
State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

For the Fiscal Year Ended
June 30, 2023
(Expressed in Whole Dollars)

Note A: **Purpose of the Schedule**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the state's financial statements and is presented for purposes of additional analysis. The Schedule is required by the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), as codified in 2 CFR part 200.

Note B: **Significant Accounting Policies**

Note B1: **Basis of Presentation** - The information in the Schedule is presented in accordance with the OMB Uniform Guidance.

- Federal Financial Assistance - Pursuant to the Single Audit Act of 1984 (Public Law 98-502); the Single Audit Act Amendments of 1996 (Public Law 104-156) and the OMB Uniform Guidance, federal financial assistance (hereafter referred to as federal assistance) is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Accordingly, non-monetary or non-cash federal assistance, including electronic benefit cards, food commodities, immunization supplies and surplus property, is federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals or solicited contracts between the state and federal agencies for which the state provides tangible goods or services as a vendor.
- Assistance Listings number (ALN) - OMB Uniform Guidance requires the Schedule to show total expenditures expended for each individual federal program and the ALN or other program identifying number when the ALN information is not available. For a cluster of programs, the Schedule also provides the total for the cluster.

Each program is assigned a five-digit ALN (formerly known as CFDA number), the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The ALN of the program is reflected on the Schedule.

The 2023 Compliance Supplement Part 8 Appendix VII directs non-federal entities to separately identify and report COVID-19 related expenditures for both new and existing programs. The Schedule presents this information on a separate line by the ALN with "COVID-19" as a prefix to the program name.

For federal assistance programs and awards that have no assigned ALN, federal awards to nonfederal entities from the same federal agency made for the same purpose are combined and considered as one program. If the ALN three-digit extension is unknown, it shall be assigned a "U" followed by a two-digit number (e.g., U01, U02, etc.) under the respective federal agency. If the federal program is part of the Research and Development (R&D) Cluster and the ALN extension is unknown, "RD" shall be used as the ALN extension.

State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

For the Fiscal Year Ended
June 30, 2023
(Expressed in Whole Dollars)

- Cluster of Programs - Closely related programs with different ALN numbers that share common compliance requirements are to be considered a cluster of programs. The Schedule is structured to present the federal assistance information by cluster with the title of the cluster described in the heading. Programs not included within a designated cluster are presented under the title “Programs Not Clustered”. The only program clusters presented on the Schedule are those mandated by OMB in the most recent Compliance Supplement (May 2023). No expenditures of federal awards were recorded in the following mandated clusters in the report year:
 - Section 8 Project-Based
 - Foster Grandparent/Senior Companion
 - Food For Peace
 - CDBG – Entitlement Grants
 - Housing Voucher
 - Community Facilities Loans and Grants
 - Health Center Program
 - HOPE VI
 - Hurricane Sandy Relief
 - CDBG – Disaster Recovery Grants – Pub L. No. 113-2

Note B2: Reporting Entity - The state reporting entity is fully described in Note 1A to the state’s financial statements. The Schedule includes the activities of all federal assistance programs administered by the state during the fiscal year ending June 30, 2023. All component units, except the Washington State Housing Finance Commission, are excluded from the schedule and are subject to separate audits in accordance with the Uniform Guidance.

Note B3: Basis of Accounting - Federal assistance programs included in the Schedule are reported in the state’s financial statements as federal grants-in-aid in the General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds and as other revenue in proprietary and fiduciary funds. The Schedule is presented using the same basis of accounting as that used in reporting the expenditures of the related funds in the state’s fund financial statements. The basis of accounting used for each fund type is described in Note 1C to the state’s financial statements.

- Indirect Costs - The Schedule includes a portion of costs associated with general activities which is allocated to federal assistance programs under negotiated formulas commonly referred to as indirect cost rates and federally approved cost allocation plans. The Schedule may also include the indirect costs of agencies that have elected to use the 10% de minimis rate in accordance with the Uniform Guidance. Reimbursement of state central service costs, achieved via the federally approved Statewide Central Services Cost Allocation Plan, is not reflected on the Schedule. A total of \$987,831 was recovered for state central service costs during fiscal year ending June 30, 2023.
- Matching Costs - The Schedule does not include matching expenditures. The State’s financial participation in the Unemployment Insurance Program is disclosed in Note C of the Schedule.
- ALN 93.498 Provide Relief Fund (PRF) - The 2023 Compliance Supplement instructed non-federal entities to report expenditures and lost revenue for this program based on the PRF report submitted to the U.S. Department of Health and Human Services reporting portal. In accordance with federal reporting requirements, for fiscal year 2023, the state reported program expenditures on the SEFA pertaining to payments received for the period from July 1, 2021 to June 30, 2022.

