

SUBRECIPIENT AGREEMENT BETWEEN
KITSAP COUNTY AND THE SALVATION ARMY

THIS SUBRECIPIENT AGREEMENT (“Agreement”) is made between Kitsap County, a Washington state political subdivision (“County”) and The Salvation Army, a California non-profit corporation (“Subrecipient”).

RECITALS

WHEREAS, the County is a recipient of certain Coronavirus Local Fiscal Recovery Funds (“ARPA Funds”) which are to be disseminated and used in compliance with section 602(c) and 603(c) of the Social Security Act (“Act”), as added by section 9901 of the American Rescue Plan Act (“ARPA”), the U.S. Department of Treasury regulations implementing that section and the guidance issued by the U.S. Department of Treasury published in the Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule: Frequently Asked Questions issued January 2022, all collectively referred to herein as “ARPA Rules”.

WHEREAS, the Subrecipient has submitted a written request to the County for ARPA Funds to be used for the authorized purpose identified in the Scope of Work.

WHEREAS, the parties desire to execute this Agreement to address the respective requirements of each for the receipt and use of the ARPA Funds.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference, and the terms and conditions set forth below, the parties agree as follows:

SECTION 1. TERM

- 1.1 The Agreement will become effective on October 1, 2023, and terminate on May 31, 2024, subject to available funding, unless terminated or extended as provided herein. In no event will the Agreement become effective unless and until it is approved and executed by the duly authorized representative of Kitsap County.

SECTION 2. SUBRECIPIENT SCOPE OF WORK

- 2.1 Subrecipient. For purposes of this Agreement, a Subrecipient means a non-Federal entity that receives a subaward from Kitsap County, a pass-through entity, to carry out part of a Federal Program; but does not include an individual that is a beneficiary of such program. 45 CFR § 75.2
- 2.2 Scope of Work. The Subrecipient accepts receipts of ARPA Funds and agrees to complete the “Project” as described in Attachment B (Scope of Work).

- 2.3 Changes in Scope of Work. No change(s) shall be made to the Scope of Work except by written amendment to the Agreement.
- 2.4 Subrecipient Capacity. Subrecipient agrees and confirms that it has the institutional, managerial, and financial capacity to ensure proper planning, management, and completion of the Project as provided herein.

SECTION 3. COMPENSATION AND PAYMENT

- 3.1 Compensation. Subject to the terms, covenants, and conditions of this Agreement, the County will pass through to the Subrecipient the amount of ARPA Funds not to exceed the amount identified on the Face Sheet box 8 to be used as provided herein.
- 3.2 Scope of Eligible Expenditures, No Supplanting. Subrecipient agrees to utilize ARPA Funds available under this Agreement only to reimburse for eligible expenditures and as provided in this Agreement. No funds may be used to reimburse expenditures reimbursed under any other federal or state program, or from any other third-party source. Wrongful expenditure of the funds will constitute a breach of this Agreement and the County shall have the right to terminate this Agreement under the terms and conditions specified herein.
- 3.3 Reimbursement for Travel. Subrecipient will not be reimbursed for travel that is not identified in the attached Scope of Work, without the prior written consent of the County. To be reimbursable under this agreement, travel costs must be incurred pursuant to both the cost principles found in 2 CFR 200.475 – Travel Costs, as well as the Subrecipient’s own established travel policy, a copy of which must be provided to the County.
- 3.4 Invoice. Subrecipient will submit a monthly invoice to the County, no later than the 15th day following the end of each month, as identified below, for reimbursement of expenses incurred during the reporting period. Subrecipient will use the Reimbursement Request Form provided by the County and submit for reimbursement in the form and manner requested by the County. Subrecipient will notify the County prior to the due date if they will not be submitting for reimbursement because no expenses were incurred in the prior month. The County shall endeavor to make payment not more than 30 days after a complete and accurate invoice is received.

FOR MONTH ENDING	REIMBURSEMENT REQUEST DUE
January 31	February 15
February 28/29	March 15
March 31	April 15
April 30	May 15
May 31	June 15
June 30	July 15
July 31	August 15
August 31	September 15
September 30	October 15
October 31	November 15

November 30	December 15
December 31	January 15

- 3.5 Subrecipient Certification. By signing this Agreement, the Subrecipient certifies that it understands that this Agreement is funded in whole or in part with ARPA Funds and subject to all ARPA Rules, and other laws, rules, and regulations normally associated with federally funded programs and any other requirements of law for receipt and use of ARPA Funds and Subrecipient agrees to comply with the same.
- 3.6 No Advance Payment. No advance payments shall be made for any products or services furnished by the Subrecipient pursuant to this Agreement.
- 3.7 Overpayments. Subrecipient promptly shall refund to County the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty days of discovery of such an error.
- 3.8 Pre-award Costs. Pre-award costs, as defined in 2 C.F.R. § 200.458 may not be paid with funding from this award.

SECTION 4. PERFORMANCE MONITORING

- 4.1 The County will monitor the performance of the Subrecipient. Monitoring which shall include without limitation tracking project performance, reviewing payment requests for applicable costs, managing the timely pass-through of ARPA Funds, overseeing compliance with ARPA Rules and ensuring recordkeeping and audit requirements are met. Substandard performance as determined by the County will constitute noncompliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable time after being notified by the County, contract suspension or termination procedures will be initiated.

SECTION 5. ADMINISTRATIVE AND REPORTING REQUIREMENTS

- 5.1 Quarterly Performance Report. Subrecipient shall provide the County with a quarterly performance report by the last day of the month following the end of the quarter as identified below.

FOR CALENDAR QUARTER ENDING	QUARTERLY PERFORMANCE REPORT DUE
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

- 5.2 Close-Out Report. Subrecipient is responsible for the close out of the ARPA Funds. Subrecipient's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, without limitation: making

final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the County), completing the final reimbursement request, and determining the custodianship of records. The Subrecipient shall submit the Close-Out Report within sixty (60) days of completion of the project or March 1st, 2024, whichever occurs first.

- 5.3 Accounting. Subrecipient shall comply with the requirements and standards of Office of Management and Budget (OMB) and guidance in subparts A through F of 2 C.F.R part 200 and shall adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred. Subrecipient's financial management system shall include, at a minimum, accurate, current, and complete disclosures of expenditures of ARPA Funds; records which adequately identify the source and application of ARPA Funds provided for financially assisted activities; effective control over and accountability for ARPA Funds, real and personal property, and other assets; comparison of actual outlays with budgeted amounts; and records supported by source documentation. Subrecipient shall comply with applicable Federal regulations for administrative requirements, cost principles, and audits; and maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are: Financial Managements, Procurement, Personnel, Property, and Travel. A system is adequate if it is written, followed consistently (it applies to similar items), and consistently applied (it applies to all sources of funds).
- 5.4 Cost Principles. The Subrecipient will administer its program in conformance with 2 CFR 200 Subpart E – *Cost Principles*. These principles will be applied for all costs incurred whether charged on a direct or indirect basis.
- 5.5 Duplication of Costs. The Subrecipient certifies that work to be performed under this Agreement does not duplicate any work to be charged against any other contract, subcontract, or other source.
- 5.6 Procurement. Subrecipient shall procure all materials, property, or services in accordance with the requirements of the Uniform Guidance and 2 C.F.R. § 200.317 through 2 C.F.R. § 200.327. Subrecipient shall maintain an inventory of all equipment, furniture, and non-expendable personal property purchased with ARPA Funds.
- 5.7 Internal Controls. Subrecipient should operate according to a written set of policies and procedures that define staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents. Included in these policies and procedures will be written accounting procedures for approving and recording transactions and the control of cash receipts, disbursements, and cash balances. Subrecipient's financial policies and lines of authority may be reviewed by the County upon request for monitoring purposes.
- 5.8 Technical Assistance. If, at any time, Subrecipient believes its capacity is compromised or Subrecipient otherwise needs any sort of assistance, it shall immediately notify the County. The County will make good faith efforts to provide timely technical assistance to the

Subrecipient to bring the Agreement into compliance.

- 5.9 Equipment Purchase. Any equipment to be purchased with a cost of \$5,000, or more, per item, shall be specifically and individually identified in the attached Scope of Work and preauthorization shall be obtained from the County prior to purchase.
- 5.10 Equipment Maintenance. Subrecipient shall be responsible for the proper care and maintenance of all equipment purchased using ARPA Funds, including securing and insuring such equipment.
- 5.11 Equipment Ownership. The Subrecipient shall ensure that all such equipment is returned to the County upon termination of this Agreement unless otherwise agreed to by the parties.
- 5.12 Reporting. Subrecipient agrees to comply with any reporting obligations established by the County and/or Treasury, as it relates to this Agreement.

SECTION 6. MAINTENANCE OF RECORDS, AUDITS, AND INSPECTIONS

- 6.1 Inspection, Review, or Audit. Subrecipient shall maintain all records and financial documents required by federal and state law that are pertinent to the activities to be funded under this Agreement for six (6) years after the last date that all funds have been expended or returned to the County, whichever is later, to ensure proper accounting for all funds and compliance with the Agreement. Records shall be retained longer if any litigation, claim, or audit is started before the expiration of the record retention period. Such records shall include without limitation:
 - a. Records providing a full description of each activity undertaken;
 - b. Records demonstrating that each activity undertaken meets one of the Expenditure Categories identified in the U.S. Department of Treasury Compliance and Reporting Guidance, Appendix 1: Expenditure Categories;
 - c. Records required to determine the eligibility of activities;
 - d. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with Recovery Funds;
 - e. Financial records as required by 2 CFR Part 200 Performance and Financial Monitoring and Reporting, Sections 200.328, 329, and 331; and
 - f. Other records necessary to document compliance with 2 CFR Part 200 Performance and Financial Monitoring and Reporting, Sections 200.328, 329, and 331
 - g. Records sufficient to evidence compliance with sections 602(c) and 603(c), Treasury's regulations implementing those sections, and guidance regarding the eligible uses of funds.

All subrecipients records and documents (electronic and otherwise) with respect to all matters covered by this Agreement shall be subject to access, inspection, review, and audit (electronic and otherwise) by the County, the Treasury Office of Inspector General and the Government Accountability Office, or their authorized representatives, unless otherwise protected by law, during normal business hours as often as the government entity deems necessary to conduct audits or other investigations. Any deficiencies noted in audit

reports must be fully cleared by the Subrecipient within 30-days after receipt by the Subrecipient. Failure of the Subrecipient to comply with this audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments. Subrecipient shall comply with all applicable audit requirements in accordance with 2 CFR 200, Subpart F.

The Subrecipient that expends \$750,000 or more in a fiscal year in federal funds from all sources hereby agrees to have an annual agency audit conducted in accordance with current Local Government policy concerning Subrecipient audits and 2 CFR 200.501. The Catalog of Federal Domestic Assistance (CFDA) number is 21.027.

- 6.2 Subrecipient Obligations. Subrecipient shall perform all obligations required of subrecipients under the rules governing ARPA Funds.
- 6.3 Medical Records. If applicable, medical records shall be maintained and preserved by the Subrecipient in accordance with all applicable laws, including but not limited to RCW 70.41.190, RCW 70.02.160, and standard medical records practice. Subrecipient shall also be responsible for the proper maintenance and disposal of such medical records.
- 6.4 Unauthorized Disclosure. Subrecipient agrees that all information, records, and data collected in connection with this Agreement shall be protected from unauthorized disclosure in accordance with applicable state and federal law.
- 6.5 Compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Subrecipient shall not use protected health information created or shared under this Agreement in any manner that would constitute a violation of HIPAA or applicable regulations. Subrecipient shall read and maintain compliance with all HIPAA requirements at the U.S. Office of Civil Rights website: <https://www.hhs.gov/hipaa/index.html>.

SECTION 7. CIVIL RIGHTS COMPLIANCE

- 7.1 Subrecipient ensures its current and future compliance with all legal requirements relating to nondiscrimination and nondiscriminatory use of Federal funds. Those requirements include ensuring that entities receiving ARPA Funds do not prohibit exclusive from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal funds, of any person in the United States on the ground of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964, as amended and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department of Treasury implementing regulations at 31 CFR part 22 and other pertinent executive orders such as Executive Order 13166; directives; circulars; policies; memoranda and/or guidance documents.

SECTION 8. CORRECTIVE ACTION, RECOUPMENT

- 8.1 If the County determines Subrecipient has failed to comply with any terms or conditions of this Agreement, or the Subrecipient has failed to provide in any manner the work or services (each a “breach”), and if the County determines that the breach warrants corrective action, the County will notify the Subrecipient in writing of the nature of the breach.
- a. Subrecipient’s Corrective Action Plan. Subrecipient shall respond with a written corrective action plan within fourteen days of its receipt of such notification unless the County, at its sole discretion, extends in writing the response time. The plan shall indicate the steps being taken to correct the specified breach and shall specify the proposed completion date for curing the breach. This date shall not be more 30 days from the date of the Subrecipient’s response, unless the County, at its sole discretion, specifies in writing an extension to complete the corrective actions.
 - b. County’s Determination of Corrective Action Plan Sufficiency. County will determine the sufficiency of the Subrecipient’s proposed corrective action plan, then notify the Subrecipient in writing of that determination. The determination of sufficiency of the Subrecipient’s corrective action plan shall be at the sole discretion of the County.
 - c. Termination or Suspension. If the Subrecipient does not respond within the appropriate time with a corrective action plan, or if the County determines that the Subrecipient’s corrective action plan is insufficient, the County may terminate or suspend this Agreement in whole or in part in its discretion.
 - d. Withholding Payment. In addition, the County may withhold any payment to the Subrecipient or prohibit the Subrecipient from incurring additional obligations of funds until the County is satisfied that corrective action has been taken or completed.
- 8.2 Remedial Actions. In the event of Subrecipient’s noncompliance with section 603(c) of the Act, Treasury’s regulations implementing that section, guidance issued by Treasury regarding the foregoing, or any other applicable federal laws or regulations, Treasury may take available remedial actions as set forth in 2 C.F.R. 200.339.
- 8.3 Recoupment. Subrecipient agrees it is financially responsible for and will repay the County all indicated amounts following an audit exception which occurs due to Subrecipient’s failure, for any reason, to comply with the terms of this Agreement. This duty to repay the County shall not be diminished or extinguished by the termination of the Agreement.

Any debts determined to be owed the County must be paid promptly by the Subrecipient. A debt is delinquent if it has not been paid by the date specified in the County’s initial written demand for payment, unless other satisfactory arrangements have been made or if

the County knowingly or improperly retains funds that are a debt. The County will take any actions available to it to collect such a debt.

- 8.4 Dispute Resolution. The parties shall use good-faith efforts to cooperatively resolve disputes and problems that arise in connection with this Agreement. Both parties will make a good faith effort to continue without delay to carry out their respective responsibilities under this Agreement while attempting to resolve the dispute.

