782,679	782,679
14.906	Healthy Homes Technical Studies Grants	200,812	286,823
Section 8 Project-Based Cluster:			
14.182	Section 8 New Construction and Substantial Rehabilitation	472,807	2,311,001
14.856	Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	7,571,738	7,731,493
	Total Section 8 Project-Based Cluster	8,044,545	10,042,494
Housing Voucher Cluster:			
14.871	Section 8 Housing Choice Vouchers	7,730,280	7,730,280
	Total Housing Voucher Cluster	7,730,280	7,730,280
	Total U.S. Department of Housing and Urban Development	442,016,605	711,160,064
U.S. Department of the Interior:			
15.608	Fish and Wildlife Management Assistance	-	2,082
15.614	Coastal Wetlands Planning, Protection and Restoration	1,095,661	1,217,339
15.616	Clean Vessel Act	636,082	887,679
15.622	Sportfishing and Boating Safety Act	-	180,683
15.634	State Wildlife Grants	-	1,005,316
15.677	Hurricane Sandy Disaster Relief Activities-FWS	93,624	93,624
15.684	White-nose Syndrome National Response Implementation	-	9,960
15.904	Historic Preservation Fund Grants-In-Aid	235,788	942,112
15.916	Outdoor Recreation Acquisition, Development and Planning	836,533	1,536,533
15.981	Water Use and Data Research	91,339	91,339
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration	-	3,282,649
15.611	Wildlife Restoration and Basic Hunter Education	68,631	7,863,042
	Total Fish and Wildlife Cluster	68,631	11,145,691
	Total U.S. Department of the Interior	3,057,658	17,112,358
U.S. Department of the Justice:			
16.017	Sexual Assault Services Formula Program	424,589	447,395
16.021	Justice Systems Response to Families	68,897	193,785
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program	1,239,254	3,952,292
16.123	Community-Based Violence Prevention Program	-	33,895
16.320	Services for Trafficking Victims	238,070	999,751
16.540	Juvenile Justice and Delinquency Prevention	94,093	299,359

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Justice (continued):			
16.543	Missing Children's Assistance	\$ -	\$ 615,424
16.550	State Justice Statistics Program for Statistical Analysis Centers	-	132,466
16.554	National Criminal History Improvement Program (NCHIP)	-	871,906
16.575	Crime Victim Assistance	44,599,886	51,364,145
16.576	Crime Victim Compensation	-	603,634
16.582	Crime Victim Assistance/Discretionary Grants	47,637	130,871
16.585	Drug Court Discretionary Grant Program	127,574	263,516
16.588	Violence Against Women Formula Grants	1,668,639	2,911,122
16.593	Residential Substance Abuse Treatment for State Prisoners	40,854	96,147
16.609	Project Safe Neighborhoods	467,388	496,031
16.710	Public Safety Partnership and Community Policing Grants	-	3,385,813
16.735	PREA Program: Strategic Support for PREA Implementation	-	48,482
16.738	Edward Byrne Memorial Justice Assistance Grant Program	2,997,729	4,647,020
16.741	DNA Backlog Reduction Program	-	1,089,429
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	20,086	370,613
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	161,468	177,473
16.746	Capital Case Litigation Initiative	111,967	204,177
16.750	Support for Adam Walsh Act Implementation Grant Program	-	24,730
16.751	Edward Byrne Memorial Competitive Grant Program	115,360	194,236
16.754	Harold Rogers Prescription Drug Monitoring Program	-	466,355
16.812	Second Chance Act Reentry Initiative	80,987	216,297
16.820	Postconviction Testing of DNA Evidence	148,181	343,736
16.825	Smart Prosecution Initiative	-	278,230
16.827	Justice Reinvestment Initiative	135,116	308,251
16.831	Children of Incarcerated Parents	-	42,561
16.833	National Sexual Assault Kit Initiative	-	1,062,464
16.835	Body Worn Camera Policy and Implementation	-	44,586
16.836	Indigent Defense	-	32,374
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program	164,736	1,595,961
16.839	STOP School Violence	126,157	235,652
16.842	Opioid Affected Youth Initiative	-	354,072
16.922	Equitable Sharing Program	-	375,617
Total U.S. Department of the Justice		53,078,668	78,909,868
U.S. Department of Labor:			
17.002	Labor Force Statistics	-	2,007,589
17.005	Compensation and Working Conditions	-	166,693
17.225	Unemployment Insurance	2,840,088	1,547,180,959
17.225	COVID-19 - Unemployment Insurance	50,000	2,777,505,058
Total Unemployment Insurance		2,890,088	4,324,686,017
17.235	Senior Community Service Employment Program	1,268,599	1,393,226
17.235	COVID-19 - Senior Community Service Employment Program	174,082	192,375
Total Senior Community Service Employment Program		1,442,681	1,585,601
17.245	Trade Adjustment Assistance	803,025	4,720,634
17.268	H-1B Job Training Grants	372,436	420,956
17.271	Work Opportunity Tax Credit Program (WOTC)	-	254,324
17.273	Temporary Labor Certification for Foreign Workers	574	621,142
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	1,723,249	2,341,523
17.277	COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	924,346	1,140,417
Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants		2,647,595	3,481,940

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Labor (continued):			
17.285	Apprenticeship USA Grants	\$ 649,818	\$ 1,204,497
17.504	Consultation Agreements	-	1,265,237
17.600	Mine Health and Safety Grants	-	163,992
Employment Services Cluster:			
17.207	Employment Service/Wagner-Peyser Funded Activities	4,677,511	13,601,179
17.801	Jobs for Veterans State Grants	332,938	2,864,974
Total Employment Services Cluster		5,010,449	16,466,153
WIOA Cluster:			
17.258	WIOA Adult Program	7,682,731	8,598,675
17.259	WIOA Youth Activities	9,557,720	12,426,138
17.278	WIOA Dislocated Worker Formula Grants	8,576,501	13,231,162
Total WIOA Cluster		25,816,952	34,255,975
Total U.S Department of Labor		39,633,618	4,391,300,750
U.S Department of Transportation:			
20.232	Commercial Driver's License Program Implementation Grant	-	34,665
20.320	Rail Line Relocation and Improvement	-	22,840
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	31,260	263,653
20.509	Formula Grants for Rural Areas and Tribal Transit Program	3,477,049	3,830,472
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	4,887,679	4,969,029
Total Formula Grants for Rural Areas and Tribal Transit Program		8,364,728	8,799,501
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	-	1,430,884
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	-	86,701
20.700	Pipeline Safety Program State Base Grant	-	1,525,327
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	68,472	291,235
20.933	National Infrastructure Investments	3,683,315	3,683,315
20.935	State and Local Government Data Analysis Tools for Roadway Safety	-	197,656
Federal Motor Carrier Safety Assistance Cluster:			
20.218	Motor Carrier Safety Assistance	15,334	2,964,151
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	-	1,145,682
Total Federal Motor Carrier Safety Assistance Cluster		15,334	4,109,833
Highway Planning and Construction Cluster:			
20.205	Highway Planning and Construction	5,222,729	644,237,859
20.205	COVID-19 - Highway Planning and Construction	-	768,002
Total Highway Planning and Construction		5,222,729	645,005,861
20.219	Recreational Trails Program	1,647,050	1,888,456
Total Highway Planning and Construction Cluster		6,869,779	646,894,317
Federal Transit Cluster:			
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	3,233,379	3,233,379
Total Federal Transit Cluster		3,233,379	3,233,379

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation (continued):			
Transit Services Programs Cluster:			
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	\$ 2,367,487	\$ 7,905,578
20.516	Job Access and Reverse Commute Program	86,165	86,165
Total Transit Services Programs Cluster		2,453,652	7,991,743
Highway Safety Cluster:			
20.600	State and Community Highway Safety	1,904,471	4,498,627
20.616	National Priority Safety Programs	969,740	3,452,742
Total Highway Safety Cluster		2,874,211	7,951,369
Total U.S Department of Transportation		27,594,130	686,516,418
U.S Department of the Treasury:			
21.016	Equitable Sharing	-	210,140
21.019	COVID-19 - Coronavirus Relief Fund	111,194,362	566,023,618
21.023	COVID-19 - Emergency Rental Assistance Program	551,219,530	579,991,636
21.026	COVID-19 - Homeowner Assistance Fund	65,056,444	67,002,892
21.027	COVID-19 - Coronavirus State And Local Fiscal Recovery Funds	-	1,412,084,054
Total U.S Department of Treasury		727,470,336	2,625,312,340
Equal Employment Opportunity Commission:			
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	-	1,501,491
Total Equal Employment Opportunity Commission		-	1,501,491
National Endowment for the Arts:			
45.025	Promotion of the Arts Partnership Agreements	1,009,900	1,009,900
45.025	COVID-19 - Promotion of the Arts Partnership Agreements	851,000	862,346
Total Promotion of the Arts Partnership Agreements		1,860,900	1,872,246
45.310	Grants to States	1,104,604	3,963,379
45.310	COVID-19 - Grants to States	1,814,185	3,016,985
Total Grants to States		2,918,789	6,980,364
Total National Endowment for the Arts		4,779,689	8,852,610
National Science Foundation:			
47.076	Education and Human Resources	-	44,824
Total National Science Foundation		-	44,824
Small Business Administration:			
59.061	State Trade Expansion	359,900	362,400
Total Small Business Administration		359,900	362,400
U.S. Department of Veterans Affairs:			
64.005	Grants to States for Construction of State Home Facilities	-	44,453,899
64.005	COVID-19 - Grants to States for Construction of State Home Facilities	-	1,185,976
Total Grants to States for Construction of State Home Facilities		-	45,639,875