State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

For the Fiscal Year Ended
June 30, 2023
(Expressed in Whole Dollars)

- Non-monetary Assistance - Non-monetary assistance programs included on the Schedule are identified with a non-cash expenditure footnote code (NC) and include the following:
 1. The **Supplemental Nutrition Assistance Program (SNAP)** and the **Pandemic EBT Food Benefits (PEBT)** are administered through Electronic Benefit (EBT) cards that provide each eligible client with an authorized limit of service (purchase of specific food products). The dollar expenditures reported for the SNAP and PEPT consist of actual disbursements for client purchases of authorized food products via the EBT card program.
 2. The **Emergency Food Assistance and National School Lunch** programs are presented at the federally assigned value of product disbursed by the state.
 3. The **Surplus Property** program is presented at the fair market value of the property distributed. The current fair market valuation assigned by the U.S. General Services Administration is 22.47% of the property's original acquisition value.
 4. The **Immunization Vaccine** programs are presented at the federally assigned value of product disbursed by the state.
- Pass-Through Federal Assistance (state as subrecipient included on the Schedule) - The majority of the state's federal assistance is received directly from federal awarding agencies (i.e., the state is the primary recipient). However, state agencies receive some federal assistance that is passed through a separate entity prior to receipt by the state (i.e., the state is a subrecipient). Although this type of assistance is included on the Schedule as "Pass-Through" (PT), it is not reported as federal revenue on the state's basic financial statements because it was not awarded directly from the federal government to the state. Additional details related to this type of pass-through assistance is provided in Note F to the Schedule.
- Pass-Through Federal Assistance (state as subrecipient not included on the Schedule) - Some of the federal assistance that are directly received by the state are passed through to non-state entities and, in certain instances, the same funds are sub-awarded back to the state. An example is the U.S. Department of Labor Workforce Innovation and Opportunity Act (WIOA) programs where the state is a direct recipient and is also a subrecipient when some of these funds are sub-awarded back to the state by non-state entities. The dollar amount of these subawards to the state are not included as pass-through federal assistance on the Schedule because they are already part of the amount reported by the state as direct assistance and included in the scope of the Single Audit. Additional details related to this type of pass-through assistance is disclosed in Note G to the Schedule.
- Federal transactions between state agencies - Some state agencies subaward federal assistance to other state agencies (i.e., a pass-through of funds by the primary recipient organization to a subrecipient state organization). In these situations, the federal revenue and expenditures are only reported once within the same fund in the state's financial statements in accordance with generally accepted accounting principles (GAAP) and expenditures are only reported by the recipient agency on the Schedule. This prevents duplicate reporting and overstating the aggregate level of federal assistance expended by the state. However, purchases of services between state agencies using federal funds are reported in the financial statements as expenditures or expenses by the purchasing agency and as revenues for services rendered by the providing agency.

State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

*For the Fiscal Year Ended
June 30, 2023
(Expressed in Whole Dollars)*

Note B4: Presentation Comments

- Private company rebate activity is not included on the Schedule. Due to the significance of the resources provided by this rebate activity, the following amounts are disclosed for fiscal year ending June 30, 2023:

ALN 10.557 – WIC Special Supplemental Nutrition Program for Women, Infants, And Children.....	\$24,493,601
(Infant formula rebates provided by private companies)	

ALN 93.917 – HIV Care Formula Grants.....	\$38,567,858
(Immunization rebates provided by private pharmaceutical companies)	

- Expenditures for the federal share of bond repayment are not included on the Schedule. Due to the significance of the federal participation, the following amount is disclosed for the fiscal year ending June 30, 2023:

ALN 20.205 - Debt service costs for Referendum 49 bonds.....	\$1,392,771
--------------------------------------------------------------	-------------

- During fiscal year 2023, the state received donated personal protective equipment (PPE) from federal or pass-through agencies for use in COVID-19 response activities, without any compliance requirements or assistance listing information from the donors. The fair market value of the donated PPE received by the state totaled \$2,419 (unaudited).
- State agency numbers used in the Schedule can be referenced, either by number (listed numerically) or name of the agency (listed alphabetically), in the Appendix.

Note C: **Unemployment Insurance (U.I.) Program, Employer (State) Financial Participation**

As required by U.S. Department of Labor letter dated December 24, 1997, the expenditures reported on the Schedule for Unemployment Insurance, ALN 17.225, for fiscal year ending June 30, 2023 include:

State of Washington/Employer Funded.....	\$ 1,187,183,266
Federal Funds: non-COVID.....	141,214,631
COVID funding.....	526,111
Total	\$ 1,328,924,008

State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

For the Fiscal Year Ended
June 30, 2023
(Expressed in Whole Dollars)

Note D: **Non-monetary Assistance Inventory**

As described previously in Note B3, non-monetary assistance is reported in the Schedule. As of June 30, 2023, the state held the following inventories of non-monetary assistance:

Food Commodities (ALN 10.565 and 10.569)	\$ 6,624,935
------------------------------------------------	--------------

Note E: **Footnote Designations**

The following footnote codes are utilized in the Schedule (far right column):

NC - Non-cash expenditures.

PT - Pass Through (expenditures of federal assistance received from a nonfederal entity).

OL - The balance of loans from previous years, for which the federal government imposes continuing compliance requirements.