SECTION 9. TERMINATION

- 9.1 For Convenience. County may terminate the Agreement for convenience, in whole or in part, without penalty, for any reason or no reason, with ten days prior notice to the Subrecipient.
- 9.2 Termination for Cause. In accordance with 2 C.F.R. part 200, subpart D, the County may suspend or terminate this Agreement if the Subrecipient materially fails to comply with any term or condition of this Agreement, or if the Subrecipient fails to maintain a good faith effort to carry out the purpose of this Agreement. If the Subrecipient fails to materially comply with any term of the award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, County may take one or more of the following actions, as appropriate in the circumstances: Temporarily withhold cash payments pending correction of the deficiency; disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance; wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program; and/or withhold further awards for the program.
- 9.3 Procedures. Upon receipt of notice of termination, the Subrecipient shall stop all work as directed in the notice, notify Personnel of the termination date, and minimize further costs. All goods, materials, documents, data, and reports prepared by the Subrecipient under the Agreement shall become the property of, and delivered to, the County on demand. A final payment will be made to the Subrecipient only for work performed and accepted by the County through the effective date of termination. No costs incurred after the effective date of the termination will be paid.
- 9.4 Availability of Funds. It is expressly understood by the parties hereto that this Agreement has been negotiated and executed in anticipation of receipt of ARPA Funds by the County from the federal government, and that the terms, conditions, and sums payable under this Agreement are subject to any changes or limitations which may be required by the terms of the County's agreement with the federal government and all applicable federal law, rules, and regulations.

SECTION 10. INDEMNIFICATION

- 10.1 Indemnification. Subrecipient will hold harmless, defend, and indemnify the County, its officers, employees, and agents from any and all costs, expenses, loss, claims, actions, suits, charges, and judgments whatsoever that arise out of or are related to the

Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement. Subrecipient expressly agrees and understands that Kitsap County is a third-party beneficiary to its Agreement with Subrecipient and shall have the right to bring an action against subrecipient to enforce the provisions of this paragraph. This section shall survive the expiration or termination of this Agreement.

- 10.2 Continuing Liability. Subrecipient shall have continuing liability after the term of this Agreement for any breach of this Agreement, including failure to perform in accordance with required federal law, rules, and regulations until after all complaints, investigations, and sanctions, including those arising out of audits performed by Treasury, the County, or other authorized agencies are resolved. Subrecipient shall be liable for any sanctions or requirements imposed at any time upon the County arising out of the Subrecipient's activities performed pursuant to this Agreement

SECTION 11. INSURANCE

- 11.1 Minimum Insurance Required. Subrecipient and its subcontractors, if any, shall procure and maintain, until all Agreement obligations have been fully discharged, including satisfaction of any warranty period, all insurance required in this Section with an insurance company duly licensed in Washington State with an A.M. Best Company ratings of not less than A-VIII and a category rating of not less than "8", with policies and forms satisfactory to the County. Use of alternative insurers requires prior written approval from the County. Coverage limits shall be at minimum the limits identified in this Section, or the limits available under the policies maintained by the Subrecipient without regard to the Agreement, whichever is greater.

- 11.2 Commercial General Liability ("CGL"). Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include personal injury, bodily injury, and property damage for premise-operations liability, products/completed operations, personal/advertising injury, contractual liability, independent Subrecipient liability, and stop gap/employer's liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required herein, without the prior written approval of the County. The certificate of insurance for the CGL policy shall expressly cover the indemnification obligations required by the Agreement.

11.3 Automobile Liability

- Subrecipient shall maintain personal automobile insurance on all vehicles used for Agreement purposes as required by law.
- Not less than \$100,000 per occurrence and \$300,000 annual aggregate. If a personal automobile liability policy is used to meet this requirement, it must include a business rider and cover each vehicle to be used in the performance of the Agreement. If Subrecipient will use non-owned vehicles in performance of the Contact, the coverage shall include owned, hired, and non-owned automobiles.
- Not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Coverage shall include liability for all owned, hired, and non-owned vehicles.

Coverage may be satisfied with an endorsement to the CGL policy.

- 11.4 Umbrella or Excess Liability. The Contactor may satisfy the minimum liability limits required for the CGL and Automobile Liability under an Umbrella or Excess Liability policy. There is no minimum per occurrence limit of liability under the Umbrella or Excess Liability; however, the annual aggregate limit shall not be less than the highest “Each Occurrence” limit for either CGL or Automobile Liability. The Subrecipient agrees to an endorsement naming the County as an additional insured as provided in this Section unless the Umbrella or Excess Liability provides coverage on a “Follow-Form” basis.
- 11.5 Workers’ Compensation and Employer Liability. If applicable, the Subrecipient shall maintain workers’ compensation insurance as required under the Title 51 RCW (Industrial Insurance), for all Subrecipient’s Personnel eligible for such coverage. If the Agreement is for over \$50,000, then the Subrecipient shall also maintain employer liability coverage with a limit of not less than \$1,000,000.
- 11.6 Primary, Non-Contributory Insurance. The Subrecipients and its subcontractors’ insurance policies and additional named insured endorsements will provide primary insurance coverage and be non-contributory. Any insurance or self-insurance programs maintained or participated in by the County will be excess and not contributory to such insurance policies. All Subrecipient’s and its subcontractors’ liability insurance policies must be endorsed to show as primary coverage. The Subrecipient shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All subcontractors shall comply with all insurance and indemnification requirements herein.
- 11.7 Review of Policy Provisions. Upon request, the Subrecipient shall provide a full and complete copy of all requested insurance policies to the County. The County reserves the right without limitation, but has no obligation to revise any insurance requirement, or to reject any insurance policies that fail to meet the requirements of the Agreement. The County also has the right, but no obligation to review and reject any proposed insurer providing coverage based upon the insurer’s financial condition or licensing status in Washington. The County has the right to request and review the self-insurance retention limits and deductibles, and the Subrecipient’s most recent annual financial reports and audited financial statements, as conditions of approval. Failure to demand evidence of full compliance with the insurance requirements or failure to identify any insurance deficiency shall not relieve the Subrecipient from, nor be construed or deemed a waiver, of its obligation to maintain all the required insurance as required herein.
- 11.8 Waiver of Subrogation. In consideration of the Agreement award, the Subrecipient agrees to waive all rights of subrogation against the County, its elected and appointed officials, officers, employees, and agents. This waiver does not apply to any policy that includes a condition that expressly prohibits waiver of subrogation by the insured or that voids coverage should the Subrecipient enter a waiver of subrogation on a pre-loss basis.

- 11.9 Additional Insured, Endorsement and Certificate of Insurance. All required insurance coverage, other than the workers' compensation and professional liability, shall name the County, its elected and appointed officials, officers, employees, and agents, as additional insureds and be properly endorsed for the full available limits of coverage maintained by Subrecipient and its subcontractors. Endorsement is not required if the Subrecipient is a self-insured government entity or insured through a government risk pool authorized by Washington State.

The Certificate of Insurance and endorsement shall identify the Agreement number and shall require not less than thirty (30) days' prior notice of termination, cancellation, nonrenewal or reduction in coverage. At the time of execution, the Subrecipient shall provide the Certificate of Insurance, endorsement, and all insurance notices to: Risk Management Division, Kitsap County Department of Administrative Services, 614 Division Street, MS-7, Port Orchard, Washington 98366.

- 11.10 General. The coverage limits identified herein are minimum requirements only and will not in any manner limit or qualify the liabilities or obligations of the Subrecipient under the Agreement. All insurance policy deductibles and self-insured retentions for policies maintained under the Agreement shall be paid by the Subrecipient. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its elected and appointed officials, officers, employees, or agents. The Subrecipient's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, subject to the limits of the insurer's liability.
- 11.11 Claims-Made. If the Subrecipient's liability coverage is written as a claims-made policy, the Subrecipient shall purchase an extended-reporting period or "tail" coverage for a minimum of three (3) years following completion of the performance or attempted performance of the provisions of this Agreement.

SECTION 12. INDEBTEDNESS TO IRS OR OTHER PUBLIC ENTITY

- 12.1 Taxes and Fees. Subrecipient shall promptly pay all applicable taxes on its operations and activities pertaining to this Agreement. Failure to do so shall constitute breach of this Agreement. Subrecipient shall pay applicable sales tax imposed by the State of Washington on purchased goods and/or services.
- 12.2 Delinquent Taxes. Any judgment, lien, levy, or outstanding amount owed to the Internal Revenue Service, State, County, City, or other public entity by the Subrecipient may constitute an event of default or breach of this Agreement, unless previously approved by the County in writing, and may constitute sufficient reason for cancellation of this Agreement by the County according to the procedures contained in this Agreement.
- 12.3 Disclosure of Delinquent Taxes. Before entering into this Agreement, and during the time-period covered by this Agreement, Subrecipient shall disclose any information related to this Section. This shall also include the immediate reporting of breaches in payback arrangements or breaches in other Agreements related to the above. Failure to comply with

any disclosure provision in this Section may also constitute sufficient reason for the County to cancel this Agreement according to the procedures contained in this Agreement.

SECTION 13. NOTICE AND AGREEMENT REPRESENTATIVES

- 13.1 Any notices, demands and other communications required by the Agreement will be effective if personally served upon the other party or if mailed by registered or certified mail, postage prepaid, return receipt requested, to the other party's Authorized Representative at the address on the Face Sheet. Notice may also be given by email with the original to follow by regular mail. Notice will be deemed to be given three (3) days following the date of mailing, or immediately if personally served. Each party will designate a "Authorized Representative" on the Face Sheet which may be changed by providing fifteen (15) days prior notice to the other party.

SECTION 14. AMENDMENTS, ASSIGNMENT, INDEPENDENT SUBRECIPIENT

- 14.1 Amendment. No amendment or modification to the Agreement will be effective without the prior written consent of the authorized representatives of the parties.
- 14.2 Successors and Assigns. To the extent permitted by law, the Agreement is binding on the parties' respective partners, successors, assigns, executors, and legal representatives.
- 14.3 Assignment. Except with the prior written consent of the other party, each party shall not assign or transfer, including by merger (whether that party is the surviving or disappearing entity), consolidation, dissolution, or operation of law any right, duty, obligation, or remedy under the Agreement. Any purported assignment or transfer in violation of this section shall be void.
- 14.4 Independent Capacity. Each party under the Agreement shall be for all purposes an independent Subrecipient. Nothing contained herein will be deemed to create an association, a partnership, a joint venture, or a relationship of principal and agent, or employer and employee between the parties. Subrecipient shall have complete responsibility and control over its Personnel. Neither the Subrecipient nor its Personnel shall be, or be deemed to be, or act or purport to act, as an employee, agent, or representative of the County. Subrecipient and its Personnel shall have no County employee-type benefits of any kind whatsoever, including without limitation, insurance, pension plan, vacation pay or sick pay, or other right or privilege afforded to County employees. Subrecipient and its Personnel shall be responsible for payment of all insurance, taxes, and benefits.

SECTION 15. REPRESENTATIONS, PUBLIC RECORDS

- 15.1 No Fee. Subrecipient certifies it has not received, nor paid or agreed to pay, another person or entity, other than a bona fide employee working exclusively for the Subrecipient, any

fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of the Agreement.

15.2 Licenses, Permits and Taxes. Subrecipient shall, at its own expense, have and maintain all licenses, registrations, permits, and approvals necessary for the performance of the Agreement, including without limitation, registration with the Washington State Department of Revenue. The Subrecipient shall pay all fees (including licensing fees) and applicable federal, state, and local taxes.

15.3 Public Records. Subrecipient shall make the Agreement and all public records associated with the Agreement available to the County for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (“Act”), unless otherwise required by law. To the extent that public records in the custody of the Subrecipient are needed for the County to respond to a request under the Act, as determined by the County, the Subrecipient shall make them promptly available to the County at no cost to the County. If the Subrecipient considers any portion of any record provided to the County under the Agreement, whether electronic or hard copy, to be protected from disclosure under the law, the Subrecipient shall clearly identify all specific information it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information that has been identified by the Subrecipient as protected from disclosure and the County determines that release of the information is required by the Act or otherwise appropriate, the County’s sole obligation will be to make a reasonable effort to notify the Subrecipient of the request and the date that such protected information will be released to the requester unless the Subrecipient obtains a court order to enjoin disclosure pursuant to RCW 42.56.540. If the Subrecipient fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified. The County has, and by this Section assumes, no obligation on behalf of the Subrecipient to claim any exemption from disclosure under the Act. The County will not be liable to the Subrecipient for releasing records in compliance with the Act, this Section or court order.

SECTION 16. SUBCONTRACTS

16.1 Subcontracts. Subrecipient shall provide the County a list of all subcontractors and their proposed responsibilities. Subcontractor means any Agreement, express or implied, between the Subrecipient and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or service for the performance of the Agreement. All subcontractors shall incorporate by reference the terms and conditions of this Agreement. Subrecipient is solely responsible for the performance, payment, and legal compliance of its subcontractors.

SECTION 17. APPLICABLE LAW, DISPUTES

17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. The venue for any action hereunder shall be in the Superior Court for Kitsap County, Washington.

17.2 Disputes. Conflicts and disagreements between the parties related to the Agreement will be promptly brought to the attention of the County. Any dispute relating to the quality or acceptability of performance or compensation due the Subrecipient will be decided by the County's Agreement Representative. All decisions of the County's Agreement Representative are considered final; however, nothing herein prohibits either party from seeking judicial relief.

SECTION 18. FORCE MAJEURE

18.1 Neither the Subrecipient nor the County shall be considered in breach or default of its obligations to make satisfactory progress toward the completion of the Project in the event of unforeseen delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence. The time for performance of the obligations and length of period of restriction on use shall be extended for the period of the unforeseen delay, as determined by the County, if the party seeking the extension shall request it in writing of the other party within ten (10) days after the beginning of the unforeseen delay

SECTION 19. ATTACHMENTS

19.1 The following attachments, collectively referred to herein as "Attachments", are incorporated in this Agreement in full by reference.

ATTACHMENT LETTER	ATTACHMENT NAME(S)
--	Face Sheet(s)
A	Federal Contract Terms
B	Scope of Work
C	Cost Certification & Reimbursement Request Form
D	Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions
E	Civil Rights Certification
F	Lobbying Certification & Disclosure of Lobbying Activities

SECTION 20. GENERAL PROVISIONS

20.1 Time. Time is of the essence in this Agreement.

20.2 Non-Waiver of Breach. Waiver of any default shall not be deemed to be a waiver of any subsequent default. No action or failure to act by the County shall constitute a waiver of any right or duty afforded to the County under the Agreement; nor shall any such action or failure to act by the County modify the terms of the Agreement or constitute an approval of, or acquiescence in, any breach hereunder, except as may be specifically stated by the County in writing.

20.3 Implied Agreement Terms. Each provision of law and any terms required by law to be in

the Agreement are made a part of the Agreement as if fully stated in it.

- 20.4 Headings/Captions. Headings and captions used are for convenience only and are not a part of the Agreement and do not in any way limit or amplify the terms and provisions hereof.
- 20.5 No Party the Drafter. The Agreement is the product of negotiation between the parties, and no party is deemed the drafter of the Agreement.
- 20.6 No Third-Party Beneficiary. Except otherwise provided herein, no provision of the Agreement is intended to, nor will it be construed to, create any third-party beneficiary, or provide any rights or benefits to any person or entity other than the County and the Subrecipient.
- 20.7 Severability. If a court of competent jurisdiction holds any provision of the Agreement to be illegal, invalid, or unenforceable, in whole or in part, the validity of the remaining provisions will not be affected, and the parties' rights and obligations will be construed and enforced as if the Agreement did not contain the particular provision held to be invalid. If any provision of the Agreement conflicts with any statutory provision of the State of Washington, the provision will be deemed inoperative to the extent of the conflict or modified to conform to statutory requirements.
- 20.8 Counterparts. The Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement.
- 20.9 Survival. Those provisions of this Agreement that by their sense and purpose should survive expiration or termination of the Agreement shall so survive.
- 20.10 Entire Agreement. The parties acknowledge the Agreement is the product of negotiation between the parties and represents the entire agreement of the parties with respect to its subject matter. All previous agreements and representations, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by the Agreement.
- 20.11 Subrecipient Certification. By signing below, Subrecipient, certifies that Subrecipient has read and understood and is and will comply with the Agreement, Attachments, APPA Rules and applicable federal, state, and local law. Subrecipient further understands that as federal guidance becomes available, an amendment to this Agreement may become necessary and agrees to execute any necessary amendments and comply with the same. Subrecipient acknowledges that any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this Agreement could subject the Contractor to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and applicable law.
- 20.12 Authorization. Each party signing below warrants to the other party that they have the full power and authority to execute this Agreement on behalf of the party for whom they sign.