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Veterans Affairs (continued):			
64.014	Veterans State Domiciliary Care	\$ -	\$ 2,312,786
64.015	Veterans State Nursing Home Care	-	11,390,153
64.015	COVID-19 - Veterans State Nursing Home Care	-	214,115
	Total Veterans State Nursing Home Care	-	11,604,268
	Total U.S. Department of Veterans Affairs	-	59,556,929
U.S. Environmental Protection Agency:			
66.032	State Indoor Radon Grants	-	89,017
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	-	637,844
66.040	Diesel Emissions Reduction Act (DERA) State Grants	3,000	46,839
66.204	Multipurpose Grants to States and Tribes	21,251	78,639
66.312	COVID-19 - State Environmental Justice Cooperative Agreement Program	-	19,788
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	341,525	341,525
66.444	Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	-	309,135
66.454	Water Quality Management Planning	194,872	588,885
66.456	National Estuary Program	578,699	1,522,002
66.461	Regional Wetland Program Development Grants	-	34,780
66.472	Beach Monitoring and Notification Program Implementation Grants	-	163,656
66.605	Performance Partnership Grants	1,074,068	14,858,690
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	-	81,256
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	-	436,913
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	-	164,632
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	-	291,541
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	-	845,831
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	-	465,171
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	-	835,190
	Total U.S. Environmental Protection Agency	2,213,415	21,811,334
U.S. Department of Energy:			
81.041	State Energy Program	-	1,195,580
81.042	Weatherization Assistance for Low-Income Persons	6,735,608	7,356,188
81.086	Conservation Research and Development	-	90,511
	Total U.S. Department of Energy	6,735,608	8,642,279
U.S. Department of Education:			
84.002	Adult Education - Basic Grants to States	9,460,269	11,324,563
84.010	Title I Grants to Local Educational Agencies	221,055,357	234,770,742
84.011	Migrant Education State Grant Program	-	1,053,566
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	794,014	1,053,609
84.048	Career and Technical Education -- Basic Grants to States	17,215,479	19,999,788
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	701,693	56,556,013
84.144	Migrant Education Coordination Program	-	57,003
84.161	Rehabilitation Services Client Assistance Program	-	228,451
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	-	609,537
84.181	Special Education-Grants for Infants and Families	2,002,534	6,970,798
84.181	COVID-19 - Special Education-Grants for Infants and Families	4,621	62,935
	Total Special Education-Grants for Infants and Families	2,007,155	7,033,733

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education (continued):			
84.184	School Safety National Activities	\$ -	\$ 699,154
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	-	390,450
84.196	Education for Homeless Children and Youth	1,028,839	1,413,073
84.282	Charter Schools	1,267,052	1,451,477
84.287	Twenty-First Century Community Learning Centers	19,920,555	21,215,879
84.305	Education Research, Development and Dissemination	-	285,956
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	2,085,388	3,596,916
84.358	Rural Education	349	349
84.365	English Language Acquisition State Grants	14,400,122	15,379,063
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	28,370,417	31,231,199
84.368	Competitive Grants for State Assessments	-	1,463,103
84.369	Grants for State Assessments and Related Activities	-	8,740,977
84.371	Comprehensive Literacy Development	2,011,665	2,171,432
84.372	Statewide Longitudinal Data Systems	-	702,712
84.421	Disability Innovation Fund (DIF)	-	855,405
84.424	Student Support and Academic Enrichment Program	14,861,657	16,975,800
Education Stabilization Fund			
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER I and II) Fund	9,785,955	21,772,720
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	405,078,196	433,731,136
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance for Non-Public Schools (CRRSA EANS)	-	8,080,979
84.425U	COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	230,254,969	256,969,425
84.425W	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief -Homeless Children and Youth	1,782,193	1,806,154
Total Education Stabilization Fund		646,901,313	722,360,414
Special Education Cluster (IDEA):			
84.027	Special Education Grants to States	261,498,119	291,570,181
84.027	COVID-19 - Special Education Grants to States	25,935,691	26,558,307
Total Special Education Grants to States		287,433,810	318,128,488
84.173	Special Education Preschool Grants	7,100,848	9,282,650
84.173	COVID-19 - Special Education Preschool Grants	2,321,739	2,349,000
Total Special Education Preschool Grants		9,422,587	11,631,650
Total Special Education Cluster (IDEA)		296,856,397	329,760,138
Total U.S. Department of Education		1,278,937,721	1,491,380,502
National Archives and Records Administration:			
89.003	National Historical Publications and Records Grants	12,178	39,046
Total National Archives and Records Administration		12,178	39,046
U.S. Election Assistance Commission:			
90.401	Help America Vote Act Requirements Payments	-	2,879,948
90.404	2018 HAVA Election Security Grants	-	2,416,889
Total U.S. Election Assistance Commission		-	5,296,837

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services:			
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	\$ 508,287	\$ 508,287
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	368,748	368,748
93.043	COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	32,302	32,302
	Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	401,050	401,050
93.048	COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	468,348	472,858
93.052	National Family Caregiver Support, Title III, Part E	4,251,526	4,251,526
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	28,244	28,244
	Total National Family Caregiver Support, Title III, Part E	4,279,770	4,279,770
93.069	Public Health Emergency Preparedness	3,469,525	11,871,271
93.070	Environmental Public Health and Emergency Response	168,322	1,366,503
93.071	Medicare Enrollment Assistance Program	184,003	184,813
93.072	Lifespan Respite Care Program	-	112,697
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	-	66,948
93.090	Guardianship Assistance	-	7,568,042
93.090	COVID-19 - Guardianship Assistance	-	737,693
	Total Guardianship Assistance	-	8,305,735
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	566,695	871,119
93.103	Food and Drug Administration Research	-	725,075
93.103	COVID-19 - Food and Drug Administration Research	-	151,633
	Total Food and Drug Administration Research	-	876,708
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	344,120	845,725
93.110	Maternal and Child Health Federal Consolidated Programs	49,911	333,112
93.110	COVID-19 - Maternal and Child Health Federal Consolidated Programs	-	308,509
	Total Maternal and Child Health Federal Consolidated Programs	49,911	641,621
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	-	1,728,761
93.127	Emergency Medical Services for Children	155,250	289,072
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	-	243,377
93.136	Injury Prevention and Control Research and State and Community Based Programs	5,037,378	9,574,326
93.136	COVID-19 - Injury Prevention and Control Research and State and Community Based Programs	40,635	71,632
	Total Injury Prevention and Control Research and State and Community Based Programs	5,078,013	9,645,958
93.150	Projects for Assistance in Transition from Homelessness (PATH)	1,527,488	1,529,242
93.153	Coordinated Services and Access to Research for Women, Infants, Children, and Youth	326,772	483,116
93.155	COVID-19 - Rural Health Research Centers	1,550,256	1,550,256

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.165	Grants to States for Loan Repayment	\$ -	\$ 550,000
93.184	Disabilities Prevention	26,902	382,920
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	-	321,037
93.234	Traumatic Brain Injury State Demonstration Grant Program	39,194	239,594
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	302,065	705,157
93.236	Grants to States to Support Oral Health Workforce Activities	-	330,685
93.240	State Capacity Building	-	604,156
93.240	COVID-19 - State Capacity Building	-	81,539
	Total State Capacity Building	-	685,695
93.241	State Rural Hospital Flexibility Program	-	329,792
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,616,802	3,931,862
93.251	Early Hearing Detection and Intervention	51,041	235,651
93.262	Occupational Safety and Health Program	-	350,703
93.262	COVID-19 - Occupational Safety and Health Program	-	139,218
	Total Occupational Safety and Health Program	-	489,921
93.268	Immunization Cooperative Agreements	57,840	78,295,440
93.268	COVID-19 - Immunization Cooperative Agreements	13,738,744	28,057,507
	Total Immunization Cooperative Agreements	13,796,584	106,352,947
93.270	Viral Hepatitis Prevention and Control	-	503,270
93.296	State Partnership Grant Program to Improve Minority Health	-	27,035
93.301	Small Rural Hospital Improvement Grant Program	77,016	77,016
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	-	116,065
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	-	4,639,294
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	198,244,349	504,023,936
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	198,244,349	508,663,230
93.324	State Health Insurance Assistance Program	752,262	971,246
93.336	Behavioral Risk Factor Surveillance System	-	774,037
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	4,811,000	13,389,995
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	-	421,558
93.369	ACL Independent Living State Grants	-	378,373
93.387	National and State Tobacco Control Program	-	1,552,573
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	422,265	1,622,041
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	132,289	1,811,692
93.432	ACL Centers for Independent Living	-	1,530,305
93.432	COVID-19 - ACL Centers for Independent Living	-	519,459
	Total ACL Centers for Independent Living	-	2,049,764
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke	913,340	1,763,707
93.464	ACL Assistive Technology	-	603,427

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.471	Title IV-E Kinship Navigator Program	\$ -	\$ 88,590
93.495	COVID-19 - Community Health Workers for Public Health Response and Resilient	10,149	73,473
93.497	COVID-19 - Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	805	805
93.556	MaryLee Allen Promoting Safe and Stable Families Program	-	5,092,771
93.556	COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	-	370,285
	Total MaryLee Allen Promoting Safe and Stable Families Program	-	5,463,056
93.558	Temporary Assistance for Needy Families	-	389,650,739
93.558	COVID-19 - Temporary Assistance for Needy Families	-	27,853,223
	Total Temporary Assistance for Needy Families	-	417,503,962
93.563	Child Support Enforcement	-	75,298,797
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	3,428,643	16,726,131
93.566	COVID-19 - Refugee and Entrant Assistance State/Replacement Designee Administered Programs	159,291	159,291
	Total Refugee and Entrant Assistance State/Replacement Designee Administered Programs	3,587,934	16,885,422
93.568	Low-Income Home Energy Assistance	92,646,650	93,891,304
93.568	COVID-19 - Low-Income Home Energy Assistance	182,352,854	183,016,517
	Total Low-Income Home Energy Assistance	274,999,504	276,907,821
93.569	Community Services Block Grant	17,336,277	18,282,718
93.569	COVID-19 - Community Services Block Grant	6,694,434	6,921,505
	Total Community Services Block Grant	24,030,711	25,204,223
93.583	Refugee and Entrant Assistance Wilson/Fish Program	440,988	482,503
93.586	State Court Improvement Program	-	402,333
93.586	COVID-19 - State Court Improvement Program	10,000	86,583
	Total State Court Improvement Program	10,000	488,916
93.590	Community-Based Child Abuse Prevention Grants	607,990	609,544
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	-	146,664
	Total Community-Based Child Abuse Prevention Grants	607,990	756,208
93.597	Grants to States for Access and Visitation Programs	-	160,443
93.599	Chafee Education and Training Vouchers Program (ETV)	-	956,500
93.599	COVID-19 - Chafee Education and Training Vouchers Program (ETV)	-	736,742
	Total Chafee Education and Training Vouchers Program (ETV)	-	1,693,242
93.603	Adoption and Legal Guardianship Incentive Payments	-	1,342,603
93.630	Developmental Disabilities Basic Support and Advocacy Grants	142,154	1,221,107
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	-	43,206
	Total Developmental Disabilities Basic Support and Advocacy Grants	142,154	1,264,313