DATED this 21st day of OCTOBER, 2023.

THE SALVATION ARMY

Kelly Pontsler
Signature

KELLY PONTSLER

Print Name

TREASURER

Title

DATED or ADOPTED this 27 day of November, 2023.

**BOARD OF COUNTY COMMISSIONERS
KITSAP COUNTY, WASHINGTON**



Charlotte Garrido

CHARLOTTE GARRIDO, Chair

Katherine T. Walters

KATHERINE T. WALTERS, Commissioner

Christine Rolfers

CHRISTINE ROLFERS, Commissioner

ATTEST:

Dana Daniels

Dana Daniels, Clerk of the Board

ATTACHMENT A
FEDERAL CONTRACT TERMS

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

If applicable, the following provisions apply to the Subrecipient Agreement for receipt of ARPA Funds:

1. **CONFLICT.** In the event of conflict between these Federal Contract Terms and the Subrecipient Agreement, the Federal Contract Terms shall take priority.
2. **COMPLIANCE.** Subrecipient understands and agrees that funds provided under the Subrecipient Agreement come from a federal source and agrees to comply with all additional applicable terms.
 - A. **Technical Assistance.** If, at any time, Subrecipient believes its capacity is compromised or Subrecipient otherwise needs any sort of assistance, it shall immediately notify the County. County will make best efforts to provide timely technical assistance to Subrecipient to bring Subrecipient into compliance.
 - B. **Compliance with Act.** Subrecipient understands and agrees that ARPA Funds provided under the Subrecipient Agreement may only be used in compliance with section 603(c) of the Social Security Act (“Act”), as added by section 9901 of the American Rescue Plan Act (“ARPA”), the U.S. Department of Treasury’s (“Treasury’s”) regulations implementing that section, and guidance issued by Treasury regarding the foregoing.
3. **SCOPE OF ELIGIBLE EXPENDITURES.** ARPA funds may only for reimbursable eligible expenditures as described in the Subrecipient Agreement, these Federal Contract Terms and Scope of Work. No ARPA Funds may be used to pay or reimburse costs for expenditures for which Subrecipient has received any other funding, whether state, federal or private in nature, for that same expense.
4. **REPORTS.** Subrecipient shall provide the County with additional information and documentation upon request, including completing any reports deemed necessary for the County to comply with documentation, reporting, or audit requirements
5. **REMEDIES.** All administrative, contractual, or other legal remedies available by law, including sanctions and penalties, are available to the parties in the event of a breach of contract.
6. **UNIFORM GUIDANCE COMPLIANCE**
 - A. **Remedial Actions.** In the event of Subrecipient’s noncompliance with section 603(c) of the Act, Treasury’s regulations implementing that section, guidance issued by Treasury

regarding the foregoing, or any other applicable federal laws or regulations, Treasury may take available remedial actions as set forth in 2 C.F.R. 200.339.

B. Recoupment

1. Subrecipient agrees that it is financially responsible for and will repay the County all indicated amounts following an audit exception which occurs due to Subrecipient's failure, for any reason, to comply with the terms of the Subrecipient Agreement. This duty to repay the County shall not be diminished or extinguished by the termination of the Contract.
2. In the event of a violation of section 603(c) of the Act, ARPA Funds shall be subject to recoupment by the County.
3. Any funds paid to Subrecipient (a) more than the amount to which Subrecipient is authorized to retain under the terms of the Subrecipient Agreement; (b) that are determined by the Treasury Office of Inspector General to have been misused; (c) are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act; or (d) are otherwise subject to recoupment by the County shall constitute a debt to the County.
4. Any Subrecipient debts determined to be owed the County must be paid promptly by Subrecipient. A debt is delinquent if it has not been paid by the date specified in the County's initial written demand for payment, unless other satisfactory arrangements have been made or if the County knowingly or improperly retains funds that are a debt. The County will take any actions available to it to collect such a debt.

C. Return of Unused ARPA Funds. If Subrecipient has any unspent ARPA Funds on hand as of the earlier of December 31, 2024, or the termination of the Subrecipient Agreement, Subrecipient shall return all unspent ARPA Funds to the County within ten (10) calendar days.

7. DISCLAIMER

- A. The United States expressly disclaims all responsibility or liability to Subrecipient or third persons for the actions of Subrecipient or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this award or any other losses resulting in any way from the performance of this grant or any contract, or subcontract under this grant.
- B. The acceptance of this grant by Subrecipient does not in any way establish an agency relationship between the United States and Subrecipient.

8. CONFLICT OF INTEREST. Subrecipient understands and agrees it must maintain and comply with a conflict-of-interest policy consistent with 2 C.F.R. § 200.318(c) and such policy is applicable to each activity funded under this award. Subrecipient and subrecipients must disclose in writing to the County or Treasury, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. § 200.112.

9. PROTECTION FOR WHISTLEBLOWERS

- A. In accordance with 41 U.S.C. § 4712, Subrecipient may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of

persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

- B. The list of persons and entities referenced in the paragraph above includes the following: (1) a member of Congress or a representative of a committee of Congress; (2) an Inspector General; (3) the Government Accountability Office; (4) a Treasury employee responsible for contract or grant oversight or management; (5) an authorized official of the Department of Justice or other law enforcement agency; (6) a court or grand jury; and (7) a management official or other employee of Subrecipient, Subrecipient, or subcontractor who has the responsibility to investigate, discover, or address misconduct.
- C. Subrecipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

10. INCREASING SEAT BELT USE IN THE UNITED STATES. Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Subrecipient is encouraged to adopt and enforce on-the-job seat belt policies and programs for its their employees when operating company-owned, rented or personally owned vehicles.

11. REDUCING TEXT MESSAGING WHILE DRIVING. Pursuant to Executive Order 13513, 74 FR 51225 (October 6, 2009), Subrecipient is encouraged to adopt and enforce policies that ban text messaging while driving, and to establish workplace safety policies to decrease accidents caused by distracted drivers.

12. FALSE STATEMENTS. Subrecipient understands that making false statements or claims in connection with this Subrecipient Agreement may be a violation of federal law and may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal or county awards or contracts, and/or any other remedy available by law.

13. APPLICABLE LAWS

The Subrecipient Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Subrecipient agrees to comply with the requirements of section 603 of the Act, the Treasury's regulations implementing that section, and guidance issued by Treasury regarding the foregoing. Subrecipient also agrees to comply with all other applicable federal laws, regulations, and executive orders, and Subrecipient shall provide for such compliance by other parties in any agreements it enters with other parties relating to this Subrecipient Agreement. Federal regulations applicable to this grant may include, without limitation, the following:

- A. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200, including the following: Subpart A, Acronyms and Definitions; Subpart B, General Provisions; Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards; Subpart D, Post-Federal Award Requirements; Subpart E, Cost Principles; and Subpart F, Audit Requirements.

- B. Universal Identifier and System for Award Management (SAM), 2 C.F.R. Part 25, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 25 is hereby incorporated by reference.
 - C. Reporting Subaward and Executive Compensation Information, 2 C.F.R. Part 170, pursuant to which the award term set forth in Appendix A to 2 C.F.R. Part 170 is hereby incorporated by reference.
 - D. OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Non-procurement), 2 C.F.R. Part 180, including the requirement to include a term or condition in all lower tier covered transactions (contracts and subcontracts described in 2 C.F.R. Part 180, subpart B) that the award is subject to 2 C.F.R. Part 180 and Treasury's implementing regulation at 31 C.F.R. Part 19.
 - E. Subrecipient Integrity and Performance Matters, pursuant to which the award term set forth in 2 C.F.R. Part 200, Appendix XII to Part 200 is hereby incorporated by reference.
 - F. Governmentwide Requirements for Drug-Free Workplace, 31 C.F.R. Part 20.
 - G. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations.
 - H. Statutes and regulations prohibiting discrimination applicable to this award include, without limitation, the following:
 1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's Implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance;
 2. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing based on race, color, religion, national origin, sex, familial status, or disability;
 3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination based on disability under any program or activity receiving federal financial assistance;
 4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination based on age in programs or activities receiving federal financial assistance; and
 5. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination based on disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.
14. HATCH ACT. Subrecipient agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits certain political activities of federal employees, as well as certain other employees who work in connection with federally funded programs. Subrecipient agrees to comply with the Prohibition on Providing Funds to the Enemy (2 C.F.R. 183).
15. EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Subrecipient Agreement, the Subrecipient agrees as follows:

Subrecipient will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Subrecipient will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

- A. Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- B. The Subrecipient will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- C. The Subrecipient will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Subrecipient's legal duty to furnish information.
- D. The Subrecipient will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Subrecipient's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- E. The Subrecipient will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- F. The Subrecipient will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- G. In the event of the Subrecipient's noncompliance with the nondiscrimination clauses of

this Subrecipient Agreement or with any of the said rules, regulations, or orders, this Subrecipient Agreement may be canceled, terminated, or suspended in whole or in part and the Subrecipient may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- H. Subrecipient will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Subrecipient will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:
1. Provided, however, that in the event a Subrecipient becomes involved in, or is threatened with, litigation with a subcontractor or vendor due to direction by the administering agency, the Subrecipient may request the United States to enter such litigation to protect the interests of the United States.
 2. County further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the County so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the Subrecipient Agreement.
 3. County agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Subrecipients and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.
 4. County further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a Subrecipient debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Subrecipients and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the County agrees that if it

fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the County under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such County; and refer the case to the Department of Justice for appropriate legal proceedings.

16. **DAVIS-BACON ACT.** All transactions regarding this Subrecipient Agreement shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The Subrecipient shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable. Subrecipients are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. Additionally, Subrecipients are required to pay wages not less than once a week.
17. **COPELAND ANTI-KICKBACK ACT**
 - A. Subrecipient. The Subrecipient shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Subrecipient Agreement.
 - B. Subcontracts. The Subrecipient or subcontractor shall insert in any subcontracts the clause above and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all contract clauses.
 - C. Breach. A breach of the Subrecipient Agreement clauses above may be grounds for termination of the Subrecipient Agreement, and for debarment as a Subrecipient and subcontractor as provided in 29 C.F.R. § 5.12.
18. **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT**
 - A. Overtime Requirements. As required by 29 C.F.R. § 5.5(b), no Subrecipient or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
 - B. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) of this section the Subrecipient and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Subrecipient and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards,

employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work more than the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.

- C. Withholding for Unpaid Wages and Liquidated Damages. The County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Subrecipient or subcontractor under any such contract or any other federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Subrecipient or subcontractor for unpaid wages and liquidated damages as provided by federal law.
 - D. Subcontracts. The Subrecipient or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (A) through (D) of this section and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime Contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A) through (D) of this section.
19. RIGHTS TO INVENTIONS. All materials produced under this Subrecipient Agreement shall be considered “works for hire” as defined by the U.S. Copyright Act and shall be owned by the County.
20. CLEAN AIR ACT AND THE FEDERAL WATER POLLUTION CONTROL ACT. Subrecipient will comply with all applicable federal environmental laws and regulations, including without limitation.
- A. Clean Air Act. The Subrecipient agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq. The Subrecipient agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. The Subrecipient agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by FEMA.
 - B. Federal Water Pollution Control Act. The Subrecipient agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Subrecipient agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office. The Subrecipient agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by

FEMA.

21. DEBARMENT AND SUSPENSION. If this Subrecipient Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000, the Subrecipient is required to verify that none of the Subrecipient's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935). The Subrecipient must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters.

This certification is a material representation of fact relied upon by the County. If it is later determined that the Subrecipient did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the federal government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

22. PROCUREMENT OF RECOVERED MATERIALS. In the performance of this Subrecipient Agreement, the Subrecipient shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired i) competitively within a timeframe providing for compliance with the contract performance schedule; ii) meeting contract performance requirements; or ii) at a reasonable price. Information about this requirement, along with the list of EPA-designated items, available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/ismm/comprehensive-procurement-guideline-cpg-program>. Subrecipient also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.
23. ACCESS TO RECORDS. Subrecipient agrees to provide the County, the Treasury Office of Inspector General, the Government Accountability Office, or any of their authorized representatives access to any books, documents, papers, and records of the Subrecipient which are directly pertinent to this Subrecipient Agreement for the purposes of making audits, examinations, excerpts, and transcriptions, to the extent allowed by law. The Subrecipient agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed. The Subrecipient agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the Subrecipient Agreement. In compliance with the Disaster Recovery Act of 2018, the County and the Subrecipient acknowledge and agree that no language in this Subrecipient Agreement is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.
24. AMENDMENTS. The Subrecipient Agreement may only be amended upon the mutual

written agreement of the parties.

25. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS. Subrecipient will comply with all applicable federal law, regulations, executive orders, policies, procedures, and directives.
26. NO OBLIGATION BY FEDERAL GOVERNMENT. The federal government is not a party to this Subrecipient Agreement and is not subject to any obligations or liabilities to the non-federal entity, Subrecipient, or any other party pertaining to any matter resulting from this Subrecipient Agreement.
27. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. Subrecipient acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Subrecipient's actions pertaining to this Subrecipient Agreement.
28. BYRD ANTI-LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED). Subrecipients who request or receive an award for federal money shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded

Required Certification. If applicable, Subrecipients must sign and submit to the non-federal entity the following certification.

APPENDIX A, 44 C.F.R. PART 18 — CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, as attached.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification is subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

THE SALVATION ARMY

Dated this 26th day of OCTOBER, 2023.


 Signature of Authorized Representative

KELLY PONTSLER
 Print Name

TREASURER
 Title of Authorized Representative

ATTACHMENT B
SCOPE OF WORK

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

A. PROJECT NAME: The Salvation Army

B. PROJECT SUMMARY

Provide 24/7 winter shelter November 1, 2023, to April 30, 2024, with 70 continuous-stay low-barrier/harm reduction model shelter beds available to couples, households with pets, single parents, single men and single women.

In addition, the Homeless Shelter Program shall provide:

- A Day Room program so that the shelter is open 24 hours a day, 7 days a week and allowing shelter residents access to the shelter building 24 hours a day, 7 days a week; and
- Ensuring that three meals a day and snacks are provided to shelter guests (these may be provided by Salvation Army directly or by arrangement with other meal providers).
- Provide case management services to shelter guests, including working with shelter guests to complete the Housing Stability Plan and Progress Report (HSPPR) form, connecting shelter guests with stable housing and other community resources, and complying with all HMIS data entry requirements.

C. PROJECT BACKGROUND

The Salvation Army has provided a 24/7 shelter during the Covid pandemic and then closed the shelter last April. At the close of the shelter, an encampment arose and the need to have a winter shelter to provide a safe warm place for the unhoused population.

D. PROJECT GOALS & OBJECTIVES

The goal of this project is to provide a 24/7 shelter and provide 3 meals a day during the winter months is to reduce the spread of COVID-19 by providing a safe, sanitary place for unsheltered individuals.

Contractor must do everything possible to ensure that all safety, sanitation, and disinfection protocols for the prevention of the spread of COVID-19 that are recommended by the Kitsap Public Health District, and/or the Washington State Department of Health, and/or the Center for Disease Control are followed at all times. This includes ensuring that staff and guests maintain appropriate physical distancing from each other, including bed spacing, meals, and daytime activities.

E. PROJECT IMPLEMENTATION

1. The shelter will provide 24/7 shelter space and 3 meals per day for the unhoused population during the winter months.
2. The contracted services will include staff time, case management, and program operations expenses to keep the shelter open 24 hours a day 7 days a week. Expenses may include staff salaries and benefits, program supplies, meal expenses, and cleaning supplies that are needed for 24/7 operational hours and carry out appropriate disinfection/sanitizing of facilities.

No additional equipment is to be purchased with this grant.

F. PROJECT SCHEDULE

The shelter will open November 1, 2023, and close April 30, 2024 and will be open 24/7 during those months.

G. MONITORING ACTIVITIES

Grant recipient will be monitored as follows:

- Expenses for the project are monitored on a monthly or quarterly basis, when reimbursement requests are submitted.
- An annual on-site monitoring visit that includes review of client eligibility documentation, relevant policies and procedures, and project operations.

H. PROJECT REPORTS

To be submitted per the terms of the Subrecipient Agreement.

I. PROJECT BUDGET

CONTRACTED SERVICES	
ARPA COVID-19 Activities	\$1,428,664.00
PROJECT BUDGET TOTAL	\$1,428,664.00

ATTACHMENT C
COST CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

By signing below, the Subrecipient certifies as follows:

1. I have authority and approval from the governing body of The Salvation Army ("Subrecipient") to request reimbursement from Kitsap County ("County") from the County's allocation of the Coronavirus State & Local Fiscal Recovery Fund ("CSLFRF") as created by the American Rescue Plan Act of 2021, Section 9901 ("ARPA") for eligible expenditures identified in Kitsap County contract number KC-475-23 and identified on the corresponding Reimbursement Request Form for report period October 15, 2023 through May 31, 2024.
2. I understand the County will rely on this Cost Certification as a material representation in processing my reimbursement request.
3. I understand the Subrecipient receiving funds pursuant to this Cost Certification shall retain documentation of all uses of the funds, including but not limited to invoices and/or sales receipts, in a manner consistent with § 200.334 – Retention Requirements for Records under 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Such documentation shall be produced and provided to the County upon request, at no cost to the County, and may be subject to audit by the WA State Auditor's Office.
4. I understand any funds provided pursuant to this Cost Certification cannot be used as a revenue replacement for lower-than-expected tax or other revenue collections nor can they be used for expenditures for which Subrecipient has received any other funding (whether state, federal, or private in nature) for that same expense.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

THE SALVATION ARMY

Dated this 21st day of July, 2023.


Signature of Authorized Representative

KELLY PONTSLER

Print Name

TREASURER

Title of Authorized Representative

**ATTACHMENT D
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND
VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

**AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participant's responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

*(BEFORE COMPLETING CERTIFICATION, READ THE INSTRUCTIONS ON THE NEXT
PAGE WHICH ARE AN INTEGRAL PART OF THE CERTIFICATION)*

1. The prospective recipient of Federal assistance funds certifies, by submission of this IFB/RFP Response, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective recipient of Federal assistance funds is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this IFB/RFP Response.

THE SALVATION ARMY

Dated this 26th day of March, 2023.


Signature of Authorized Representative

KELLY PONTSLER

Print Name

TREASURER
Title of Authorized Representative

FEDERAL DEBARMENT CERTIFICATION FORM (CONTINUED)

1. By signing and submitting this response, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this class is a material representation of fact upon which reliance was placed when this transaction was entered. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the Department of Labor (DOL) may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this response is submitted if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "RFP Response," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this response is submitted for assistance in obtaining a copy of those regulations.
5. The prospective recipient of Federal assistance funds agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DOL.
6. The prospective recipient of Federal assistance funds further agrees by submitting this response that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may but is not required to check the List of Parties Excluded from Procurement or Non-Procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the DOL may pursue available remedies, including suspension and/or debarment.

ATTACHMENT E
CIVIL RIGHTS CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

The ARPA funds provided to the grant subrecipient named below (“Subrecipient”) are available under section 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act.

1. Subrecipient understands and acknowledges that:

As a condition of receipt of federal financial assistance from the Department of the Treasury (“Treasury”), with monies distributed through Kitsap County, Subrecipient provides the assurances stated herein. The federal financial assistance may include federal grants, loans, and contracts to provide assistance to Subrecipient and other arrangements with the intention of providing assistance. Federal financial assistance does not encompass contracts of guarantee or insurance, regulated programs, licenses, procurement contracts by the Federal government at market value, or programs that provide direct benefits. This assurance applies to all federal financial assistance from or funds made available through the Department of Treasury, including any assistance that the Recipient may request in the future.

The Civil Rights Restoration Act of 1987 provides that the provisions of the assurances apply to all operations of Subrecipient’s programs and activities, so long as any portion of Subrecipient’s programs or activities are federally assisted in the manner prescribed above.

2. Subrecipient certifies the following:

A. Subrecipient ensures its current and future compliance with Title VI of the Civil Rights Act of 1964, as amended, which prohibits exclusion from participation, denial of the benefits of, or subjection to discrimination under programs and activities receiving federal financial assistance, of any person in the United States on the ground of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Treasury Title VI regulations at 31 CFR Part 22 and other pertinent executive orders such as Executive Order 13166, directives, circulars, policies, memoranda, and/or guidance documents.

B. Subrecipient acknowledges Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency,” seeks to improve access to federally assisted programs and activities for individuals who, because of national origin, have Limited English proficiency (LEP). Subrecipient understands denying a person access to its programs, services, and activities because of LEP is a form of national origin discrimination prohibited under Title VI of the Civil Rights Act of 1964 and Treasury implementing regulations. Accordingly, Subrecipient shall take reasonable steps, or comply with the Department of Treasury’s directives, to ensure LEP persons have meaningful access to its programs, services, and activities. Subrecipient understands and agrees that meaningful access may entail providing language assistance services, including oral interpretation and written translation where necessary, to ensure effective communication in the Subrecipient programs, services, and activities.

- C. Subrecipient agrees to consider the need for language services for LEP persons when Subrecipient develops applicable budgets and when conducting programs, services, and activities. As a resource, the Treasury has published its LEP guidance at 70 FR 6067. For more information on taking reasonable steps to provide meaningful access for LEP persons, please visit <http://www.lep.gov>.
- D. Subrecipient acknowledges and agrees compliance with the assurances constitutes a condition of continued receipt of federal financial assistance and is binding upon Subrecipient and its successors, transferees, and assignees for the period in which such assistance is provided.
- E. Subrecipient acknowledges and agrees that it must require any sub-grantees, contractors, subcontractors, successors, transferees, and assignees to comply with assurances A - D above, and agrees to incorporate the following language in every contract or agreement subject to Title VI and its regulations between the subrecipient and the Recipient's sub-grantees, contractors, subcontractors, successors, transferees, and assignees:
Subrecipient shall comply with Title VI of the Civil Rights Act of 1964, which prohibits Subrecipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person based on race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this contract (or agreement). Title VI also includes protection to LEP persons in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of the Contract.
- F. Subrecipient understands and agrees that if any real property or structure is provided or improved with federal financial assistance by the Treasury, Subrecipient, or in the case of a subsequent transfer, transferee, is obligated for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If personal property is provided, this assurance obligates the Subrecipient for the period during which it retains ownership or possession of the property.
- G. Subrecipient shall cooperate in any enforcement or compliance review activities by the Treasury of Subrecipient's obligations. Enforcement may include investigation, arbitration, mediation, litigation, and monitoring of any settlement agreements that may result from these actions. Subrecipient shall comply with information requests, on-site compliance reviews and reporting requirements.
- H. Subrecipient shall maintain a complaint log and inform the Treasury of any complaints of discrimination on the grounds of race, color, or national origin, and limited English proficiency covered by Title VI of the Civil Rights Act of 1964 and implementing regulations and provide, upon request, a list of all such reviews or proceedings based on the complaint, pending, or completed, including outcome. Subrecipient must also inform the Treasury if Subrecipient has received no complaints under Title VI.
- I. Subrecipient must provide documentation of an administrative agency or court findings of non-compliance of Title VI and efforts to address the non-compliance, including any voluntary compliance or other agreements between the Subrecipient and administrative agency that made the finding. Subrecipient must provide documentation of the settlement

of any case or matter alleging discrimination or identify that Subrecipient has not been the subject of any court or administrative agency finding of discrimination.

- J. The U.S. has the right to seek judicial enforcement of the terms contained herein. Nothing in this document alters or limits the federal enforcement measures that the U.S. may take to address violations of any provision contained herein or other applicable federal law.

The United States of America has the right to seek judicial enforcement of the terms of this assurance document and nothing in this document alters or limits the federal enforcement measures that the United States may take to address violations of this document or applicable federal law.

By signing below, Subrecipient certifies that Subrecipient has read and understood its obligations as described herein, that any information submitted in conjunction with this assurance document is accurate and complete, and that the Subrecipient is in compliance with the nondiscrimination requirements. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

THE SALVATION ARMY

Dated this 5th day of October, 2023.


Signature of Authorized Representative

KELLY PONTSLER

Print Name

TREASURER

Title of Authorized Representative

ATTACHMENT F
LOBBYING CERTIFICATION

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD

The undersigned certifies, to the best of the undersigned's knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, as attached.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

By signing below, Subrecipient certifies that Subrecipient has read and understood, is and will remain in compliance with the above-described obligations. Subrecipient acknowledges any intentional or negligent misrepresentation or falsification of any information submitted in conjunction with this document may subject the Subrecipient to civil and/or criminal liability and penalties, including but not limited to fines and/or imprisonment under Title 18, United States Code, Sec. 1001, et seq. and other applicable law.

THE SALVATION ARMY

Dated this 26th day of October, 2023.

KELLY PONTSLER


Signature of Authorized Representative

Print Name

TREASURER
Title of Authorized Representative

KC-475-23
FACE SHEET
KITSAP COUNTY
AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
CORONAVIRUS STATE & LOCAL FISCAL RECOVERY FUNDS (CSLFRF) SUBAWARD
Pursuant to 2 CFR 200.332(a)(1) Federal Award Identification

(1) Subrecipient Name: The Salvation Army		(2) Unique Entity Identifier:	Project Identification Number:
(3) Federal Award Identification No. (FAIN):		(5) Subaward Period of Performance (Start & End Date): 10/15/2023 - 05/31/2024	(6) Subaward Budget Period (Start & End Date):
(4) Federal Award Date: 10/15/2023			
(7) Amount of Federal Funds Obligated by this Action: \$1,428,664		(8) Total Amount of Federal Funds Obligated: \$1,428,664	
(9) Total Amount of the Federal Award Committed to the Subrecipient: \$1,428,664			
(10) Federal Award Project Description: Operations of 24/7 Winter Shelter with 70 continuous-stay shelter beds			
(11a) Name of Federal Awarding Agency: United States Department of Treasury		(11b) Name of Pass-Through Entity: Kitsap County	
(12) Assistance Listing Number & Title: CFDA 21.027		(13) Research & Development Award? No	
(14) Indirect Cost Rate for the Federal Award: None		Award Payment Method (Lump Sum or Reimbursement): Reimbursement	
Signing Statement: Kitsap County and Subrecipient, as defined above, acknowledge and accept the terms of this Subrecipient Agreement on the date below. The rights and obligations of both parties to this Subaward are governed by this Agreement and the following other documents incorporated by reference: Attachment A - Federal Contract Terms; Attachment B - Scope of Work; Attachment C - Cost Certification & Reimbursement Request Form; Attachment D - Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transactions; Attachment E - Civil Rights Certification; Attachment F - Lobbying Certification & Lobbying Disclosure; and Attachment G - Prevailing Wage.			
FOR KITSAP COUNTY		FOR SUBRECIPIENT	
_____ Charlotte Garrido Chair, Board of County Commissioners		_____ Representative Name Representative Title	
_____ Date		OCT 26 2023 _____ Date	



KITSAP COUNTY

Grant Subrecipient Risk Assessment & Audit Certification

Subrecipient Name: The Salvation Army

Entity Type: Local Government Non-Profit Tribe Other: _____

Grant Program Title: American Rescue Plan Act of 2021 (ARPA): Coronavirus State & Local Fiscal Recovery Funds (CSLFRF)

Subaward Amount Requested: \$ 1,428,664.00 DUNS No: 74629460

Federal Tax ID No: 94-1156347 State UBI No: 48002487

Authorized Financial Representative: Yohannes Gedlu, Controller

Physical Address: 832 6th Street, Bremerton, WA 98337

Mailing Address: PO Box 886

City: Bremerton State: WA Zip Code: 98337

Email: yohannes.gedlu@usw.salvationarmy.org Phone: 206-281-4600

RISK ASSESSMENT QUESTIONNAIRE

Per Title 2 CFR § 200.332, Kitsap County is required to evaluate the risk of noncompliance with federal statutes, regulations, and grant terms and conditions, posed by each subrecipient of pass-through funding. This assessment is made in order to determine and provide an appropriate level of technical assistance, training, and grant oversight to subrecipients for the award referenced above.

The following questions are related to your organization's experience in the management of federal grant awards. This questionnaire must be completed and returned prior to the execution of a contract with Kitsap County.

For purposes of completing this questionnaire, *grant manager* is the individual who has primary responsibility for day-to-day administration of the grant, *bookkeeper/accounting staff* means the individual who has the responsibility for reviewing and determining expenditures to be charged to the grant award, and *organization* refers to the subrecipient applying for the award, and/or the governmental implementing agency, as applicable.

In what year was your organization founded?	1865
How long has your organization worked with Kitsap County?	104 Yrs
Have you, your staff, or your organization ever been suspended or debarred?	No
Has your organization ever been the subrecipient of a federal award before?	Yes
If you answered yes, how many subawards has your organization managed in the last five years?	4
How many years of experience does your current grant manager have managing grants?	5
How many years of experience does your current bookkeeper/accounting staff have managing grants?	5
What types of accounting system does your organization use to track and report grant costs?	Non-profit +
Has your organization recently undergone a substantial change in staff or accounting systems?	No
What percentage of your anticipated 2022 gross revenue does this subaward represent?	70%

How many individual grants did your organization receive and manage during your most recent fiscal year?	2
In your preceding fiscal year, did your organization receive 80% or more of its gross revenue from federal funding?	No
In your preceding fiscal year, did your organization receive \$25,000,000 or more in federal funding?	No
Are individual staff members assigned to work on multiple grants?	No
Do you use timesheets to track the time spent by staff working on specific grants and/or activities?	No
Do you have an approved, up-to-date Indirect Cost Rate plan to charge costs to grants?	Yes
Do you have written procurement policies that comply with federal grant requirements under 2 CFR § 200?	Yes
Do you procure multiple quotes or bids when buying items or services?	Yes
How many years do you maintain receipts, deposits, cancelled checks, invoices, etc?	7
Does your organization have a written Conflict of Interest policy?	Yes
Do you intend to pass grant funds through to another agency?	No

AUDIT CERTIFICATION

Per Title 2 CFR § 200.500, non-federal entities that expend \$750,000 in federal awards in a fiscal year, shall have a single or program-specific audit conducted for that year.

- If your entity is NOT subject to these requirements, you must complete Sections A and C below.
- If your entity IS subject to these requirements, you must complete Sections B and C below.

Section A:

Entities NOT subject to the audit requirements of 2 CFR § 200.500.

Please check all that apply.