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.631	Developmental Disabilities Projects of National Significance	\$ -	\$ 113,236
93.634	Support for Ombudsman and Beneficiary Counseling Programs for States Participating in Financial Alignment Model Demonstrations for Dually Eligible Individuals	211,758	712,620
93.643	Children's Justice Grants to States	-	293,026
93.645	Stephanie Tubbs Jones Child Welfare Services Program	-	4,249,472
93.645	COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	-	160,749
	Total Stephanie Tubbs Jones Child Welfare Services Program	-	4,410,221
93.658	Foster Care Title IV-E	-	94,661,418
93.658	COVID-19 - Foster Care Title IV-E	-	3,898,997
	Total Foster Care Title IV-E	-	98,560,415
93.659	Adoption Assistance	-	36,668,008
93.659	COVID-19 - Adoption Assistance	-	3,443,404
	Total Adoption Assistance	-	40,111,412
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	123,000	3,157,510
93.667	Social Services Block Grant	-	79,642,480
93.669	Child Abuse and Neglect State Grants	-	1,723,254
93.669	COVID-19 - Child Abuse and Neglect State Grants	-	184,575
	Total Child Abuse and Neglect State Grants	-	1,907,829
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,901,863	1,928,618
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	598,088	598,088
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,499,951	2,526,706
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	-	7,176,718
93.747	Elder Abuse Prevention Interventions Program	-	303,075
93.747	COVID-19 - Elder Abuse Prevention Interventions Program	-	262,524
	Total Elder Abuse Prevention Interventions Program	-	565,599
93.767	Children's Health Insurance Program	-	584,163,369
93.767	COVID-19 - Children's Health Insurance Program	-	38,920,613
	Total Children's Health Insurance Program	-	623,083,982
93.788	Opioid STR	38,959,802	51,099,917
93.800	Organized Approaches to Increase Colorectal Cancer Screening	-	456,594
93.810	Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	-	994,703
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	540,000	753,101
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	4,513,931	5,669,385
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	204,895	276,284
	Total Maternal, Infant and Early Childhood Home Visiting Grant	4,718,826	5,945,669

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
93.889	National Bioterrorism Hospital Preparedness Program	\$ 2,501,719	\$ 3,527,123
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	-	54,143
	Total National Bioterrorism Hospital Preparedness Program	2,501,719	3,581,266
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	630,787	2,535,418
93.913	Grants to States for Operation of State Offices of Rural Health	-	232,653
93.917	HIV Care Formula Grants	30,097,366	33,623,297
93.917	COVID-19 - HIV Care Formula Grants	110,854	227,839
	Total HIV Care Formula Grants	30,208,220	33,851,136
93.940	HIV Prevention Activities Health Department Based	4,058,835	9,220,485
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	-	426,718
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	189,730
93.946	COVID-19 - Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	11,859
	Total Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	201,589
93.958	Block Grants for Community Mental Health Services	13,067,802	13,694,911
93.958	COVID-19 - Block Grants for Community Mental Health Services	7,584,012	8,171,737
	Total Block Grants for Community Mental Health Services	20,651,814	21,866,648
93.959	Block Grants for Prevention and Treatment of Substance Abuse	19,488,087	40,338,418
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	5,196,102	6,836,027
	Total Block Grants for Prevention and Treatment of Substance Abuse	24,684,189	47,174,445
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	-	1,615,623
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	-	1,400,902
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants	-	3,016,525
93.978	Sexually Transmitted Diseases (STD) Provider Education Grants	-	605,962
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	36,478	379,864
93.981	COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	158,332	286,672
	Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	194,810	666,536
93.982	COVID-19 - Mental Health Disaster Assistance and Emergency Mental Health	1,198,076	1,198,076
93.991	Preventive Health and Health Services Block Grant	875,808	3,294,678
93.994	Maternal and Child Health Services Block Grant to the States	2,201,877	11,252,400
93.997	Assisted Outpatient Treatment	570,227	570,227
Aging Cluster:			
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	8,731,142	11,178,604
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	919,330	1,129,395
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	9,650,472	12,307,999

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued):			
Aging Cluster (continued):			
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	\$ 10,125,601	\$ 10,125,601
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	3,295,537	3,547,444
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services	13,421,138	13,673,045
93.053	Nutrition Services Incentive Program	3,262,331	4,580,870
	Total Aging Cluster	26,333,941	30,561,914
CCDF Cluster:			
93.575	Child Care and Development Block Grant	-	172,662,791
93.575	COVID-19 - Child Care and Development Block Grant	287,730,750	372,190,938
	Total Child Care and Development Block Grant	287,730,750	544,853,729
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	-	87,333,594
	Total CCDF Cluster	287,730,750	632,187,323
Head Start Cluster :			
93.600	Head Start	-	144,663
	Total Head Start Cluster	-	144,663
Medicaid Cluster:			
93.775	State Medicaid Fraud Control Units	-	4,645,980
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	12,269,523
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	819,296
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	-	13,088,819
93.778	Medical Assistance Program	-	12,828,459,368
93.778	COVID-19 - Medical Assistance Program	-	1,039,568,682
	Total Medical Assistance Program	-	13,868,028,050
	Total Medicaid Cluster	-	13,885,762,849
	Total U.S. Department of Health and Human Services	992,987,544	17,129,032,803
Social Security Administration:			
96.008	Social Security - Work Incentives Planning and Assistance Program	-	234,810
Disability Insurance/SSI Cluster:			
96.001	Social Security Disability Insurance	-	48,246,156
	Total Disability Insurance/SSI Cluster	-	48,246,156
	Total Social Security Administration	-	48,480,966
U.S. Department of Homeland Security:			
97.008	Non-Profit Security Program	823,688	823,688
97.012	Boating Safety Financial Assistance	-	2,110,950
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	-	169,512
97.029	Flood Mitigation Assistance	229,610	243,586

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Assistance Listing	Program/Cluster Name	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security (continued):			
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	\$ 3,056,798	\$ 3,977,069
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	143,804,673	326,721,937
	Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)	146,861,471	330,699,006
97.039	Hazard Mitigation Grant	1,176,514	1,357,592
97.039	COVID-19 - Hazard Mitigation Grant	-	389,414
	Total Hazard Mitigation Grant	1,176,514	1,747,006
97.041	National Dam Safety Program	-	125,503
97.042	Emergency Management Performance Grants	2,449,749	9,189,747
97.043	State Fire Training Systems Grants	-	19,836
97.044	Assistance to Firefighters Grant	-	396,000
97.047	BRIC: Building Resilient Infrastructure and Communities	147,416	290,315
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	-	10,803,987
97.056	Port Security Grant Program	32,000	1,037,032
97.067	Homeland Security Grant Program	15,213,914	18,613,492
97.091	Homeland Security Biowatch Program	-	1,490,208
97.132	Financial Assistance for Targeted Violence and Terrorism Prevention	-	981
	Total U.S. Department of Homeland Security	166,934,362	377,760,849
Research And Development Cluster:			
U.S. Department of Commerce:			
11.417	Sea Grant Support	134,307	144,541
11.474	Atlantic Coastal Fisheries Cooperative Management Act	-	86,567
	Total U.S. Department of Commerce	134,307	231,108
U.S. Department of the Interior:			
15.615	Cooperative Endangered Species Conservation Fund	-	8,714
15.634	State Wildlife Grants	66,494	141,968
15.677	Hurricane Sandy Disaster Relief Activities-FWS	-	25,686
	Total U.S. Department of the Interior	66,494	176,368
U.S. Department of Health and Human Services:			
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	617,082	1,086,328
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	-	174,269
93.958	COVID-19 - Block Grants for Community Mental Health Services	-	154,360
	Total U.S. Department of Health and Human Services	617,082	1,414,957
	Total Research And Development Program Cluster	817,883	1,822,433
	Total Expenditures of Federal Awards	\$ 4,531,017,616	\$ 32,318,967,027

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1 SINGLE AUDIT REPORTING ENTITY

For purposes of complying with U.S. Code of Federal Regulations Title 2, *Grants and Agreements Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), the Commonwealth of Massachusetts (the Commonwealth) reporting entity is defined in Note 1 to its June 30, 2022 basic financial statements; except that the Massachusetts School Building Authority, the Pension Reserves Investment Trust Fund, the Massachusetts Municipal Depository Trust, the Massachusetts State Lottery Commission, the Institutions of Higher Education (which include the University of Massachusetts, the State Universities, and the Community Colleges), and all of the discretely presented component units are excluded, except for the Massachusetts Department of Transportation (MassDOT). Accordingly, the accompanying Schedule of Expenditures of Federal Awards (SEFA or Schedule) presents the federal award programs administered by the Commonwealth, as defined above, for the year ended June 30, 2022.

NOTE 2 BASIS OF PRESENTATION

Federal award program titles are reported as presented by Assistance Listing Number (ALN) in the System for Award Management (SAM). U.S. Department of Education (ED) subprograms are identified by a subprogram alpha character after the ALN and presented by ED subprogram title.

The accompanying SEFA is presented on the cash basis of accounting. The SEFA is drawn primarily from the Massachusetts Management Accounting and Reporting System (MMARS), the centralized accounting system. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of the Coronavirus Relief Fund (Assistance Listing 21.019) and Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing 21.027), which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

The Commonwealth receives payments from the federal government on behalf of Medicare eligible patients for whom it has provided medical services at its state operated medical facilities. Since these payments represent insurance coverage provided directly to individuals under the Medicare entitlement program, they are not included as federal financial assistance.

NOTE 3 MATCHING COSTS

Matching costs, i.e., the nonfederal share of certain program costs, are not included in the accompanying Schedule except for the Commonwealth's share of Unemployment Insurance.

**COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports may not necessarily reconcile with the amounts reported in the accompanying Schedule.