- We did not expend \$750,000 or more of total federal awards during the preceding fiscal year.
- We are a for-profit organization.
- We are exempt for other reasons (describe):

By signing below, I agree that we are still subject to the audit requirements, laws, and regulations governing the program(s) in which we participate; that we are required to maintain records of federal funding and to provide access to such records by federal and state agencies and their designees; and that Kitsap County may request and be provided access to additional information and/or documentation to ensure proper stewardship of federal funds.

Section B:

Entities that ARE subject to the audit requirements of 2 CFR § 200.500.

Please check the appropriate box.

- We completed our last Single Audit on 09-22/2023 for fiscal year 2021. There were no findings related to federal awards or internal controls.
- We completed our last Single Audit on _____ for fiscal year _____ and there were findings related to federal awards and/or internal controls.
- Our completed Single Audit will be available on _____ for fiscal year _____.

Section C:

Additional Audit Questions

Please answer each question below or indicate Not Applicable from the drop-down menu.

If you answered yes to Section B.2 above, have the issues of non-compliance been resolved?	N/A
Has any previous subrecipient monitoring resulted in findings of non-compliance?	No
If you answered yes, have those issues of non-compliance been resolved?	N/A
Please provide the Washington State Auditor's Office audit number from your last Single Audit report.	N/A
If your audit was not completed by the SAO, please attach a copy of your last audit to your submission of this form.	Attached
Please provide any additional information that you would like for us to consider:	

I hereby certify that I am an individual authorized by the above identified entity (subrecipient) to complete this form. Further, I certify that the above information is true and correct, and all material findings contained in the audit report/statement have been disclosed.

Additionally, I understand this form is to be submitted every fiscal year for which this entity is a subrecipient of federal award funds from Kitsap County until the grant agreement is closed.



Signature of Authorized Agent

Tuesday, September 26, 2023

Date

Dana Walters

Print Name

Captain

Title

**The Salvation Army USA,
Western Territory,
Northwest Division**

Financial Statements as of and for the Years Ended September 30, 2021, and 2020, and Independent Auditors' Report and Supplementary Schedule of Expenditures of Federal Awards, Independent Auditors' Reports on Internal Control and Compliance, Schedule of Findings and Questions Costs and Summary Schedule of Prior-Year Audit Findings for the Year Ended September 30, 2021.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

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Los Angeles, CA 90013-1010
USA

Tel: +1 213 688 0800
WWW.deloitte.com

INDEPENDENT AUDITORS' REPORT

To The Salvation Army USA, Western Territory,
Northwest Division:

Report on the Financial Statements

We have audited the accompanying financial statements of The Salvation Army USA, Western Territory, Northwest Division (the "Division") (a division of the Western Territory of The Salvation Army, a California Corporation), which comprise the statements of financial position as of September 30, 2021, and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Division's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Division as of September 30, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the Division receives significant financial support from and has significant transactions with The Salvation Army USA, Western Territory, a related party. Accordingly, the accompanying financial statements may not necessarily be indicative of the financial position, changes in net assets, or cash flows that would have existed if the Division had operated as an unaffiliated entity. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of the Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Division's internal control over financial reporting and compliance.

Deloitte & Touche LLP

September 21, 2023

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND 2020**

	2021	2020
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 4,091,295	\$ 2,528,685
FUNDS ON DEPOSIT AT WESTERN TERRITORY HEADQUARTERS (Note 12)	6,156,933	5,669,045
ACCOUNTS RECEIVABLE—Net	7,347,012	4,072,017
RECEIVABLE FROM WESTERN TERRITORY HEADQUARTERS	1,070,496	2,405,360
PLEDGES RECEIVABLE—Net (Note 4)		108,787
INVENTORY	230,725	116,900
PREPAID EXPENSES AND DEFERRED CHARGES	2,043,835	983,444
VEHICLES AND EQUIPMENT—Net (Note 5)	<u>2,304,027</u>	<u>1,643,810</u>
TOTAL	<u>\$ 23,244,323</u>	<u>\$ 17,528,048</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,703,027	\$ 2,584,193
Payable to other Western Territory Units and Western Territory Headquarters	23,862	137,249
Other liabilities	<u>735,097</u>	<u>548,862</u>
Total liabilities	<u>3,461,986</u>	<u>3,270,304</u>
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS:		
Without donor restrictions	17,082,140	12,871,214
With donor restrictions (Note 6)	<u>2,700,197</u>	<u>1,386,530</u>
Total net assets	<u>19,782,337</u>	<u>14,257,744</u>
TOTAL	<u>\$ 23,244,323</u>	<u>\$ 17,528,048</u>

See notes to financial statements.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
SUPPORT AND REVENUE:						
Public support:						
Received directly:						
Contributions	\$ 35,165,570	\$ 1,655,783	\$ 36,821,353	\$ 30,373,561	\$ 2,494,078	\$ 32,867,639
Donations-in-kind and contributed services	25,718,881		25,718,881	23,041,184		23,041,184
Total received directly	<u>60,884,451</u>	<u>1,655,783</u>	<u>62,540,234</u>	<u>53,414,745</u>	<u>2,494,078</u>	<u>55,908,823</u>
Received indirectly:						
Allocated by federated fund-raising organizations	275,272		275,272	344,868		344,868
Contributed by unassociated and nonfederated organizations	36,778		36,778	63,769		63,769
Total received indirectly	<u>312,050</u>	<u>-</u>	<u>312,050</u>	<u>408,637</u>	<u>-</u>	<u>408,637</u>
Total public support	<u>61,196,501</u>	<u>1,655,783</u>	<u>62,852,284</u>	<u>53,823,382</u>	<u>2,494,078</u>	<u>56,317,460</u>
Fees, grants, and donations-in-kind from government agencies	<u>30,605,609</u>		<u>30,605,609</u>	<u>18,445,016</u>	<u>1,449,000</u>	<u>19,894,016</u>
Other revenue:						
Program service fees	2,148,267		2,148,267	1,477,879		1,477,879
Income from Western Territory Headquarters (Note 12)	10,985,862		10,985,862	15,957,378		15,957,378
Income from other Western Territory Units	208,000		208,000	207,796	204	208,000
Sales to the public	9,373,713		9,373,713	8,523,736		8,523,736
Investment returns—net	(8,505)		(8,505)	(5,255)		(5,255)
Gain on sale of vehicles and equipment	89,748		89,748	43,879		43,879
Other revenue	892,291	10,589	902,880	959,341	10,580	969,921
Total other revenue	<u>23,689,376</u>	<u>10,589</u>	<u>23,699,965</u>	<u>27,164,754</u>	<u>10,784</u>	<u>27,175,538</u>
Total support and revenue	115,491,486	1,666,372	117,157,858	99,433,152	3,953,862	103,387,014
NET ASSETS RELEASED FROM RESTRICTIONS (Note 7)	1,386,530	(1,386,530)	-	578,893	(578,893)	-
TRANSFER TO WESTERN TERRITORY HEADQUARTERS (Note 12)	(5,726,071)	33,787	(5,692,284)	(546,677)	(2,567,332)	(3,114,009)
INTERFUND TRANSFERS	<u>(1,000,038)</u>	<u>1,000,038</u>	<u>-</u>			<u>-</u>
Total	<u>110,151,907</u>	<u>1,313,667</u>	<u>111,465,574</u>	<u>99,465,368</u>	<u>807,637</u>	<u>100,273,005</u>

(Continued)

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
EXPENSES:						
Program services:						
Corps community center	\$ 14,531,162	\$ -	\$ 14,531,162	\$ 15,136,884	\$ -	\$ 15,136,884
Rehabilitation services	3,607,603		3,607,603	3,038,558		3,038,558
Residential and institutional	20,336,511		20,336,511	15,079,242		15,079,242
Other social services	<u>51,014,299</u>		<u>51,014,299</u>	<u>43,249,546</u>		<u>43,249,546</u>
Total program services	<u>89,489,575</u>	<u>-</u>	<u>89,489,575</u>	<u>76,504,230</u>	<u>-</u>	<u>76,504,230</u>
Supporting services:						
Management and general	8,871,614		8,871,614	9,102,410		9,102,410
Fund-raising	<u>7,579,792</u>		<u>7,579,792</u>	<u>7,976,235</u>		<u>7,976,235</u>
Total supporting services	<u>16,451,406</u>	<u>-</u>	<u>16,451,406</u>	<u>17,078,645</u>	<u>-</u>	<u>17,078,645</u>
Total expenses	<u>105,940,981</u>	<u>-</u>	<u>105,940,981</u>	<u>93,582,875</u>	<u>-</u>	<u>93,582,875</u>
CHANGE IN NET ASSETS	4,210,926	1,313,667	5,524,593	5,882,493	807,637	6,690,130
NET ASSETS—Beginning of year	<u>12,871,214</u>	<u>1,386,530</u>	<u>14,257,744</u>	<u>6,988,721</u>	<u>578,893</u>	<u>7,567,614</u>
NET ASSETS—End of year	<u>\$ 17,082,140</u>	<u>\$ 2,700,197</u>	<u>\$ 19,782,337</u>	<u>\$ 12,871,214</u>	<u>\$ 1,386,530</u>	<u>\$ 14,257,744</u>

See notes to financial statements.

(Concluded)

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021, WITH COMPARATIVE TOTALS FOR 2020**

	Program Services				Supporting Services			2021 Total Expenses	2020 Summarized	
	Corps Community Center	Rehabilitation	Residential and Institutional	Other Social Services	Total Program Services	Management and General	Fund-Raising			Total Supporting Services
EXPENSES:										
Salaries, allowances, and tax	\$ 7,685,065	\$ 1,433,975	\$ 9,915,176	\$ 9,207,564	\$ 28,241,780	\$ 3,071,409	\$ 2,426,945	\$ 5,498,354	\$ 33,740,134	\$ 32,677,410
Officer and employee benefits	915,818	219,651	1,863,210	1,593,151	4,591,830	569,086	384,993	954,079	5,545,909	5,507,401
Professional fees	605,720	8,216	1,467,420	520,867	2,602,223	1,467,237	1,639,646	3,106,883	5,709,106	5,184,533
Supplies	666,443	127,960	2,295,383	1,926,115	5,015,901	220,809	51,611	272,420	5,288,321	4,446,341
Communications, postage, and shipping	94,457	44,092	63,778	186,100	388,427	117,931	595,848	713,779	1,102,206	871,355
Occupancy, furnishings, and equipment	3,023,942	1,242,152	2,091,186	2,828,386	9,185,666	1,370,670	70,912	1,441,582	10,627,248	8,595,144
Printing and publications	95,554	16,975	12,629	106,949	232,107	338,203	2,181,846	2,520,049	2,752,156	2,674,850
Conferences, meetings, and travel	578,236	29,984	64,938	405,281	1,078,439	183,149	54,575	237,724	1,316,163	1,612,469
Direct assistance	5,463	151,338	2,446,282	33,960,837	36,563,920			-	36,563,920	28,930,573
Depreciation	42,986	28,089	16,275	60,943	148,293	508,410		508,410	656,703	651,532
World service support	666,520				666,520		140,000	140,000	806,520	806,508
Support service to THQ	17,252				17,252	770,214		770,214	787,466	751,553
Other expenses	133,706	305,171	100,234	218,106	757,217	254,496	33,416	287,912	1,045,129	873,206
TOTAL EXPENSES	\$ 14,531,162	\$ 3,607,603	\$ 20,336,511	\$ 51,014,299	\$ 89,489,575	\$ 8,871,614	\$ 7,579,792	\$ 16,451,406	\$ 105,940,981	\$ 93,582,875

See notes to financial statements.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Program Services				Supporting Services			2020 Total Expenses	
	Corps Community Center	Rehabilitation	Residential and Institutional	Other Social Services	Total Program Services	Management and General	Fund-Raising		Total Supporting Services
EXPENSES:									
Salaries, allowances, and tax	\$ 8,525,831	\$ 1,043,453	\$ 8,080,559	\$ 8,659,325	\$ 26,309,168	\$ 3,313,869	\$ 3,054,373	\$ 6,368,242	\$ 32,677,410
Officer and employee benefits	1,120,022	183,919	1,568,698	1,553,673	4,426,312	605,304	475,785	1,081,089	5,507,401
Professional fees	628,762	6,887	1,008,998	435,732	2,080,379	1,476,005	1,628,149	3,104,154	5,184,533
Supplies	700,386	135,313	1,712,377	1,616,480	4,164,556	226,900	54,885	281,785	4,446,341
Communications, postage, and shipping	95,732	33,896	61,168	188,262	379,058	121,473	370,824	492,297	871,355
Occupancy, furnishings, and equipment	2,467,260	1,234,721	1,309,305	2,349,732	7,361,018	1,151,716	82,410	1,234,126	8,595,144
Printing and publications	83,377	4,103	2,932	171,459	261,871	356,774	2,056,205	2,412,979	2,674,850
Conferences, meetings, and travel	623,505	106,798	67,965	386,174	1,184,442	351,032	76,995	428,027	1,612,469
Direct assistance	17,831	96,902	1,163,570	27,652,270	28,930,573			-	28,930,573
Depreciation	50,132	8,629	18,405	41,361	118,527	533,005		533,005	651,532
World service support	666,508				666,508		140,000	140,000	806,508
Support service to THQ	23,000				23,000	728,553		728,553	751,553
Other expenses	134,538	183,937	85,265	195,078	598,818	237,779	36,609	274,388	873,206
TOTAL EXPENSES	\$ 15,136,884	\$ 3,038,558	\$ 15,079,242	\$ 43,249,546	\$ 76,504,230	\$ 9,102,410	\$ 7,976,235	\$ 17,078,645	\$ 93,582,875

See notes to financial statements.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 5,524,593	\$ 6,690,130
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	656,703	651,532
Gain on sale of vehicles and equipment	(89,748)	(32,945)
Recovery on uncollectible pledges		(10,580)
Changes in operating assets and liabilities:		
Funds on deposit at Western Territory Headquarters	(487,888)	(1,911,308)
Accounts receivable	(3,274,995)	(1,513,786)
Receivable from Western Territory Headquarters	1,334,864	(2,405,360)
Pledges receivable	108,787	72,198
Inventory	(113,825)	36,107
Prepaid expenses and deferred charges	(1,060,391)	(664,194)
Accounts payable and accrued expenses	118,834	(463,008)
Payable to other Western Territory Units and Western Territory Headquarters	(113,387)	(38,497)
Other liabilities	<u>186,235</u>	<u>(272,699)</u>
Net cash provided by operating activities	<u>2,789,782</u>	<u>137,590</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of vehicles and equipment	(1,295,872)	(715,337)
Proceeds from sale of vehicles and equipment	<u>68,700</u>	<u>45,368</u>
Net cash used in investing activities	<u>(1,227,172)</u>	<u>(669,969)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,562,610	(532,379)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>2,528,685</u>	<u>3,061,064</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 4,091,295</u>	<u>\$ 2,528,685</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Donations-in-kind and contributed services—public support	<u>\$ 25,718,881</u>	<u>\$ 23,041,184</u>
Donations-in-kind from government agencies	<u>\$ 3,027,701</u>	<u>\$ 2,379,531</u>

THE SALVATION ARMY USA, WESTERN TERRITORY, NORTHWEST DIVISION

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

1. PURPOSE AND ORGANIZATION

The Salvation Army, founded in 1865, is a not-for-profit international religious organization and charitable movement organized and operated on a quasi-military pattern and is a branch of the Christian Church. Its membership includes officers (clergy); soldiers and adherents (laity); members of varied activity groups; and volunteers who serve as advisers, associates, and committed participants in its service functions.