NOTE 5 NONCASH AWARDS

The Commonwealth is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements. Noncash awards received by the Commonwealth are included in the Schedule as follows:

Assistance Listing	Program Title	Noncash Award
10.542	COVID-19 - Pandemic EBT Food Benefits	\$ 320,608,368
10.551	Supplemental Nutrition Assistance Program	3,392,013,244
10.555	National School Lunch Program	38,465,435
10.558	Child and Adult Care Food Program	3,847
93.268	Immunization Cooperative Agreements	71,772,178
	Total Noncash Awards	<u><u>\$ 3,822,863,072</u></u>

Commodity inventories for the Food Donation Program at June 30, 2022 totaled \$3,285,125.

NOTE 6 UNEMPLOYMENT INSURANCE PROGRAM (UI) (ASSISTANCE LISTING 17.225)

The U.S. Department of Labor, in consultation with the OMB, has determined that for the purpose of audits and reporting under the Uniform Guidance, Commonwealth UI funds as well as federal funds should be considered federal awards for determining Type A programs. The Commonwealth receives federal funds for administrative purposes. Commonwealth unemployment taxes must be deposited to a Commonwealth account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved Commonwealth law. Commonwealth UI funds as well as federal funds are included on the Schedule. The following schedule provides a breakdown of the state and federal portions of the total expended amount under Assistance Listing 17.225:

Commonwealth UI Funds - Benefits	\$ 1,468,795,276
Federal UI Funds - Benefits	8,308,740
Federal UI Funds - Administration	70,076,943
COVID-19 - Federal UI Funds - Benefits	2,733,621,000
COVID-19 - Federal UI Funds - Administration	43,884,058
Total Expenditures	<u><u>\$ 4,324,686,017</u></u>

**COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

NOTE 7 10% DE MINIMIS COST RATE

The Commonwealth does not use the 10% De Minimis Indirect Cost rate exclusively, but each department that has a direct grant will have a negotiated rate with the cognizant federal agency who issued the award.

NOTE 8 LOANS

The HOME Investor Partnership Program (Assistance Listing 14.239) is administered by the Commonwealth’s Executive Office of Housing and Livable Communities to expand the supply of affordable housing in the Commonwealth. Details of the Fiscal Year 2022 loan activity is as follows:

Balance Beginning	Additions	Deletions	Balance Ending
\$ 243,070,470	\$ 14,239,920	\$ (3,283,315)	\$ 254,027,075

As required by Uniform Guidance, the value of new loans made during the fiscal year plus the beginning balance of loans outstanding is included in the SEFA.

NOTE 9 DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During fiscal year 2022, the Commonwealth of Massachusetts did not receive donated personal protective equipment (PPE) from the federal government in response to the COVID-19 pandemic.

NOTE 10 DISASTER GRANTS – PUBLIC ASSISTANCE (ASSISTANCE LISTING 97.036)

After a Presidential-Declared Disaster, FEMA provides a Public Assistance Grant to reimburse eligible costs associated with repair, replacement, or restoration of disaster-damaged facilities; and costs associated with Commonwealth’s response to the COVID-19 public health emergency. The federal government reimburses in the form of cost-shared grants which requires state matching funds. For the year ended June 30, 2022, the amount included in the accompanying schedule for Disaster Grants – Public Assistance (Assistance Listing 97.036) includes \$66,465,764 of approved eligible expenditures that were incurred in a prior year.

NOTE 11 REBATES FROM THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

During fiscal year 2022, the Commonwealth received cash rebates from infant formula manufacturers in the amount of \$22,787,966 on sales of formula to participants in the WIC program (Assistance Listing 10.557), which are not included in the Schedule. Rebate contracts with infant formula manufacturers are authorized by Code of Federal Regulations, Title 7: Agriculture, Subtitle B, Chapter II, Subchapter A, Part 246.16a as a cost containment

**COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the Commonwealth to extend program benefits to more participants than could have been serviced this fiscal year in the absence of the rebate contract.

NOTE 12 CCDF CLUSTER (ASSISTANCE LISTINGS 93.575 AND 93.596)

Expenditures reported in the Schedule for the Child Care Development Fund (CCDF) Cluster include the following funding sources:

CCDBG	\$	172,662,791
CCDF Mandatory and Matching		87,333,594
CCDF CRRSA		68,592,528
CCDF ARP Child Stabilization Funds		303,598,410
Total Expenditures	<u>\$</u>	<u>632,187,323</u>

NOTE 13 EMERGENCY HOUSING VOUCHERS

In accordance with reporting requirements established by U.S. Department of Housing and Urban Development Notice PIH 2021-25 (HA), Section 8.k., the Schedule includes \$0 in Emergency Housing Vouchers (EHV) under the Housing Choice Voucher Program (Assistance Listing 14.871.)

The Schedule includes \$1,159,811 in EHV funding issued under the American Rescue Plan Act of 2021 under the Moving to Work Demonstration Program (Assistance Listing 14.881.) In addition, the COVID-19 amount reported on the Schedule under Assistance Listing 14.881 is net of prior year adjustments to expenditures previously reported against funding issued under the CARES Act.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Section I – Summary of the Auditors' Results

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? yes X none reported
3. Noncompliance material to basic financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? X yes none reported
2. Type of auditors' report issued on compliance for major federal programs: See table below
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Dollar threshold used to distinguish between Type A and Type B programs: \$ 48,478,450

Auditee qualified as low-risk auditee? yes X no

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section I – Summary of the Auditors' Results (Continued)

Identification of Major Programs

Major Program	Assistance Listing	Opinion
Child and Adult Care Food Program	10.558	Qualified
Child Nutrition Cluster	10.555, 10.559, 10.582	Unmodified
Moving to Work Demonstration Program	14.881	Unmodified
Crime Victim Assistance	16.575	Unmodified
Unemployment Insurance	17.225	Qualified
WIOA Cluster	17.258, 17.259, 17.278	Qualified
Highway Planning and Construction Cluster	20.205, 20.219	Qualified
Emergency Rental Assistance	21.023	Unmodified
Homeowner Assistance Fund	21.026	Unmodified
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unmodified
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Unmodified
Education Stabilization Fund	84.425	Unmodified
Child Support Enforcement	93.563	Unmodified
Low-Income Home Energy Assistance	93.568	Qualified
Adoption Assistance	93.659	Unmodified
Children's Health Insurance Program	93.767	Unmodified
Medicaid Cluster	93.775, 93.777, 93.778	Unmodified
Disability Insurance/SSI Cluster	96.001	Unmodified

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

Finding 2022-001

Executive Office of Labor and Workforce Development

Finding Title: Accounting and Financial Reporting – Unemployment Compensation Trust Fund

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Repeat Finding: Yes, 2021-001

Condition: The Executive Office of Labor and Workforce Development (EOLWD) is responsible for maintaining the books and records of the Unemployment Compensation Trust Fund (Fund), which is reported as a major enterprise fund in the Commonwealth's Annual Comprehensive Financial Report (ACFR). This responsibility includes recording monthly summary information from EOLWD's delegated system in the Massachusetts Management Accounting and Reporting System (MMARS), the Office of the Comptroller's (CTR) accounting information system and providing the CTR with year-end adjustments and accruals (GAAP package) to facilitate the CTR's preparation of the ACFR in accordance with accounting principles generally accepted in the United States of America (GAAP).

The results of our audit procedures identified systemic accounting and financial reporting deficiencies that have resulted in untimely and inaccurate information. Specifically, there is a lack of controls surrounding the cash, benefits, and federal draw reconciliations that resulted in material misstatements of beginning net position, federal revenue, and the overdraw of federal pandemic related unemployment funds.

We also identified the following:

1. Certain transactions related to May and June of 2022 were not recorded in MMARS until October of 2022.
2. Cash was not reconciled until March 2023 and there remains a \$44.1 million difference between the bank balance and book balance. This amount is immaterial to the financial statements.
3. EOLWD's GAAP package for the Unemployment Compensation Trust Fund was not received timely and required multiple revisions (based on CTR's review) prior to it being provided (February 2023) to us for audit purposes.
4. A standard daily process to draw down federal pandemic funds and state unemployment compensation funds was not followed, and the interpretation of the data provided from the unemployment system was inaccurate. Furthermore, the ad hoc process that was used introduced systematic errors in calculating the amounts of federal and state funds to be drawn to pay benefits.
5. EOLWD has not developed formal (written) monthly or annual financial close and reporting processes specific to the reconciliation of activity and accounts to MMARS and preparation of the annual GAAP package for the CTR.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

Criteria: Management is responsible for the preparation and fair presentation of the ACFR in accordance with GAAP. Further, internal control, as defined by auditing standards generally accepted in the United States of America (U.S. GAAS), is a process effected by management and other personnel that is designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting. It is also critical that internal controls are implemented and performed on a timely basis to ensure reliability of financial reporting.

Effect: The following was the effect from the conditions previously described:

1. Federal pandemic related grant programs were overdrawn by approximately \$2.49 billion for the period April 6, 2020 through June 30, 2022. This resulted in the following: a) a reduction of the fiscal year 2022 beginning net position of approximately \$1.9 billion; b) a reduction of 2022 federal revenue of approximately \$500 million; and c) the establishment of the "overdraws of federal pandemic-related unemployment insurance benefits" liability of approximately \$2.5 billion.
2. There were no draws on the state unemployment compensation trust fund bank account for approximately five (5) months during fiscal year 2022.
3. Delayed the issuance of the ACFR.

Cause: Procedures are not in place to:

- Accurately drawdown funds from the federal pandemic related grant programs and the state unemployment compensation trust fund.
- Reconcile the Fund's activities and balances between the bank accounts, MMARS, and unemployment insurance benefit systems.
- Accurately prepare the GAAP package for the CTR's ACFR.

Recommendation: We recommend EOLWD design and implement a system of internal control that reconciles all accounts and balances of the Fund's delegated system to the unemployment insurance bank accounts and MMARS on a monthly basis and no later than 30 days after the end of any given month.

We recommend EOLWD investigate the cash variance of \$44.1 million and take appropriate action.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

We recommend EOLWD design and implement procedures to ensure that the annual GAAP package submitted to CTR considers all balances and transactions to be reported in accordance with GAAP. Such procedures should include documentation as to how balances are calculated for the following items:

- a. Employer Unemployment Insurance Contributions Receivable
- b. Allowance for Uncollectible Employer Taxes Receivable
- c. Benefits (Accounts) Payable
- d. Benefits Overpayments Receivable
- e. Allowance for Uncollectible Benefits Overpayments Receivable
- f. Employer Credit Balances
- g. Overdraw of federal pandemic funds

Such a system should be formally documented and designed in a manner that would provide the ability to produce an unaudited financial statement within 45 days after month or year-end.

Views of Responsible Officials and Corrective Actions:

Identified Error

The Executive Office of Labor and Workforce Development (EOLWD) has engaged in several projects with consultants from August 2021 through February of 2023 to identify internal control improvements, process redesign and automation that would address the recommendations referred to in this document. On February 15, 2023, EOLWD eliminated the reporting issue that was causing the overdraw of federal funds.

Upon identifying the error, EOLWD has amended internal processes and reporting to ensure federal funding sources are appropriately drawn upon to pay benefits for federal relief programs. Additionally, EOLWD has added audit procedures to the quarterly financial statement preparation process consistent with auditor guidance that compares the funding sources of benefits paid to amounts drawn from each source.

Implementation of New Controls

First and foremost, EOLWD's immediate focus is to implement necessary changes to ensure accountability and program integrity across EOLWD finance including the Department of Unemployment Assistance (DUA) and the UI Trust Fund.

Further, EOLWD is in the first phase of a project to replace the existing Unemployment Insurance (UI) application that includes a general ledger for all unemployment activities that will facilitate this work going forward. The Revenue side of the new application will go live in the fall of 2023 and the full application is expected to be implemented by February of 2025.

EOLWD has already engaged in trainings with the Office of the Comptroller to confirm understanding of MMARS entries required and how to resolve complex issues on a timely basis. Further, EOLWD continues efforts to train four new members of its Cash Management team and to hire additional staff to support the Finance operation.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings (Continued)

In addition to staffing initiatives, EOLWD will engage consultants and external experts as appropriate to work with the Finance team to complete the reconciliations required to properly reconcile bank transactions to MMARS and the Fund's delegated system, implement internal controls recommendations, implement business process improvements, and update Standard Operating Procedures accordingly. This work will be done congruently with the hiring of the staff required to maintain these activities beyond implementation.

The reconciliation of the cash variance noted in this document appears to be the FY21 variance which EOLWD worked with the Office of the Comptroller to reconcile. It was then revealed that the variance related to transactions prior to FY21 and the result of this work was inconclusive. The auditor at that time deemed this variance to be immaterial. EOLWD recommends a discussion with the Comptroller to discuss work that has been done to date related to this variance and work collaboratively to determine a path forward.

Financial Reporting for EOLWD (Background)

In the Fall of 2022, EOLWD engaged an outside vendor to create a job aide related to the Finance Department's preparation of quarterly financial statements related to the Department of Unemployment Assistance (as required by the Office of the Comptroller). EOLWD simultaneously posted for the position of Director of Financial Reporting with the intention of having a staff member focused on preparing quarterly financial statements and delivery of the GAAP package. Despite 10 months of recruiting efforts, this role remains unfilled. Until the role is filled, the Cash Management team will continue working closely with the Office of the Comptroller to refine the process for the delivery of quarterly financials.

Financial statements generated quarterly do not include an updated accrual information and are for a point of time only. The current UI system cannot freeze data for any period other than fiscal year end. Thus, reports are generated the day after the quarter end for the purposes of creating a GAAP package and the relevant financial statements for Q1, Q2 and Q3. At year end, the UI system is able to freeze data for the purpose of annual reporting, including accruals.

Further, accruals related to employer contributions can only be provided 60 days after the year end due to the consistent timing of receipt of employer contributions. Q2 quarterly wages are due on July 31st of each year. Most employers do not submit their wages until the last week of July and some employers file late during the month of August. To provide the most complete data the accrual is run on September 1st with delivery in the subsequent week. Thus, financial statements and the relevant GAAP packages for the full fiscal year can only be provided after that 60-day period expires.

Further Background on UI Modernization and Financial Reporting

The new UI system will have more flexibility in providing the relevant financial data on a quarterly basis. Having said that, the 60-day period will likely still apply. EOLWD recommends a review once the new system is in place.

Until the new UI system is in place, quarterly is the most frequent reporting that can be performed.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section II – Financial Statement Findings (Continued)

EOLWD is implementing a reconciliation of bank activity as compared to benefit data from the current UI system as part of the quarterly financial statement preparation process. The intention is to leverage this testing in the first quarter of FY24 to further identify and address any discrepancies between benefits being paid out via the bank versus benefits reported by the existing UI system. This work would address the gaps between reporting in MMARS, bank activity and activity reporting in the existing UI system.

Responsible Officials: Anna Yong, Deputy CFO

Implementation Date:

Design and Implementation of Internal Controls – January 1, 2024

Reconciliation of \$44.1M – To be determined upon further discussion with CTR.

Implementation of Quarterly Financial Reporting Procedures – January 1, 2024

The dates noted above indicate the dates by which these processes are finalized and (where applicable) handed off to EOLWD staff.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

Matrix of Findings for Major Federal Programs

Program/Cluster Title	Federal Agency (Prefix)	Assistance Listing	Finding No.	Internal Control		Compliance
				Material Weakness	Significant Deficiency	
Child Nutrition Cluster	U.S.D.A. (10)	10.555, 10.559, 10.582	2022-002		X	X
Child Nutrition Cluster	U.S.D.A. (10)	10.555, 10.559, 10.582	2022-003		X	X
Child and Adult Care Food Program	U.S.D.A. (10)	10.558	2022-004	X		X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-005	X		X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-006		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-007		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-008		X	X
Unemployment Insurance	U.S. DOL (17)	17.225	2022-009		X	X
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2022-010	X		X
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2022-011	X		X
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2022-012		X	X
WIOA Cluster	U.S. DOL (17)	17.258, 17.259, 17.278	2022-013		X	X
Highway Planning and Construction Cluster	U.S. DOT (20)	20.205, 20.219	2022-014	X		X
Emergency Rental Assistance	U.S DOE (84)	21.023	2022-015		X	X
Education Stabilization Fund	U.S DOE (84)	84.425	2022-016		X	X
Education Stabilization Fund	U.S DOE (84)	84.425	2022-017		X	X
Low-Income Home Energy Assistance	U.S HHS (93)	93.568	2022-018	X		X
Low-Income Home Energy Assistance	U.S HHS (93)	93.568	2022-019		X	X
Children's Health Insurance Program Medicaid Cluster	U.S HHS (93)	93.767, 93.775, 93.777, 93.778	2022-020		X	X

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-002
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Agency: Department of Elementary and Secondary Education
Federal Program: Child Nutrition Cluster, COVID-19 – Child Nutrition Cluster
Assistance Listing Number: 10.555, 10.559, 10.582
Award Number and Year: 214MA303N1099 (10/1/2020 – 9/30/2021), 214MA303N1199 (10/1/2020 – 9/30/2021)
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Subrecipient Eligibility - Administering agencies may disburse program funds only to those organizations that meet eligibility requirements under the National School Lunch Program (NSLP), School Breakfast Program (SBP), Special Milk Program for Children (SMP), and Fresh Fruit and Vegetable Program (FFVP).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department of Elementary and Secondary Education (Department) was unable to provide documentation that its subrecipients met eligibility requirements.

Context:

The Department documents subrecipient eligibility in a permanent agreement with each subrecipient. For 2 of 40 subrecipients selected for testing, the Department was unable to provide a copy of the approved permanent agreement, therefore, eligibility for these subrecipients could not be verified.

Questioned costs:

Undetermined.

Cause:

The Department’s procedures and internal controls were not sufficient to ensure that it retained documentation of subrecipient eligibility.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Failure to verify and maintain documentation of subrecipient eligibility could allow the Commonwealth to issue program payments to subrecipients that are not eligible to receive payments under the program.

Recommendation:

The Department should enhance its policies and procedures to ensure that it retains copies of permanent agreements where subrecipient eligibility is documented and that this documentation is available for audit.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-003
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Agency: Department of Elementary and Secondary Education
Federal Program: Child Nutrition Cluster, COVID-19 – Child Nutrition Cluster
Assistance Listing Number: 10.555, 10.559, 10.582
Award Number and Year: 214MA303N1099 (10/1/2020 – 9/30/2021), 214MA303N1199 (10/1/2020 – 9/30/2021)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

The Department of Elementary and Secondary Education (Department) did not report subaward information to FSRS timely.

Context:

Twenty-three of forty subrecipients selected for testing were not reported timely to FSRS during FY 2022. The subawards were reported from one to two months later than required by FFATA reporting requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
40	0	23	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$2,797,503	\$0	\$1,027,425	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported timely to FSRS during FY 2022.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend the Department review and enhance procedures and internal controls to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

Views of Responsible Officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-004
Prior Year Finding: No
Federal Agency: U.S. Department of Agriculture
State Agency: Department of Elementary and Secondary Education
Federal Program: Child and Adult Care Food Program, COVID-19 – Child and Adult Care Food Program
Assistance Listing Number: 10.558
Award Number and Year: 202120N202044 (10/1/2020 – 9/30/2021), 202120H170644 (12/27/2020 – 9/30/2021), 202222N202044 (10/1/2021 – 9/30/2022), 202222N115044 (10/1/2021 – 9/30/2022), 202221N115044 (10/1/2021 – 9/30/2023)
Compliance Requirement: Eligibility and Subrecipient Monitoring
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance:

Eligibility – Per 7 CFR section 226.2, subrecipients must meet the definition of “independent center” or “sponsoring organization”. In addition, all institutions must also meet the eligibility requirements stated in 7 CFR section 226.15 and 42 USC 1766(a)(6) and (d)(I). Definitions include:

- (1) Independent center means a child care center, at-risk afterschool care center, emergency shelter, outside-school-hours care center or adult day care center which enters into an agreement with the state agency to assume final administrative and financial responsibility for program operations.
- (2) Sponsoring organization means a public or nonprofit private organization that is entirely responsible for the administration of the food program.
- (3) For-profit center means a child care center, outside-school-hours care center, or adult day care center providing nonresidential care to adults or children that does not qualify for tax-exempt status under the Internal Revenue Code of 1986. For-profit centers serving adults must meet the criteria described in paragraph (a) of this definition. For-profit centers serving children must meet the criteria described in paragraphs (b)(1) or (b)(2) of this definition, except that children who only participate in the at-risk afterschool snack and/or meal component of the program must not be considered in determining the percentages under paragraphs (b)(1) or (b)(2) of this definition.