The Salvation Army, a California Corporation (the "Western Territory"), is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is exempt from state income taxes under related state provisions.

The accompanying financial statements include all programs and operations of the Northwest Division (the "Division"), which is one of nine divisions in the Western Territory of The Salvation Army. The Western Territory's corporate headquarters (THQ or "Western Territory Headquarters") is located in Rancho Palos Verdes, California. The Western Territory's centers of operation include adult rehabilitation programs, divisional headquarters, institutions, corps community centers, and service extension units ("Western Territory Units"). Each center has been authorized by corporate authority to maintain accounting records on a standardized financial system and to issue such reports and financial statements, as may be appropriate, locally. Because ownership, control, and fiduciary responsibility are maintained at the corporate level, the statements of financial position of the Division exclude the costs of land and buildings and related depreciation, charitable remainder trusts, legacies, and bequests designated for the Division.

The Division conducts the operations of The Salvation Army in the state of Washington, the western portion of Montana, and the northern portion of Idaho. The Division operates a variety of programs, including corps community centers that provide spiritual, educational, and recreational services; homeless and emergency shelters; senior citizens' activity centers; children's day care centers; substance abuse rehabilitation centers; emergency disaster services; assistance for the poor, disabled, and retired; jail and hospital visitation; and camping activities.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America.

In order to observe restrictions, which donors place on grants and other gifts, as well as designations made by the Western Territory's board of directors (the "Board of Directors"), all assets, liabilities, and activities are accounted for in the following net asset classifications:

Net Assets without Donor Restrictions—Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes or locations by action of the Board of Directors; however, as of September 30, 2021 and 2020, there were no net assets without donor restrictions that are designated by the Board of Directors.

Net Assets with Donor Restrictions—Net assets that are subject to stipulations imposed by donors or grantors. Certain donor-imposed stipulations are temporary and may be fulfilled by actions of the Division to meet the stipulations or through passage of time as specified by the donor. Donor-imposed stipulations may also be perpetual in nature and require that the net assets be retained and invested in perpetuity by The Salvation Army. At September 30, 2021 and 2020, there were no net assets with donor restrictions in the accompanying financial statements that are required to be maintained in perpetuity as all such perpetually restricted funds received and pledged would be transferred to Western Territory Headquarters upon receipt (see Note 12).

Cash and Cash Equivalents—For purposes of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have maturities of three months or less at the date of purchase.

Accounts Receivable—Net—Accounts receivable include amounts due from government agencies related to grants and are expected to be collected within one year.

Pledges Receivable—Unconditional pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows and discounted using a credit-adjusted discount rate applicable to the year in which the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible pledges receivable is based on management's judgment, including such factors as prior collection history, subsequent collections, creditworthiness of donor, and nature of fund-raising activity. Pledges are written off when determined to be uncollectible.

Inventory—Inventory of goods purchased for resale is stated at the lower of weighted-average cost or net realizable value. Inventory of goods donated for resale is based on estimated fair value.

Vehicles and Equipment—Vehicles and equipment are recorded at cost or, if donated, at fair market value at the date of donation, net of accumulated depreciation.

Support and Revenue—All items of support and revenue are stated on the accrual basis. Support and revenue are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions that are not fulfilled in the accounting period.

Contributions—Contributions subject to donor-imposed restrictions are recorded as restricted support and are reclassified as net assets without donor restrictions when the donor-imposed restriction has been fulfilled or the stipulated time period has elapsed. Contributions with restrictions that are met during the fiscal year in which they are

received are recorded as support without donor restrictions. Conditional contributions or intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are met. At September 30, 2021 and 2020, there were no conditional contributions.

Pledges receivable that are scheduled to be received after the end of the reporting period are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restriction is met.

Fees and Grants from Government Agencies—A portion of the Division's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. Amounts received are recognized as revenue when the Division has incurred expenditures in compliance with specific contract or grant provisions. The Division was awarded multiyear cost-reimbursable grants of \$5,186,909 that have not been recognized as of September 30, 2021, because allowable qualifying expenditures have not yet been incurred, with advance payments of \$304,943 at September 30, 2021. Such advance payments have been recognized in the statements of financial position as a refundable advance within other liabilities. There were no advance payments at September 30, 2020.

Donations-in-Kind and Contributed Services—Donations-in-kind items used in Salvation Army Corps and Unit programs and services (e.g., vehicles, free rent, and equipment) and donated goods distributed (e.g., clothing, furniture, and food stuff) are recorded at their estimated fair market value as income and expense at the time the items are distributed.

Goods donated for sale in the Western Territory's thrift stores are recorded as donations-in-kind based on estimated fair value.

Contributed vehicles and equipment are recorded at fair value at the date of donation as support and revenue without restriction, unless the use of such contributed assets is limited by a donor-imposed restriction.

Contributed services are reported as contributions at their fair value if such services 1) create or enhance nonfinancial assets or 2) would typically need to be purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing such specialized skills. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

The Division received contributed services for its various programs or activities that are operated by Western Territory Headquarters. These contributed services do not meet the requirements; therefore, they are excluded from the statements of activities.

Program Service Fees and Sales to the Public—The Division generates revenue from contracts with customers from program service fees and sales to the public. Program service fee revenue is recognized over time during the period of service. The Division also recognizes revenue from sales of goods to the general public. Sales to the public revenues are recorded at a point in time upon sale and receipt of cash.

Expenses—All expenses are stated on the accrual basis and presented in the statements of activities and statements of functional expenses and are reported as decreases in net assets without donor restrictions in the statements of activities. Expenses directly attributable to a specific functional category are reported as expenses of those functional categories. Expenses attributable to more than one functional category are allocated across program services and supporting services using a variety of cost allocation techniques that are based on time and effort.

Depreciation—Depreciation is computed using the straight-line method over the estimated service lives of 5 to 10 years. Depreciation is charged on a monthly convention as assets are acquired and disposed.

Depreciation is also provided on equipment used in cost reimbursement programs that provide for reimbursement of depreciation by a granting entity.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements—In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. As previously disclosed, the provisions of ASU No. 2018-08 related to contributions received were effective for the year ended September 30, 2020. The provisions of ASU No. 2018-08 related to contributions made are effective beginning October 1, 2020. As required by the ASU, the Division adopted ASU No. 2018-08 for contributions made as of and for the year ended September 30, 2021. The provisions of ASU No. 2018-08 did not have a material impact on the financial statements.

Other Accounting Pronouncements—In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The objective of this proposed ASU was to provide additional transparency in the presentation and disclosure of contributed nonfinancial assets, which are disclosed in the financial statements as donations-in-kind. The provisions of ASU No. 2020-07 are effective for the Division beginning October 1, 2021. The provisions of ASU No. 2020-07 were adopted by the Division beginning October 1, 2021, and had no impact on the recognition and recording of donations-in-kind. However, as a result of the standard, donations-in-kind from government agencies were subsequently presented as a separate line item within the statements of activities and resulted in additional disclosures related to donations-in-kind.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The objective of this update is to address the off-balance-sheet financing concerns related to lessees' operating leases. This update introduces a lessee model that brings substantially all leases onto the statements of financial position. It further aligns certain underlying principles of the new lessor model with those in Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, the FASB's new revenue recognition standard. In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which formally delayed the effective date of ASU No. 2016-02 by one year and allowed for early adoption as of the original effective date. The provisions of ASU No. 2016-02 are effective for the Division beginning October 1, 2022. The Division is currently evaluating the impact on the financial statements.

4. PLEDGES RECEIVABLE

A summary of pledges receivable as of September 30, 2020 is as follows:

	2020
Gross pledges receivable	\$ 119,783
Less discount to present value	(407)
Less allowance for doubtful pledges	<u>(10,589)</u>
Pledges receivable—net	<u>\$ 108,787</u>
Gross amounts due in:	
Less than one year	\$ 64,683
One year to five years	<u>55,100</u>
Total gross pledges receivable	<u>\$ 119,783</u>

At September 30, 2021, all outstanding pledges receivable have been collected.

At September 30, 2020, pledges receivable were discounted at rates ranging from 0.12% to 1.38%.

5. VEHICLES AND EQUIPMENT

Vehicles and equipment are summarized by major classification at September 30, 2021 and 2020, as follows:

	2021	2020
Vehicles	\$ 5,141,648	\$ 4,148,526
Equipment	<u>4,272,724</u>	<u>4,186,812</u>
Total vehicles and equipment	9,414,372	8,335,338
Less accumulated depreciation	<u>(7,110,345)</u>	<u>(6,691,528)</u>
Vehicles and equipment—net	<u>\$ 2,304,027</u>	<u>\$ 1,643,810</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

At September 30, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes or periods:

	2021	2020
Social programs	<u>\$ 2,700,197</u>	<u>\$ 1,386,530</u>

7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors during the years ended September 30, 2021 and 2020, as follows:

	2021	2020
Purpose restrictions accomplished—social programs	<u>\$ 1,386,530</u>	<u>\$ 578,893</u>

8. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Division's financial assets as of September 30, 2021 and 2020, reduced by amounts not available for general use within one year of September 30, 2021 and 2020, because of the nature of the assets or due to contractual or donor-imposed restrictions. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Division considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

	2021	2020
Total assets at September 30	\$ 23,244,323	\$ 17,528,048
Less those unavailable for general expenditure within one year:		
Pledges receivable		44,104
Inventory	230,725	116,900
Prepaid expenses and deferred charges	2,043,835	983,444
Vehicles and equipment—net	2,304,027	1,643,810
Restricted by donor with time or purpose restrictions	<u>2,700,197</u>	<u>1,386,530</u>
Total assets available to meet cash needs for general expenditures within one year	<u>\$ 15,965,539</u>	<u>\$ 13,353,260</u>

The Division regularly monitors liquidity required to meet its operating needs and other contractual commitments. As part of the Division's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. On an annual basis, the Division's budget is reviewed and approved by Western Territory Headquarters. In addition to financial assets available to meet general expenditures over the next 12 months, the Division operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Additionally, certain financial assets designated for the Division are held by Western Territory Headquarters and may be used in the event of unanticipated liquidity needs (see Note 12).

9. CONTINGENCIES AND COMMITMENTS

Legal Proceedings—From time to time, the Division is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Division’s financial position, changes in net assets, or cash flows as financial responsibility remains with Western Territory Headquarters.

COVID-19—On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. These measures continue as of February 16, 2022, the date the financial statements are available to be issued. Although the Division would expect a continued decline in certain revenues, such as program service fees and sales to the public, into the fiscal year ending September 30, 2022, the Division cannot reasonably estimate the length or severity of this pandemic or whether public support and government grants will continue at levels experienced in 2021. Therefore, the Division cannot reasonably estimate the full impact on the Division’s statements of financial position, activities, and cash flows for the fiscal year ending September 30, 2022.

10. LEASES

The Division is committed under noncancelable operating leases with initial or remaining lease terms in excess of one year, principally for its thrift store operations and other program operations. Total rent expense associated with these leases was \$59,138 and \$112,882 for the years ended September 30, 2021 and 2020, respectively.

Future minimum lease payments as of September 30, 2021, are as follows:

Years Ending September 30	
2022	\$ 33,889
2023	29,172
2024	<u>19,448</u>
Total	<u>\$ 82,509</u>

The Division also receives rental payments on operating leases. Total rental income recognized within other revenue during the year was \$265,060 and \$294,088 for the years ended September 30, 2021 and 2020, respectively.

The following is a schedule by years of minimum future receipts on noncancelable operating leases as of September 30, 2021.

Years Ending September 30	
2022	\$ 102,776
2023	<u>99,390</u>
Total	<u>\$ 202,166</u>

11. CONCENTRATIONS OF CREDIT RISK

Certain financial instruments potentially subject the Division to concentrations of credit risk. Those financial instruments consist primarily of cash and cash equivalents and receivables. The Division places its cash and cash equivalents with high-credit-quality financial institutions and credit exposure is limited to the amount of deposits at any one institution in excess of the federally insured limit. Concentrations of credit risk with respect to receivables are generally diversified due to the large number of entities, government agencies, and individuals composing the Division's program and donor base. The Division performs credit evaluations and writes off uncollectible amounts, as they become known.

12. TRANSACTIONS WITH WESTERN TERRITORY HEADQUARTERS

Funds on Deposit at Western Territory Headquarters—The receipt of donations is centralized at Western Territory Headquarters. These funds are deposited daily into divisional accounts at Western Territory Headquarters and are available to be transferred back to the Division, as needed. Income is earned and distributed to the divisional accounts based on the monthly account balances for these funds. Interest is paid on these fund balances based on an interest rate formula approved by the Board of Directors. During the year ended September 30, 2021, the interest rate ranged from 0.07% to 0.59%. During the year ended September 30, 2020, the interest rate ranged from 1.662% to 2.016%. Due to the COVID-19 pandemic, interest on these funds was temporarily suspended beginning March 2020 and no interest was accrued or paid between March 2020 and September 2020.

Other Funds Controlled by Western Territory Headquarters—Each constituent unit of The Salvation Army raises funds from various sources, including bequests, trusts, and donor-restricted contributions. These funds are controlled and invested by the Board of Directors in accordance with applicable donor restrictions and distributed in accordance with such restrictions. Accordingly, the funds are not reflected in the accompanying financial statements. While not legally bound to return these funds to the operating units, this has been the practice of the Western Territory. Assets held in trust for the Division at September 30, 2021 and 2020, consist of the following:

	2021	2020
Funds without donor restrictions	\$ 58,236,292	\$ 43,917,890
Funds with donor restrictions	<u>49,730,151</u>	<u>42,865,694</u>
Total	<u>\$ 107,966,443</u>	<u>\$ 86,783,584</u>

Income earned on assets is distributed to the operating command unit accounts on the basis of a stated percentage of the monthly account balances during the years ended September 30, 2021 and 2020. Capital trust and special Board of Directors-designated program trusts earned 2% for the year ended September 30, 2021, and from October 2019 to February 2020. Board of Directors-designated reserves (program trusts), program reserves/support funds, and restricted trusts earned 4% for the year ended September 30, 2021, and 4.5% from October 2019 to February 2020. These rates are determined annually by the Board of Directors. Due to the COVID-19 pandemic, interest on these assets was temporarily suspended beginning March 2020 and no interest was earned or accrued between March 2020 and September 2020.

Funds held at Western Territory Headquarters are invested in various investment vehicles, including domestic and international equities, real assets, and fixed income. Such investments are exposed to various risks, including interest rate risk, credit risk, and overall market volatility. Accordingly, it is possible that changes in the value of these investments will occur in the near term and such changes could materially impact the value of these amounts held at Western Territory Headquarters and its intent and ability to return such funds to the Division.

Land and Buildings—Title to land and buildings is held by Western Territory Headquarters. These assets are made available to the Division, which has responsibility for control and maintenance, but are not included in the statements of financial position of the Division.

At September 30, 2021 and 2020, lands and buildings held on behalf of the Division by Western Territory Headquarters are summarized by major classification as follows:

	2021	2020
Land	\$ 21,410,502	\$ 21,351,534
Buildings	<u>157,188,058</u>	<u>156,866,466</u>
Total land and buildings	178,598,560	178,218,000
Less accumulated depreciation	<u>(46,722,691)</u>	<u>(44,203,485)</u>
Land and buildings—net	<u>\$ 131,875,869</u>	<u>\$ 134,014,515</u>

Income from Western Territory Headquarters—Income from Western Territory Headquarters includes funding for capital projects, programs and administrative needs, and interest income and other distributions from funds held at Western Territory Headquarters. Funds for capital projects are transferred to the Division after formal approval has been received from Western Territory Headquarters. Donor-restricted contributions are distributed to the Division as donor-restricted funds are expended for a specified program or purpose.

During the years ended September 30, 2021 and 2020, the Division received income from Western Territory Headquarters related to the following:

	2021	2020
Income for capital projects	\$ -	\$ 141,494
Income for programs and administrative needs and other distributions	10,969,973	15,776,070
Interest income on surplus cash at THQ	<u>15,889</u>	<u>39,814</u>
Total income from THQ	<u>\$ 10,985,862</u>	<u>\$ 15,957,378</u>

The Division leases certain vehicles through a master lease agreement maintained by the Western Territory. The Western Territory provides the Division with a vehicle replacement grant to help cover the costs of leasing the vehicles, which is recorded as income from the Western Territory Headquarters within the Division's statements of activities.

There were no grants associated with these leases for the year ended September 30, 2021. Total grants associated with these leases were \$68,544 for the year ended September 30, 2020. The Division also recorded expenses associated with these vehicle leases totaling \$4,402 and \$221,321 for the years ended September 30, 2021 and 2020, respectively, which are included in program and supporting services expenses in the accompanying statements of activities and conferences, meetings, and travel expenses in the statements of functional expenses.

Transfer to Western Territory Headquarters—Transfer to Western Territory Headquarters includes restricted contributions received by the Division for future capital projects and other contributions. During the years ended September 30, 2021 and 2020, the Division transferred \$5,692,284 and \$3,114,009, respectively.

Transactions with Western Territory Headquarters—Western Territory Headquarters assesses the Division for various expenses, which are allocated throughout the Western Territory. For the years ended September 30, 2021 and 2020, all such expenses are included in the statements of activities and the statements of functional expenses. The assessments to the Division during the years ended September 30, 2021 and 2020, totaled as follows:

	2021	2020
Employee pension assessment	<u>\$ 2,630,968</u>	<u>\$2,422,133</u>
Officer assessments	<u>\$ 4,633,159</u>	<u>\$4,878,290</u>
Workers' compensation insurance	\$ 197,197	\$ 177,688
Automobile insurance	168,372	158,196
General and other insurance	<u>1,854,139</u>	<u>1,762,442</u>
Total insurance	<u>\$ 2,219,708</u>	<u>\$2,098,326</u>
Communication assessment	<u>\$ 287,088</u>	<u>\$ 328,104</u>
Information technology assessment	<u>\$ 560,508</u>	<u>\$ 594,684</u>
National/International headquarters assessment	<u>\$ 710,892</u>	<u>\$ 746,292</u>
College for officer training assessment	<u>\$ 448,272</u>	<u>\$ 468,684</u>
Fund-raising initiatives assessment	<u>\$ 1,080,000</u>	<u>\$1,052,664</u>
Data center assessment	<u>\$ 255,228</u>	<u>\$ 262,488</u>

13. SUBSEQUENT EVENTS

The Division has evaluated subsequent events through September 21, 2023, the date the financial statements were available to be issued.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND UNIFORM GUIDANCE
COMPLIANCE REPORTS**



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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*

To The Salvation Army USA, Western Territory,
Northwest Division:

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 Salvation Army USA, Western Territory, Northwest Division (the "Division") (a division of the Western Territory of The Salvation Army, a California Corporation), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2023, which contains emphasis of matter paragraphs regarding the Division receiving significant financial support from and has significant transactions with The Salvation Army USA, Western Territory, a related party.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Division's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, we do not express an opinion on the effectiveness of the Division'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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Division'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

The Division's Response to Finding

The Division's responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. The Division's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the Division'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 Division's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

September 21, 2023



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

To The Salvation Army USA, Western Territory,
Northwest Division:

Report on Compliance for Each Major Federal Program

We have audited The Salvation Army USA, Western Territory, Northwest Division's (the "Division") (a division of the Western Territory of The Salvation Army, a California Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Division's major federal programs for the year ended September 30, 2021. The Division's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Division's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Division's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Division's compliance.

Opinion on Each Major Federal Program

In our opinion, the Division 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 major federal programs for the year ended September 30, 2021.

Other Matters

The results of our auditing procedures disclosed 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 item, 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

The Division's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Division's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Division is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Division's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Division's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that *material noncompliance with a type of compliance* requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a *material weakness in internal control over compliance*, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Division as of and for the year ended September 30, 2021, and have issued our report thereon dated September 21, 2023, which contained an unmodified opinion on those financial statements which contains emphasis of matter paragraphs regarding the Division receives significant financial support from and has significant transactions with The Salvation Army USA, Western Territory, a related Party. Our audit was conducted for the purpose of forming an opinion 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte & Touche LLP

September 21, 2023

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

ALN No.	Additional Award Identification	Federal Program Name	Federal Program Total	Cluster Name	Cluster Total	Direct Award	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity	Passed Through to Subrecipients	Federal Amount Expended
U.S. DEPARTMENT OF AGRICULTURE										
10	568	EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	\$50,984	FOOD DISTRIBUTION CLUSTER	\$69,862	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	AGR-2215	\$0	\$1,889
10	568	EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	\$50,984	FOOD DISTRIBUTION CLUSTER	\$69,862	N	WASHINGTON STATE DEPARTMENT OF PUBLIC INSTRUCTION	MOU	\$0	\$42,558
10	568	EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	\$50,984	FOOD DISTRIBUTION CLUSTER	\$69,862	N	WASHINGTON STATE DEPARTMENT OF PUBLIC INSTRUCTION	MOU	\$0	\$5,082
10	568	EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	\$50,984	FOOD DISTRIBUTION CLUSTER	\$69,862	N	WASHINGTON STATE DEPARTMENT OF PUBLIC INSTRUCTION	MOU	\$0	\$1,455
10	569	EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES)	\$18,878	FOOD DISTRIBUTION CLUSTER	\$69,862	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	AGR-2215	\$0	\$18,878
10	178	TRADE MITIGATION PROGRAM ELIGIBLE RECIPIENT AGENCY OPERATIONAL FUNDS (A)	\$22,075	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	AGR-2215	\$0	\$20,765
10	178	TRADE MITIGATION PROGRAM ELIGIBLE RECIPIENT AGENCY OPERATIONAL FUNDS (A)	\$22,075	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	AGR-2215	\$0	\$1,310
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT										
14	218	COVID-19 COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	\$4,420,964	N/A	\$0	N	CITY OF SEATTLE - HUMAN SERVICES	DA20-1937	\$0	\$53,907
14	218	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	\$4,420,964	N/A	\$0	N	CITY OF SEATTLE - HUMAN SERVICES	DA21-1461	\$0	\$4,337,230
14	218	COVID-19 COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	\$4,420,964	N/A	\$0	N	CITY OF VANCOCOVER - COMMUNITY & ECONOMIC DEVELOPMENT	20202CDBG-PRJ100453	\$0	\$6,850
14	218	COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	\$4,420,964	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	CDBG 21- 24921	\$0	\$22,977
14	231	COVID-19 EMERGENCY SOLUTIONS GRANT PROGRAM	\$273,671	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	TSA-ESG-CV SHELTER	\$0	\$28,824
14	231	COVID-19 EMERGENCY SOLUTIONS GRANT PROGRAM	\$273,671	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	TSA-ESG-CV SHELTER A	\$0	\$116,115
14	231	EMERGENCY SOLUTIONS GRANT PROGRAM	\$273,671	N/A	\$0	N	KING COUNTY COMMUNITY AND HUMAN SERVICES	KC6060182	\$0	\$94,424
14	231	EMERGENCY SOLUTIONS GRANT PROGRAM	\$273,671	N/A	\$0	N	KING COUNTY COMMUNITY AND HUMAN SERVICES	KC6060182	\$0	\$34,308
14	239	HOME INVESTMENT PARTNERSHIPS PROGRAM	\$63,461	N/A	\$0	N	CITY OF VANCOCOVER - COMMUNITY & ECONOMIC DEVELOPMENT	2020 HOME-PRJ100459	\$0	\$52,388
14	239	COVID-19 HOME INVESTMENT PARTNERSHIPS PROGRAM	\$63,461	N/A	\$0	N	CITY OF VANCOCOVER - COMMUNITY & ECONOMIC DEVELOPMENT	2020 HOME-PRJ100459	\$0	\$11,073
14	267	CONTINUUM OF CARE PROGRAM	\$562,090	N/A	\$0	N	IDAHO HOUSING & FINANCE ASSOCIATION	HUD ID 0022U0E011912 IHFA COC 19-22	\$0	\$13,831
14	267	CONTINUUM OF CARE PROGRAM	\$562,090	N/A	\$0	N	CITY OF SEATTLE- HUMAN SERVICES	DA20-1289	\$0	\$230,552
14	267	COVID-19 CONTINUUM OF CARE PROGRAM	\$562,090	N/A	\$0	N	CITY OF SEATTLE- HUMAN SERVICES	DA21-1880	\$0	\$294,199

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

ALN No.	Additional Award Identification	Federal Program Name	Federal Program Total	Cluster Name	Cluster Total	Direct Award	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity	Passed Through to Subrecipients	Federal Amount Expended
U.S.DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT										
14	267	CONTINUUM OF CARE PROGRAM	\$562,090	N/A	\$0	N	IDAHO HOUSING & FINANCE ASSOCIATION	HUD ID 0022U0E012013 IHFA COC 20-22	\$0	\$23,508
U.S.DEPARTMENT OF LABOR										
17	277	COVID-19 WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	\$87,834	N/A	\$0	N	WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT	SA-1-20	\$0	\$63,294
17	277	COVID-19 WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	\$87,834	N/A	\$0	N	WASHINGTON STATE EMPLOYMENT SECURITY DEPARTMENT	SA-1-20	\$0	\$24,540
U.S.DEPARTMENT OF THE TREASURY										
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	SC-107579	\$0	\$120,397
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	CITY OF TACOMA - NEIGHBORHOOD & COMMUNITY SERVICES	NO CONTRACT NUMBER; MOU	\$0	\$20,000
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	KC 6060182	\$0	-\$16,160
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	KITSAP COUNTY	014-009-360	\$0	\$366,417
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	KC 444-20	\$0	\$17,000
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	CITY OF SEATTLE - HUMAN SERVICES	DA20-1935	\$0	\$52,399
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	HCS-20-19-2010-037	\$0	\$315,927
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	HCS-20-19-2002-037	\$0	\$1,189,508
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	PHSS MOU #: T010-0123-21	\$0	\$1,884,223
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	CITY OF SEATTLE - HUMAN SERVICES	NO CONTRACT NUMBER; MOU	\$0	\$54,968
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	K3391	\$0	\$65,000
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	K3383	\$0	\$74,615
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF COMMERCE	PHSS MOU #: T01-0103-20	\$0	\$872,373
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATE DEPARTMENT OF AGRICULTURE	K3381	\$0	\$187,680
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	MONTANA DEPARTMENT OF HEALTH & HUMAN SERVICES	MOU	\$0	\$37,500
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	KING COUNTY DEPARTMENT OF COMMUNITY & HUMAN SERVICES	6060182	\$0	\$34,091
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	CITY OF RENTON	CAG-20-389	\$0	\$29,741
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	PIERCE COUNTY	R3 PC-0043	\$0	\$24,492
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	SPOKANE COUNTY	MOU	\$0	\$1,572,176
21	027	COVID-19 LOCAL FISCAL RECOVERY FUNDS	\$7,118,451	N/A	\$0	N	SPOKANE COUNTY	MOU	\$0	\$111,758

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

ALN No.	Additional Award Identification	Federal Program Name	Federal Program Total	Cluster Name	Cluster Total	Direct Award	Name of Pass-through Entity	Identifying Number Assigned by the Pass-through Entity	Passed Through to Subrecipients	Federal Amount Expended
U.S. DEPARTMENT OF TREASURY										
21	027	COVID-19 FUNDS	\$7,118,451	N/A	\$0	N	WASHINGTON STATR DEPARTMENT OF AGRICULTURE	K3382	\$0	\$69,055
21	027	COVID-19 FUNDS	\$7,118,451	N/A	\$0	N	STATE OF MONTANA	MOU	\$0	\$22,066
21	027	COVID-19 FUNDS	\$7,118,451	N/A	\$0	N	STATE OF MONTANA	MOU	\$0	\$10,000
21	027	COVID-19 FUNDS	\$7,118,451	N/A	\$0	N	PIERCE COUNTY	MOU	\$0	\$3,225
U.S. DEPARTMENT OF VETERANS AFFAIRS										
64	024	VA HOMELESS PROVIDERS GRANT AND PER DIEM PROGRAM	\$1,509,464	N/A	\$0	Y			\$0	\$1,509,464
U.S. DEPARTMENT OF HOMELAND SECURITY										
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	SOUTHEAST WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION	NO CONTRACT NUMBER; MOU	\$0	\$31,042
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	PIERCE COUNTY - HUMAN SERVICES	NO CONTRACT NUMBER; MOU	\$0	\$161,286
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	SOUTHEAST WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION	NO CONTRACT NUMBER; MOU	\$0	\$16,250
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	UNITED WAY OF BENTON & FRANKLIN COUNTIES	NO CONTRACT NUMBER; MOU	\$0	\$8,000
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	CLARK COUNTY	MOU	\$0	\$117,500
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	KITSAP COUNTY	MOU	\$0	\$54,943
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	GRANT COUNTY	MOU	\$0	\$41,856
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	KING COUNTY	MOU	\$0	\$21,000
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	SNOHOMISH COUNTY	MOU	\$0	\$12,000
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	COWLITZ COUNTY	MOU	\$0	\$11,750
97	024	COVID-19-EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM	\$548,326	N/A	\$0	N	SPOKANE COUNTY	MOU	\$0	\$72,699
97	036	COVID-19-DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	\$720,554	N/A	\$0	N	KITSAP COUNTY	014-009-360	\$0	\$720,554
									\$ -	\$15,396,752

See Notes to Schedule of Expenditures of Federal Awards

(Concluded)

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

1. PURPOSE OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") is a supplementary schedule to the financial statements of The Salvation Army USA, Western Territory, Northwest Division (the "Division"), and is presented for the purpose of additional analysis. The Schedule includes the federal grant activity of the Division under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirement of Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the activities of the Division, it is not intended to, and does not, present either the financial position, changes in net assets, or cash flows of the Division.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Assistance Listing Number (ALN) numbers are presented for those federal programs for which numbers are available. Pass-through entity identifying numbers are presented where available.

BASIS OF PRESENTATION—FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with the national accounting policies of The Salvation Army. These policies are consistent with accounting principles generally accepted in the United States of America.

2. INDIRECT RATE

The Division has not elected to use the 10% de minimis indirect cost rate.

3. SUB-RECIPIENT

For the year ended September 30, 2021, there were no amounts provided to subrecipients.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

The regulations and guidelines governing the preparation of Federal, and state financial reports vary by state and Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal and state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule of Expenditures of Federal Awards, which is prepared as explained in Note 1 above.

* * * * *

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SECTION I—SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards:

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes X none reported

Type of auditors' report issued on compliance for Major federal programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, at 2 CFR Part 200.516(a)? X yes no

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Identification of major federal programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN Number</u>
Community Development Block Grants/Entitlement Grants	14.218
COVID-19- Community Development Block Grants/Entitlement Grants	14.218
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027
VA Homeless Veterans Providers Grant and Per Diem	64.024
Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 750,000</u>
Auditee qualified as low risk auditee?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

SECTION II—FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

See pages 31-34 - 2021-001; 2021-002

SECTION III—FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See pages 35-36 - 2021-003

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Reference Number: 2021-001

Requirement: Schedule of Expenditures of Federal Awards
Type of Finding: Material Weakness

Criteria or specific requirement:

As per Government Auditing Standards Audit Guide-Chapter 5-5.36—Auditee Responsibility for Compliance at the Financial Statement Level and for Internal Control Over Financial Reporting. The auditee is responsible for complying with the requirements of all laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements) to which it is subject, for establishing and maintaining effective internal control over financial reporting, and for implementing systems designed to achieve compliance with applicable laws and regulations.