Subrecipient Monitoring – Per 2 CFR section 200.332(a), all pass-through entities must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. 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.

Required information includes:

- i. Subrecipient name (which must match the name associated with its unique entity identifier);
- ii. Subrecipient's unique entity identifier;
- iii. Federal Award Identification Number (FAIN);

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

- iv. Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
- v. Subaward Period of Performance Start and End Date;
- vi. Subaward Budget Period Start and End Date;
- vii. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
- viii. Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
- ix. Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
- x. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- xi. Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
- xii. Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
- xiii. Identification of whether the award is R&D; and
- xiv. Indirect cost rate for the Federal award (including if the de minimis rate is charged) per section 200.414.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department of Elementary and Secondary Education (Department) was unable to provide documentation that it issued subawards in compliance with federal regulations.

Context:

Forty subawards were selected for testing and the following exceptions were noted:

- For forty of forty subawards selected for testing, the Federal Award Identification Number (FAIN) was not provided to the subrecipient.
- For one of forty subawards selected for testing, the Department could not provide documentation that it had obtained the subrecipient’s Unique Entity Identifier.
- The Department documents subrecipient eligibility in a permanent agreement with each subrecipient. For three of forty subrecipients selected for testing, the Department was unable to provide a copy of the approved permanent agreement, therefore, eligibility for these subrecipients could not be verified.

Questioned costs:

Undetermined.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Department's procedures and controls were not sufficient to ensure that subawards were issued in compliance with federal regulations.

Effect:

Excluding the required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Failure to ensure subrecipients are eligible to receive program funding could result in unauthorized entities receiving program funding.

Recommendation:

The Department should review and enhance internal controls and procedures to ensure that all subrecipients are eligible to receive program funds, that required information is included in all subawards, that it retains copies of all subaward agreements, and that documentation is readily available for audit.

Views of Responsible Officials:

Management agrees with the finding.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-005
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)
Compliance Requirement: Matching
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: The state is required to provide 50 percent of the amounts paid to the majority of eligible Extended Benefits (EB) claimants (those not covered by federal law or special provisions of state law) (20 CFR sections 615.2 and 615.14(a)). Those EB amounts paid by the State Workforce Agency (SWA), and that are not the responsibility of the state, are reimbursable to the state from the Unemployment Trust Fund (UTF) (20 CFR section 615.14). The first week of EB is reimbursable to the state only if, in addition to other requirements, the state requires the first week of an individual's benefit year to be an "unpaid waiting week".

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Labor and Workforce Development (the Department) was unable to provide documentation that it had provided the required 50 percent of matching funds for Extended Benefits.

Context:

The Department was unable to provide documentation that it provided 50 percent of the amount paid to Extended Benefits claimants nor that it had an approved federal waiver stating that the Department was not required to match these funds.

Questioned costs:

Undetermined.

Cause:

The Department's procedures and controls were not sufficient to ensure it provided the required 50 percent match for Extended Benefits payments.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

The Department claimed Federal reimbursement for the State share of costs of the program.

Recommendation:

We recommend the Department review and enhance procedures and controls to ensure that it is in compliance with the matching requirements of the program.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-006
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)
Compliance Requirement: Eligibility
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Under state Unemployment Compensation (UC) laws, a worker’s benefit rights depend on the amount of the worker’s wages and/or weeks of work in covered employment in a “base period.” While most states define the base period as the first four of the last five completed calendar quarters prior to the filing of the claim, other base periods may be used. To qualify for benefits, a claimant must have earned a certain amount of wages or have worked a certain number of weeks or calendar quarters within the base period or meet some combination of wage and employment requirements. Some states require a waiting period of one week of total or partial unemployment before UC is payable. A “waiting period” is a non-compensable period of unemployment in which the worker is otherwise eligible for benefits.

To be eligible to receive UC, all states provide that a claimant must have been separated from suitable work for non-disqualifying reasons under state law (i.e., not because of such acts as leaving voluntarily without good cause or discharge for misconduct connected with work). After separation, they must be able and available for work, actively seeking work, legally authorized to work in the United States and must not have refused an offer of suitable work.

Executive Office of Labor and Workforce Development procedures require that a monetary determination letter be sent to each claimant upon completion of eligibility determination and the calculation of the weekly benefit amount. This letter provides the claimant with an official notification that benefits have been approved.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

After completing eligibility determination for a claimant, the Executive Office of Labor and Workforce Development (the Department) did not send a monetary determination letter.

Context:

For one of sixty claimants selected for testing, the Department did not send a monetary determination letter to the claimant identifying the approved weekly benefit amount. Auditors were able to recalculate the weekly benefit amount from other sources and determined that it had been accurately calculated.

Questioned costs:

None noted.

Cause:

The Department's procedures and controls were not sufficient to ensure it sent monetary determination letters to all claimants upon completion of eligibility determination.

Effect:

The Department was unable to provide documentation that it had sent a monetary determination letter to a claimant.

Recommendation:

We recommend the Department review and enhance procedures and controls to ensure that it sends a monetary determination letter to all claimants upon completion of eligibility determination.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-007
Prior Year Finding: 2021-009
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)
Compliance Requirement: Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: 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. A separate ETA 9130 is submitted for each of the following: UI, PEUC, and PUA Administration, DUA, TRA/RTAA, and UA Projects (administration and benefits). See TEGL No. 02-16 for specific and clarifying instructions about the ETA 9130. Per 9130 guidelines the report is submitted via an on-line reporting system. The report submission process is 3-steps (1) secondary contact enters in the data (2) primary contact is responsible for certifying the accuracy of the data by entering the PIN (3) DOI/ETA is responsible for reviewing the FSR, communicating with the grantee and accepting the report within 10 working days after certification. Quarterly reporting deadlines: May 15 (March end date), August 14 (June 30 end date), November 14 (September end date), February 14 (December 31 end date).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

ETA 9130 reports submitted by the Executive Office of Labor and Workforce Development (the Department) did not agree to supporting documentation. In addition, several reports were not submitted timely.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Context:

Reports for the 12/31/2021 and 6/30/2022 quarters were selected for testing, which resulted in testing eleven individual reports. The following exceptions were noted:

- For ten of eleven reports, current period and cumulative indirect expenditures were included in supporting documentation but were not included in the report.
- For three of eleven reports, the federal share of expenditures in the previous period and current period did not agree to supporting documentation. The cumulative federal share of expenditures did tie to supporting documentation.
- For one of eleven reports, the federal share of expenditures in the previous period, current period and cumulative did not agree to supporting documentation. In addition, the federal share of unliquidated obligations, total federal share of obligations and unliquidated balance of federal funds did not agree to supporting documentation. This resulted in an underreporting of the Federal share.
- Six of eleven reports were not submitted timely. The reports were submitted from one to four days late.

Questioned costs:

None noted, as the reporting errors did not result in an overclaim of the federal share of expenditures.

Cause:

The Department does not have sufficient internal controls in place over compliance of the ETA 9130 reporting process.

Effect:

ETA 9130 reports did not agree to supporting documentation and were submitted late.

Recommendation:

We recommend that policies and procedures be enhanced to ensure that financial reports are filed timely and accurately.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-008
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)
Compliance Requirement: Special Tests and Provisions – Match with IRS 940 FUTA Tax Form
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: States are required to annually certify for each taxpayer the total amount of contributions required to be paid under the state law for the calendar year and the amounts and dates of such payments in order for the taxpayer to be allowed the credit against the Federal Unemployment (FUTA) tax (26 CFR sections 31.3302(a)-3(a)). In order to accomplish this certification, states annually perform a match of employer tax payments with credit claimed for these payments on the employer's IRS 940 FUTA tax form.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Labor and Workforce Development (the Department) did not complete the annual match of employer tax payments with IRS 940 FUTA tax forms on a timely basis.

Context:

The Department initiated the annual match process, but it was not completed until after auditors requested documentation that it had been performed.

Questioned costs:

Undetermined.

Cause:

The Department's procedures and controls were not sufficient to ensure it completed the annual FUTA tax certification process on a timely basis.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Untimely annual FUTA tax certifications could result in unresolved errors in the payment of the FUTA tax and related credits taken by taxpayers.

Recommendation:

We recommend the Department review and enhance procedures and controls to ensure that the annual match of employer tax payments with employers' IRS 940 FUTA tax forms is completed on a timely basis.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-009
Prior Year Finding: No
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: Unemployment Insurance, COVID-19 – Unemployment Insurance
Assistance Listing Number: 17.225
Award Number and Year: UI372292255A25 (10/1/2021 – 12/31/2024), UI356542155A25 (10/1/2020 – 12/31/2023)
Compliance Requirement: Special Tests and Provisions – UI Benefit Payments
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: The State Workforce Agency (SWA) is required by 20 CFR section 602.11(d) to operate and maintain a quality control system. The Benefits Accuracy Measurement (BAM) program is DOL's quality control system designed to assess the accuracy of UI benefit payments and denied claims, unless the SWA is exempted from such requirement (20 CFR section 602.22). The program estimates error rates, that is, numbers of claims improperly paid or denied, and dollar amounts of benefits improperly paid or denied, by projecting the results from investigations of statistically sound random samples to the universe of all claims paid and denied in a state. Specifically, the SWA's BAM unit is required to draw a weekly sample of payments and denied claims, complete prompt, and in-depth investigations to determine if the administration of the UC program is consistent with state and federal law (20 CFR section 602.21(d)).

As presented in the ET Handbook No. 395, the investigation involves a review of state agency records, as well as contacting the claimant, employers, and third parties (either in-person, by telephone, or by fax) to conduct new and original fact-finding related to all of the information pertinent to the paid or denied claim that was sampled. BAM investigators review cases for adherence to federal and state law as well as official policy. 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;
- 95 percent of cases must be completed within 90 days of the week ending date of the batch;
- a minimum of 98 percent of cases for the year must be completed within 120 days of the ending date of the calendar year.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

The Executive Office of Labor and Workforce Development (the Department) did not complete BAM case investigations within the time limits established in the ET Handbook No. 395.

Context:

Sixty cases were selected for testing. The Department did not meet the required time limits for closing cases within 90 or 120 days. Specifically, we noted the following exceptions:

- 90% of cases tested (54 of 60 cases) were closed within 90 days which is less than the required 95%
- 96.7% of cases tested (58 of 60 cases) were closed within 120 days which is less than the required 98%
- The remaining 3.3% of cases tested (2 of 60 cases) were closed from between 130 and 160 days.

In addition, claims selected for testing by the Department must cover claims paid and denied claims. For 8 weeks selected for testing, only claims paid were selected for testing by the Department.

Questioned costs:

Undetermined.

Cause:

The Department's procedures and controls were not sufficient to ensure it met the required BAM investigation time limits for closing cases and to ensure all claim types were part of weekly testing.

Effect:

Noncompliance with BAM case investigation time limits could delay the detection and correction of inaccurate benefit payments and denied claims.

Recommendation:

We recommend the Division review and enhance procedures and controls to ensure that BAM case investigations are completed timely in accordance with the time limits established in the ET Handbook No. 395 and that both paid and denied claims are selected for testing.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-010
Prior Year Finding: 2021-011
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: WIOA Cluster
Assistance Listing Number: 17.258, 17.259, 17.278
Award Number and Year: AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement: Reporting – ETA 9130 Financial Report
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: ETA 9130, Financial Report – All ETA grantees are required to submit quarterly financial reports for each grant award they receive. Reports are required to be prepared using Workforce Innovation and Opportunity Act instructions for the following: Statewide Adult; Workforce Statewide Youth; Statewide Dislocated Worker; Local Adult; Local Youth; and Local Dislocated Worker. A separate ETA 9130 is submitted for each of these categories. Funds reserved and set aside for PFP contract strategies are required to be reported on ETA 9130 basic reports for each WIOA fund source utilized. Reports are due 45 days after the end of the reporting quarter. Financial data is required to be reported cumulatively from grant inception through the end of each reporting period.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Labor and Workforce Development (the Department) was unable to provide documentation that ETA 9130 reports were completed and submitted in accordance with program requirements.

Context:

Reports for the 9/30/2021 and 6/30/2022 quarters were selected for testing. Separate reports are required to be submitted for each category and reporting level, resulting in a total of 75 samples selected for testing. The following exceptions were noted:

- 47 of 75 reports were not submitted timely.
- 4 of 75 reports were incomplete.
- 19 of 75 reports did not agree to supporting documentation.
- For 9 of 75 reports, documentation could not be provided that the reports had been reviewed by the Budget Supervisor and certified by the Director of Insurance.

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Department's procedures were not sufficient to ensure that ETA 9130 reports were completed in accordance with program requirements and that they were reviewed and approved prior to submission. Internal controls did not prevent or detect the errors.

Effect:

Reports were consistently submitted late and did not agree to supporting documentation. A lack of review and approval of reports could allow incorrect data to be reported for the program which could misrepresent the State's financial performance in the program.

Questioned costs:

Undetermined.

Recommendation:

The Department should update its procedures and controls and perform additional training over financial reporting to ensure that ETA 9130 reports are completed and submitted in accordance with program requirements. We further recommend that internal controls are enhanced to ensure that reports are reviewed and approved prior to submission.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-011
Prior Year Finding: 2021-012
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: WIOA Cluster
Assistance Listing Number: 17.258, 17.259, 17.278
Award Number and Year: AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Condition:

The Executive Office of Labor and Workforce Development (Department) did not report subaward information to FSRS.

Context:

Six subawards, including one subaward amendment, were selected for testing, totaling \$10,422,414. None of the six subawards were reported to FSRS as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
6	6	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$10,422,414	\$10,422,414	\$0	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend the Department review and enhance procedures and internal controls to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-012
Prior Year Finding: 2021-010
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: WIOA Cluster
Assistance Listing Number: 17.258, 17.259, 17.278
Award Number and Year: AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement: Allowable Costs/Cost Principles – Time and Effort Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Per 2 CFR § 200.430 (a), costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees: (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities; (2) Follows an appointment made in accordance with a non-Federal entity's laws or rules or written policies and meets the requirements of Federal statute, where applicable; and (3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

Per 2 CFR § 200.430 (i), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated,
- Be incorporated into the official records of the non-Federal entity,
- Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities,
- Encompass both federally assisted, and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy,
- Comply with the established accounting policies and practices of the non-Federal entity,
- Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Labor and Workforce Development (the Department) charged budgeted personnel costs to the program instead of actual costs due to errors coding employee timesheets.

Context:

One of sixty employee timesheets selected for testing did not use combination codes and the employee’s time was defaulted to a budgeted grant allocation. Therefore, the amount charged to the program was not based on the employee’s actual time and effort on the program.

The program incurs direct payroll charges which represents approximately \$5.8 million (17%) of total WIOA cluster spending. The Department implemented the use of combination codes within Self-Service Time and Attendance (SSTA), a module of the HR/CMS application in July 2019. Prior to this date, payroll was assigned to grants based on budgeted time and effort allocations maintained in the Labor Cost Management (LCM) module of the Massachusetts Management Accounting and Reporting System (MMARS).

SSTA combination codes are used by employees to allocate and certify hours worked to Federal grants and employees’ supervisors are required to perform a line-item review of hours spent on each grant before approving timesheets. If a timesheet is approved without the use of combination codes, the system will default to budgeted grant allocations entered into LCM.

Cause:

The Department’s controls were not operating effectively to ensure that time and effort reporting was performed in accordance with federal requirements.

Effect:

Payroll charges allocated to grants based on budgeted time and effort can result in federal reimbursements that are not reflective of actual time and effort working on a grant.

Questioned costs:

Undetermined.

Recommendation:

The Department should update its procedures and controls and perform additional training over time and effort reporting to ensure that payroll costs charged to the program are based on actual time and effort. The Department should not seek federal reimbursement unless it can substantiate that the time and effort was dedicated to the federal program.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-013
Prior Year Finding: 2021-016
Federal Agency: U.S. Department of Labor
State Agency: Executive Office of Labor and Workforce Development
Federal Program: WIOA Cluster
Assistance Listing Number: 17.258, 17.259, 17.278
Award Number and Year: AA-36325-21-55-A-25 (4/1/2021 – 6/30/2024), AA-34774-20-55-A-25 (4/1/2020 – 6/30/2023)
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Subrecipient Monitoring - Per 2 CFR section 200.332 - Requirements for Pass-Through Entities states, in part, that all pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. 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. Required information includes:
 - (1)(xii) Assistance Listing number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listing Number at time of disbursement.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Labor and Workforce Development (Department) did not include all required information in a subaward agreement.

Context:

For one of six subawards selected for testing, the assistance listing number and federal award title was not included in the subaward agreement.

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards included all required information.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Effect:

Excluding required federal grant award information at the time of the subaward may cause subrecipients and their auditors to be uninformed about specific program and other regulations that apply to the funds they receive. There is also the potential for subrecipients to have incomplete Schedules of Expenditures of Federal Awards (SEFA) in their Single Audit reports, and federal funds may not be properly audited at the subrecipient level in accordance with the Uniform Guidance.

Questioned costs:

Undetermined.

Recommendation:

We recommend the Department review and enhance internal controls and procedures to ensure that all required information is included in its subawards.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-014
Prior Year Finding: No
Federal Agency: U.S. Department of Transportation
State Agency: Department of Transportation
Federal Program: Highway Planning and Construction Cluster, COVID-19 – Highway Planning and Construction Cluster
Assistance Listing Number: 20.205, 20.219
Award Number and Year: (2021-2022)
Compliance Requirement: Suspension and Debarment
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department of Transportation (Department) could not provide support that it ensured its subrecipients were not suspended or debarred before issuing subawards to the entities.

Context:

The suspension and debarment status for 32 of 40 subrecipients selected for testing was not documented.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Questioned costs:

There are no questioned costs related to this finding as the vendors were not federally suspended or debarred.

Cause:

The Department did not establish effective internal controls for maintaining sufficient evidence that a suspension and debarment check was completed before issuing subawards.

Effect:

If the suspension and debarment status of subrecipients is not verified when entering into covered transactions, it is possible that a subaward could be issued to an ineligible entity.

Recommendation:

We recommend the Department implement controls and procedures to ensure it maintains documentation of suspension and debarments checks and that the documentation is available for audit.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-015
Prior Year Finding: 2021-018
Federal Agency: U.S. Department of the Treasury
State Agency: Executive Office of Housing and Livable Communities
Federal Program: COVID-19 – Emergency Rental Assistance
Assistance Listing Number: 21.023
Award Number and Year: ERA-1 (12/27/2020 – 9/30/2022), ERA-2 (5/1/2021 – 9/30/2025)
Compliance Requirement: Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Emergency Rental Assistance (ERA) 1 and ERA 2 state, local, and territorial recipients were required to submit monthly and quarterly reports to the United States Department of the Treasury (U.S. Treasury).

Monthly reports are brief two-question updates through which ERA recipients provide U.S. Treasury with very high-level counts of the numbers of households receiving assistance and the amounts of ERA funds distributed. Monthly reports are due 15 days after the end of each month, with the exception of the December 2021 monthly report which was due January 18, 2022.

Quarterly reports are in-depth reports with data on an array of programmatic and financial information to provide transparency in the use and progress of ERA funds. Monthly reports were required for each month of Fiscal Year 2022 and were due 15 days after the end of the month. Quarterly reports were required for each quarter of Fiscal Year 2022 and were due October 29, 2021, February 1, 2022, April 15, 2022, and July 15, 2022.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Monthly reports for the period ending December 31, 2021 were not submitted timely by the Executive Office of Housing and Livable Communities (the Department).

Context:

We selected a sample of eight monthly reports (four each for ERA-1 and ERA-2) and four quarterly reports (two each for ERA-1 and ERA-2). We noted that the 12/31/2021 monthly reports for both ERA-1 and ERA-2 were due by 1/15/2022, but they were submitted on 3/18/2022, or 62 days late.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause:

The Department's procedures and internal controls were not sufficient to ensure that monthly reports were submitted timely.

Effect:

The Department was not in compliance with monthly reporting requirements.

Questioned costs:

None.

Recommendation:

We recommend the Department review and enhance procedures and controls to ensure that monthly reports are submitted timely.