The Uniform Guidance requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements that includes certain required elements, including total federal awards expended for each individual federal program. The Uniform Guidance requires the auditor to determine whether the auditee’s schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the audited entity’s financial statements as a whole. In addition, the Uniform Guidance places the responsibility for identifying major programs on the auditor, and the schedule of expenditures of federal awards serves as the primary basis for the auditor’s major program determination. Therefore, appropriate major program determination by the auditor is dependent on the accuracy and completeness of the information in the schedule of expenditures of federal awards.

The Uniform Guidance states that the auditee must prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements, which must include the total federal awards expended as determined by 2 CFR 200.502. The Uniform Guidance specifies what must go on the face of the schedule and what must go in the notes to the schedule. At a minimum, the face of the schedule of expenditures of federal awards must do the following:

- List individual federal programs by federal agency. For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name.
- For federal awards received as a subrecipient, include the name of the pass-through entity and the identifying number assigned by the pass-through entity.
- Provide the total federal awards expended for each individual federal program and the ALN number or other identifying number when the CFDA information is not available. For a cluster of programs, also provide the total for the cluster.
- Include the total amount of federal awards expended for loan or loan guarantee programs.
- Include the total amount provided to subrecipients from each federal program.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Condition:

The Division prepared schedule of expenditures of Federal Awards for fiscal year ended 2021.

Based on our review of the Schedule of Expenditures of Federal Awards, we noted that pass-through contract number and name of pass-through entities were not included in the Schedule of Federal Expenditures. We also noted that certain ALN numbers were identified as County and State funds, instead of federal funds.

Cause:

The Division did not reconcile federal program expenditures to the expenditures per general ledger and did not review grant awards and identified proper ALN Pass-through number and funding source.

Effect:

The Uniform Guidance requires the auditor to determine whether the auditee's Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the audited entity's financial statements as a whole. Due to incorrect ALN numbers and County funding combined with federal expenditures the Schedule of Expenditures of Federal Awards not be accurate and complete.

Recommendation:

We recommend that the Division reconcile federal program expenditures to expenditures per general ledger and review grant contract to identify County/state funded program and correct ALN pass-through number to ensure Schedule of Expenditures of Federal Awards is accurate and complete.

Views of Responsible Officials and Planned Corrective Actions:

Management of Northwest Division will emphasize the importance of ensuring that federal expenditures listed in Schedule of Expenditures of Federal Awards will be reconciled to the general ledger and review all contracts to ensure that ALN numbers are correctly identified to ensure Schedule of Expenditures of Federal Awards is accurate and complete.

Also see "Corrective Action Plan".

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Reference Number:

2021-002

Requirement:

Other—Compliance with Uniform Guidance

Type of Finding:

Material Weakness, Noncompliance

Criteria or Specific Requirement:

As per Government Auditing Standards Audit Guide-Chapter 5–P.5.09—The Uniform Guidance states that nonfederal entities that expend \$750,000 or more of federal awards in a fiscal year must have a single or program-specific audit. Entities expending federal awards under only one program (excluding the research and development cluster) may elect to have a program-specific audit if the program's statutes, regulations, or the terms and conditions of the federal award do not require a financial statement audit. Entities that expend less than \$750,000 in a fiscal year in federal awards are exempt from federal audit requirements for that year. However, those entities are not exempt from other federal requirements (including those to maintain records) concerning federal awards provided to the entity.

As per Government Auditing Standards Audit Guide-Chapter 5–5.35—The Uniform Guidance establishes certain other responsibilities for auditees as it relates to a single audit. The auditee must:

1. Identify in its accounts all federal awards received and expended and the federal programs under which they were received, including, as applicable, the Assistance Listing program title and number, the federal award identification number and year, the name of the federal agency, and the name of the pass-through entity, if any.
2. Comply with federal statutes, regulations, and the terms and conditions of federal awards.
3. Establish and maintain effective internal control over federal awards that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards.
4. Procure or otherwise arrange for the required audit under the Uniform Guidance and ensure it is properly performed and submitted when due.
5. Evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards.
6. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Condition:

We have performed the Division's financial statement audit for the fiscal year ended 2021. During the audit, while performing entity-wide risk assessment, we noted that the Division did not prepare a Schedule of Expenditures of Federal Awards, nor did they have a single or program-audit performed for the period ended September 30, 2021. Upon further review of the federal grant agreements and revenue recorded, we noted that certain federal grants were entered into and federal awards were expended during September 30, 2021. Since a Schedule of Expenditures of Federal Awards was not prepared on a timely manner for our review for the period ended September 30, 2021, therefore the single audit report was not submitted on a timely basis.

Cause:

The Division did not reconcile federal awards expended to the general ledger, nor did they review and prepare a Schedule of Expenditures of Federal Awards for the period ended September 30, 2021, on a timely basis.

Effect:

As the Division did not prepare a Schedule of Expenditures of Federal Awards for the period ended September 30, 2021, on a timely manner, therefore, the Division may not be in compliance with the Uniform Guidance reporting requirements.

Recommendation:

We recommend that the Division reconcile federal awards expended to the general ledger, identify federally funded programs, and prepare a Schedule of Expenditures of Federal Awards on a timely manner as required by the Uniform Guidance.

Views of Responsible Officials and Planned Corrective Actions:

The Division will work with Territorial Headquarters to perform procedures as outlined in the Recommendations above.

See corrective action plan.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Reference Number:	2021-003
Prior Year Finding:	No
Federal Agency:	U.S. Department of Veterans Affairs
Federal Program:	VA Homeless Veterans Providers Grant and Per Diem
ALN Number:	64.024
Compliance Requirement:	Reporting
Type of Finding:	Deficiency, Noncompliance

Criteria or specific requirement:

As per grant agreement- Recipients must submit, within 90 calendar days after the project period end date of the award, all final financial, performance, and other reports as required by the terms and conditions of the award. VA may approve written requests for extensions by the recipient.

Condition:

Based on our review of the reporting requirements, we noted that the Division did not submit the required reports within the time frame prescribed by the federal awarding agency.

Cause:

The Division did not ensure that reports should be submitted within required due date.

Effect:

The funding agency can reject the report and terminate the reimbursement request.

Questioned costs:

None.

Recommendation:

We recommend that the Division submit the required reports on a timely basis.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Views of responsible officials and Planned Corrective Actions:

Divisional Headquarters and the local units will review deadlines and submit the required reports on a timely basis.

See corrective action plan.

**THE SALVATION ARMY USA, WESTERN TERRITORY,
NORTHWEST DIVISION**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Not applicable – First year audit.

FEDERAL AWARDS – CORRECTIVE ACTION PLAN

<p>REFERENCE # 2021-001</p>	<p>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – MATERIAL WEAKNESS</p>
<p>Criteria or specific requirement:</p>	<p><i>As per Government Auditing Standards Audit Guide-Chapter 5– 5.36</i>—Auditee Responsibility for Compliance at the Financial Statement Level and for Internal Control Over Financial Reporting. The auditee is responsible for complying with the requirements of all laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements) to which it is subject, for establishing and maintaining effective internal control over financial reporting, and for implementing systems designed to achieve compliance with applicable laws and regulations.</p> <p>The Uniform Guidance requires the auditee to prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements that includes certain required elements, including total federal awards expended for each individual federal program. The Uniform Guidance requires the auditor to determine whether the auditee’s schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the audited entity’s financial statements as a whole. In addition, the Uniform Guidance places the responsibility for identifying major programs on the auditor, and the schedule of expenditures of federal awards serves as the primary basis for the auditor’s major program determination. Therefore, appropriate major program determination by the auditor is dependent on the accuracy and completeness of the information in the schedule of expenditures of federal awards.</p> <p>The Uniform Guidance states that the auditee must prepare a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements, which must include the total federal awards expended as determined by 2 CFR 200.502. The Uniform Guidance specifies what must go on the face of the schedule and what must go in the notes to the schedule. At a minimum, the face of the schedule of expenditures of federal awards must do the following:</p> <ul style="list-style-type: none"> • List individual federal programs by federal agency. For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name. • For federal awards received as a subrecipient, include the name of the pass-through entity and the identifying number assigned by the pass-through entity. • Provide the total federal awards expended for each individual federal program and the ALN number or other identifying number when the CFDA information is not available. For a cluster of programs, also provide the total for the cluster. • Include the total amount of federal awards expended for loan or loan guarantee programs.

	<ul style="list-style-type: none"> • Include the total amount provided to subrecipients from each federal program.
Condition/Context:	The Division prepared schedule of expenditures of Federal Awards for fiscal year ended 2021. Based on our review of the Schedule of Expenditures of Federal Awards, we noted that pass-through contract number and name of pass-through entities were not included in the Schedule of Federal Expenditures. We also noted that certain ALN numbers were identified as County fund, instead of federal funds.

Recommendation:	We recommend that the Division reconcile federal program expenditures to expenditures per general ledger and review grant contract to identify County/state funded program and correct ALN pass-through number to ensure Schedule of Expenditures of Federal Awards is accurate and complete.
Corrective Action Plan:	Management of Northwest Division will emphasize the importance of ensuring that federal expenditures listed in Schedule of Expenditures of Federal Awards will be reconciled to the general ledger and review all contracts to ensure that ALN numbers are correctly identified to ensure Schedule of Expenditures of Federal Awards is accurate and complete
Step 1 Action Date:	Ongoing
Final Implementation Date:	10/30/2023
Name and Phone # of Person Responsible for Implementation:	Mr. Marc Garcia 206.217.1220

REFERENCE # 2021-002	OTHER—COMPLIANCE TO UNIFORM GRANT GUIDANCE MATERIAL—NON-COMPLIANCE
Criteria or specific requirement:	<p><i>As per Government Auditing Standards Audit Guide-Chapter 5-P.5.09</i>—The Uniform Guidance states that nonfederal entities that expend \$750,000 or more of federal awards in a fiscal year must have a single or program-specific audit. Entities expending federal awards under only one program (excluding the research and development cluster) may elect to have a program-specific audit if the program’s statutes, regulations, or the terms and conditions of the federal award do not require a financial statement audit. Entities that expend less than \$750,000 in a fiscal year in federal awards are exempt from federal audit requirements for that year. However, those entities are not exempt from other federal requirements (including those to maintain records) concerning federal awards provided to the entity.</p> <p><i>As per Government Auditing Standards Audit Guide-Chapter 5-5.35</i>—The Uniform Guidance establishes certain other responsibilities for auditees as it relates to a single audit. The auditee must:</p> <ul style="list-style-type: none"> • Identify in its accounts all federal awards received and expended and the federal programs under which they were received, including, as applicable, the Assistance Listing program title and number, the federal award identification number and year, the name of the federal agency, and the name of the pass-through entity, if any. • Comply with federal statutes, regulations, and the terms and conditions of federal awards. • Establish and maintain effective internal control over federal awards that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards. • Procure or otherwise arrange for the required audit under the Uniform Guidance and ensure it is properly performed and submitted when due. • Evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards. • Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings

Condition/Context:	We have performed the Division's financial statement audit for the fiscal year ended 2021. During the audit, while performing entity-wide risk assessment, we noted that the Division did not prepare a Schedule of Expenditures of Federal Awards, nor did they have a single or program-audit performed for the period ended September 30, 2021. Upon further review of the federal grant agreements and revenue recorded, we noted that certain federal grants were entered into and federal awards were expended during September 30, 2021. Since a Schedule of Expenditures of Federal Awards was not prepared on a timely manner for our review for the period ended September 30, 2021, therefore the single audit report was not submitted on a timely basis.
Recommendation:	We recommend that the Division reconcile federal awards expended to the general ledger, identify federally funded programs, and prepare a Schedule of Expenditures of Federal Awards on a timely manner as required by the Uniform Guidance.
Corrective Action Plan:	The Division will work with Territorial Headquarters to perform procedures as outlined in the Recommendations above.
Step 1 Action Date:	Ongoing
Final Implementation Date:	10/30/2023
Name and Phone # Of Person Responsible for Implementation:	Mr. Marc Garcia 206.217.1220

REFERENCE # 2021-003	REPORTING DEFICIENCY - NON-COMPLIANCE
Program Name/ALN	VA Homeless Veterans Providers Grant and Per Diem (ALN # 64.064)
Criteria or specific requirements:	<i>As per grant agreement-</i> Recipients must submit, within 90 calendar days after the project period end date of the award, all final financial, performance, and other reports as required by the terms and conditions of the award. VA may approve written requests for extensions by the recipient.
Condition/Context:	Based on our review of the reporting requirements, we noted that the Division did not submit the required reports within the time frame prescribed by the federal awarding agency.
Questioned Costs:	None
Recommendation:	We recommend that the Division submit the required reports on a timely basis.
Corrective Action Plan:	Divisional Headquarters and the local units will review deadlines and submit the required reports on a timely basis.
Step 1 Action Date:	Ongoing
Final Implementation Date:	10/30/2023
Name and Phone # of Person Responsible for Implementation:	Mr. Marc Garcia 206.217.1220

* * * * *

AGENCY CUSTOMER ID: _____
LOC #: _____



ADDITIONAL REMARKS SCHEDULE

AGENCY Willis Towers Watson Insurance Services West, Inc.		NAMED INSURED The Salvation Army - Division 9 30840 Hawthorne Blvd., Bldg D Rancho Palos Verdes, CA 90275	
POLICY NUMBER See Page 1			
CARRIER See Page 1	NAIC CODE See Page 1	EFFECTIVE DATE: See Page 1	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Kitsap County Department of Human Services Care of Housing and Homelessness Division is included as an Additional Insured as respects to General Liability where required by written contract.

INSURER AFFORDING COVERAGE: XL Specialty Insurance Company NAIC#: 37885
POLICY NUMBER: RWE500021613 EFF DATE: 10/01/2023 EXP DATE: 10/01/2024

TYPE OF INSURANCE:	LIMIT DESCRIPTION:	LIMIT AMOUNT:
Excess Work Comp-	EL Each Accident	\$1,000,000
AZ/CO/OR	EL Each Disease	\$1,000,000
	Retention	\$750,000



Debarred Contractors List

A debarred contractor may not bid on, or have a bid considered on, any public works contract. You can search and filter this list using the options presented below.

Company Name: Principal: From: To:

WA UBI Number: RCW:

License Number: Penalty Due: Wage Due:

Apply Filters

Reset

Download all debarment data

Show per page Showing 0 records

First Previous Next Last

Company Name	UBI	License	Principals	Status	RCW	Debar Begins	Debar Ends	Penalty Due	Wages Due
There are no records that match your search criteria.									

Show per page Showing 0 records

First Previous Next Last

As of 03/22/2023

Search All Words ▼ e.g. 1606N020Q02

Select Domain All Domains +

Filter By -

Keyword Search

For more information on how to use our keyword search, visit our [help guide](#)

- Any Words ⓘ
- All Words ⓘ
- Exact Phrase ⓘ

e.g. 1606N020Q02

debarment x

Federal Organizations

The Salvation Army x ▲ ...

No results found ^

- Active
- Inactive

Reset ↻

As of 03/22/2023