Views of responsible officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-016
Prior Year Finding: No
Federal Agency: U.S. Department of Education
State Agency: Department of Elementary and Secondary Education
Federal Program: COVID-19 – Elementary and Secondary School Emergency Relief Fund (ESSER)
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
Assistance Listing Number: 84.425D, 84.425U
Award Number and Year: S425D210025 (1/5/2021 – 9/30/2022)
8425D200025 (5/4/2020 – 9/30/2021)
S425U210025 (3/4/2021 – 9/30/2023)
Compliance Requirement: Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: ESSER grantees must submit an annual performance report with data on expenditures, planned expenditures, subrecipients, and uses of funds, including for mandatory reservations.

The CARES Act requires ESSER grantees to submit quarterly reports. This reporting requirement is satisfied through grantees' submission of the required monthly FFATA data through FSRS.gov. This monthly subaward data reported by States, along with data on awards to States, are pulled into the ESF Transparency Portal.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Year 2 Annual Report submitted by the Department of Elementary and Secondary Education (Department) for ESSER I did not agree to supporting documentation. Further, subaward information used for quarterly reports was not submitted to FSRS timely.

Context:

The Year 2 annual report submitted by the Department for ESSER I did not agree to supporting documentation. A variance of \$37,604 was noted in the total amount expended on subrecipients in the prior year and the total amount of reserve expended directly in the prior reporting period.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Forty-two of sixty subrecipients selected for testing were not reported timely to FSRS, therefore, monthly FFATA data used to satisfy the quarterly reporting requirements was untimely. The subawards were reported to FSRS from one or four months later than required by FFATA reporting requirements.

Cause:

The Department's procedures and controls were not sufficient to ensure that the amounts reported for ESSER I agreed to supporting documentation nor that monthly subaward data used to satisfy quarterly reporting requirements was reported timely to FSRS.

Effect:

The total amount of prior year and current year subrecipient expenditures reported on the Year 2 Annual Report for ESSER I did not agree to supporting documentation. Monthly FFATA data used to satisfy quarterly reporting requirements was not submitted timely.

Questioned costs:

Undetermined.

Recommendation:

We recommend the Department review and enhance procedures and internal controls to ensure that amounts reported on the Annual Report agree to supporting documentation. We further recommend that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance in order to satisfy quarterly reporting requirements for the program.

Views of Responsible Officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-017
Prior Year Finding: 2021-019
Federal Agency: U.S. Department of Education
State Agency: Department of Elementary and Secondary Education
Federal Program: COVID-19 – Elementary and Secondary School Emergency Relief Fund (ESSER)
 COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
Assistance Listing Number: 84.425D, 84.425U
Award Number and Year: S425D210025 (1/5/2021 – 9/30/2022)
 8425D200025 (5/4/2020 – 9/30/2021)
 S425U210025 (3/4/2021 – 9/30/2023)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department of Elementary and Secondary Education (Department) did not report subaward information to FSRS timely.

Context:

Forty-two of sixty subrecipients selected for testing were not reported timely to FSRS. The subawards were reported from one or four months later than required by FFATA reporting requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
60	0	32	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$125,991,934	\$0	\$87,272,968	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS no later than the end of the month following the month of issuance.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend the Department review and enhance procedures and internal controls to ensure that all required subawards are reported timely to FSRS no later than the end of the month following the month of issuance.

Views of Responsible Officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-018
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Agency: Executive Office of Housing and Livable Communities
Federal Program: Low-Income Home Energy Assistance,
 COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Award Number and Year: 2001MALIEA (10/1/2019 – 9/30/2021)
 2101MAE5C6 (3/11/2021 – 9/30/2022)
 2101MALIEA (10/10/2020 – 9/30/2022)
 2201MALIE4 (10/1/2021 – 9/30/2023)
 2201MALIEA (10/1/2021 – 9/30/2023)
 2201MALIEI (10/1/2021 – 9/30/2023)
Compliance Requirement: Reporting – Federal Funding Accountability and Transparency Act (FFATA)
Type of Finding: Material Weakness in Internal Control Over Compliance, Material Noncompliance

Criteria or specific requirement:

Compliance: Per the Federal Funding Accountability and Transparency Act (FFATA), prime (direct) recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). Reports must be filed in FSRS by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$30,000. If the initial award is below \$30,000 but subsequent grant modifications result in a total award equal to or over \$30,000, the award will be subject to the reporting requirements as of the date the award exceeds \$30,000. If the initial award equals or exceeds \$30,000 but funding is subsequently de-obligated such that the total award amount falls below \$30,000, the award continues to be subject to FFATA reporting requirements.

The following key data elements must be reported: Subawardee Name and Data Universal Numbering System (DUNS) number; Amount of Subaward (inclusive of modifications); Subaward Obligation/Action Date; Date of Report Submission; Subaward Number; Project Description; and Names and Compensation of Highly Compensated Officers. (Names and Compensation of Highly Compensated Officers must only be reported when the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$30,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.)

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for

**COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

Subaward information was not reported to FSRS during FY 2022.

Context:

None of the thirteen subrecipients selected for testing were reported to FSRS by the Executive Office of Housing and Livable Communities (the Department) during FY 2022. Total subawards selected were \$90,808,866, and \$0 was reported as required by FFATA requirements.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
13	13	0	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$90,808,866	\$90,808,866	\$0	\$0	\$0

Cause:

The Department’s procedures and controls were not sufficient to ensure that subawards were reported to FSRS during FY 2022.

Effect:

Subawards were not reported to FSRS in accordance with FFATA requirements.

Questioned costs:

None noted.

Recommendation:

We recommend the Department review and enhance procedures and internal controls to ensure that all required subawards are reported timely and accurately to FSRS no later than the end of the month following the month of issuance.

Views of Responsible Officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-019
Prior Year Finding: No
Federal Agency: U.S. Department of Health and Human Services
State Agency: Executive Office of Housing and Livable Communities
Federal Program: Low-Income Home Energy Assistance,
COVID-19 – Low-Income Home Energy Assistance
Assistance Listing Number: 93.568
Award Number and Year: 2001MALIEA (10/1/2019 – 9/30/2021)
2101MAE5C6 (3/11/2021 – 9/30/2022)
2101MALIEA (10/10/2020 – 9/30/2022)
2201MALIE4 (10/1/2021 – 9/30/2023)
2201MALIEA (10/1/2021 – 9/30/2023)
2201MALIEI (10/1/2021 – 9/30/2023)
Compliance Requirement: Reporting – Performance and Special Reporting
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or specific requirement:

Compliance: LIHEAP Performance Data Form (OMB No 0970-0449) – For the year ending September 30, 2021, state grantees must submit this report by March 31, 2022. The first section of the report is the Grantee Survey that covers sources and allocation of funding. The rest of the report is regarding performance metrics, mostly related to home energy burden targeting and reduction, as well as the continuity of home energy service.

LIHEAP Carryover and Reallotment Report (OMB No. 0970-0106) – Grantees must submit this report no later than August 1 indicating the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds. Funds in excess of the maximum carryover limit are subject to reallotment to other LIHEAP grantees in the following fiscal year and must also be reported.

Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060) – As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LIHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. Territories with annual allotments of less than \$200,000 and all Indian tribes are required to report only on the number of households served for each program component.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Executive Office of Housing and Livable Communities (the Department) did not submit performance and special reports timely. In addition, the Annual Report on Households Assisted by LIHEAP did not agree to supporting documentation.

Context:

Exceptions were noted for 2 of 3 reports selected for testing. We selected for testing the LIHEAP Performance Data Form, the LIHEAP Carryover and Reallotment Report, and the Annual Report on Households Assisted by LIHEAP that were due during FY2022. Specifically, we noted the following exceptions:

- The LIHEAP Performance Data Forms was not submitted timely. The report for the period ending 9/30/2021 was due by 3/31/2022 but was not submitted until 4/12/2022, or 12 days late.
- Several line items on the Annual Report on Households Assisted by LIHEAP did not agree to supporting documentation.

Questioned costs:

None noted.

Cause:

The Department’s procedures were not sufficient to ensure that performance and special reports were submitted timely nor that information reported on the Annual Report on Households Assisted by LIHEAP was accurate and agreed with supporting documentation. Internal controls did not prevent or detect the errors.

Effect:

Delays and inaccuracies in submission of annual performance and special reports could impact the Federal agency’s ability to manage the program, could result in delays in annual awards, and possible penalties or sanctions could be imposed by the grantor.

Recommendation:

We recommend that the Department review and enhance its procedures and internal controls to ensure that performance and special reports are submitted timely and that the information reported agrees to supporting documentation.

Views of Responsible Officials:

Management agrees with the finding.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Reference Number: 2022-020
Prior Year Finding: 2021-024 (Medicaid Only)
Federal Agency: U.S. Department of Health and Human Services
State Agency: Executive Office of Health and Human Services
Federal Program: Medicaid Cluster, COVID-19 – Medicaid Cluster
Children’s Health Insurance Program, COVID-19 – Children’s Health
Insurance Program
Assistance Listing Number: 93.775, 93.777, 93.778 (Medicaid)
93.767 (CHIP)
Award Number and Year: XIX-MAP21, XIX-MAP-22 (Medicaid)
2105MA5021, 2205MA5021 (CHIP)
Compliance Requirement: Special Tests and Provisions - Provider Health and Safety Standards
Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other
Matters

Criteria or specific requirement:

Compliance: Providers must meet the prescribed health and safety standards for hospital, nursing facilities, and ICF/IID (42 CFR Part 442). The standards may be modified in the state plan.

Control: Per 2 CFR section 200.303(a), a non-Federal entity must: Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should comply with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition:

The Department did not provide documentation to support the eligibility recertification for the organizations within the group practice. The recertification was not completed by the third-party administrator within the five-year cycle for the organizations in the group practice. We identified three Medicaid and six CHIP providers within the group practice whose recertification was not completed in a timely manner.

Context:

Three of the sixty Medicaid and 6 out of sixty CHIP providers selected for testing, did not provide documentation to support recertification of eligibility.

Cause:

The Department did not maintain documentation to support the performance of the providers’ eligibility recertification process.

Effect:

The Department is unable to support compliance with the federal requirement.

COMMONWEALTH OF MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

DRAFT
6/27/2023

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Questioned costs:

Undetermined.

Recommendation:

We recommend that the Department maintain documentation to support the determination or redetermination of provider eligibility.

Views of Responsible Officials:

Management agrees with the finding.