

LEWIS COUNTY, WASHINGTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the county's financial statements. The county uses accrual basis of accounting for all funds except governmental funds, which use the modified accrual basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions of the program costs. Entire program costs, including the county's portion, may be more than shown.

NOTE 3 - FEDERAL LOANS

The county was approved by the Environmental Protection Agency and the Washington State Department of Commerce's Public Works Board to receive a loan totalling \$721,822 to improve its drinking water system. The amount listed for this loan includes the proceeds received during the year.

NOTE 4 - NOT AVAILABLE (N/A)

The county was unable to obtain another identification number.

NOTE 5 - NONCASH AWARDS - VACCINATIONS

The amount of vaccine reported on the schedule is the value of vaccine received and distributed by the county during the year and priced as prescribed by the Washington Department of Health.

NOTE 6 - NONCASH AWARDS - EQUIPMENT

The county received equipment that was purchased with federal Homeland Security funds by Thurston County Emergency Management. The amount reported on the schedule is the value of the property provided by Thurston County Emergency Management on the date it was received by the county.

NOTE 7 - SUPPLEMENTAL GRANT AWARDS

Federal awards for the construction projects funded by contracts LA-6941 and LA-7204 under CFDA 20.205 "Highway Planning and Construction" were exhausted during 2010. Subsequent funding was awarded in 2011 to allow reimbursement of additional project costs, including expenditures incurred in 2010 after the original funding was exhausted.

LA-6941 incurred costs of \$6,965 in 2010. These costs became reimbursable through a supplemental agreement finalized December 2011.

LA-7204 incurred costs of \$191,055 in 2010. These costs became reimbursable through a supplemental agreement finalized June 2011.

The expenditures incurred in 2010 that did not become reimbursable until 2011 have been included in the expenditure totals reported on the 2011 Schedule of Expenditures of Federal Awards.

NOTE 8 - MEDICAL ASSISTANCE PROGRAM

A portion of the reimbursement for contract #0966-53186 is based on expenditures occurring during the third and fourth quarters of 2010. Due to the length of time needed to prepare the billing information, the amount of expenditures associated with the third and fourth quarters of 2010 were not determined in time to be included in the 2010 Financial Statements.

NOTE 9 - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

Expenditures for this program were funded by ARRA.

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NOTE 10 - INDIRECT COST RATE

(a) The amount expended for "Child Support Enforcement" (CFDA 93.563) includes \$2,038 from Contract Number 0763-15018 and \$32,647 from Contract Number 2110-81382 claimed as an indirect cost recovery using an indirect cost rate of 16.83% as approved by the Board of County Commissioners on March 7, 2011 through Resolution #11-071.

(b) The amount expended for "Schools and Roads Grants to States (CFDA 10.665) includes \$1,944 from Contract Number 07-PA11060300-037 claimed as an indirect cost recovery. The rate of 12.12% in effect for 2010 as approved by the Board of County Commissioners on September 28, 2009 through Resolution #09-331 was inadvertently used instead of the rate of 16.83% in effect for 2011.

(c) The amount expended for "Medical Assistance Program" (CFDA 93.778) includes \$6,853 from Contract Number 0966-53186 claimed as an indirect cost recovery. The rate of 12.12% in effect for 2010 as approved by the Board of County Commissioners on September 28, 2009 through Resolution #09-331 was inadvertently used instead of the rate of 16.83% in effect for 2011.

NOTE 11 - AMOUNTS AWARDED TO SUBRECIPIENTS

(a) Included in the total amount expended for "Schools and Roads" (CFDA number 10.665) is \$150,000, which was passed through to subrecipients that administered their own projects. This amount includes both current and prior year Title III funds.

(b) Included in the total amount expended for "Community Development Block Grants" (CFDA number 14.228) is \$68,722 from Contract Number 07-64007-020 that was passed through to subrecipients that administered their own projects.

(c) Included in the total amount expended for "Emergency Shelter" (CFDA number 14.231) is \$86,003 from Contract Number 10-46000-220 that was passed through to subrecipients that administered their own projects.

(d) Included in the total amount expended for "ARRA - Homelessness Prevention and Rapid Re-Housing Program" (CFDA number 14.257) is \$140,779 from Contract Number 10-46111-616 that was passed through to subrecipients that administered their own projects.

(e) Included in the total amount expended for "Supportive Housing Program" (CFDA number 14.235) is \$36,201 from Contract Number WA0091B0T010802 and \$78,022 from Contract Number WA0091B0T011003 that was passed through to subrecipients that administered their own projects.

(f) Included in the total amount expended for "Juvenile Mentoring Program" (CFDA number 16.726) is \$132,914 from Contract Number 2008-JU-FX-0026 that was passed through to subrecipients that administered their own projects.

(g) Included in the total amount expended for "Medical Assistance Program" (CFDA number 93.778) is \$39,531 from Contract Number 0963-68047 and \$30,670 from Contract Number 1163-27316 that was passed through to subrecipients that administered their own projects.

(h) Included in the total amount expended for "Prevention/Treatment of Substance Abuse " (CFDA number 93.959) is \$65,758 from Contract Number 0963-68047 and \$23,850 from Contract Number 1163-27316 that was passed through to subrecipients that administered their own projects.

NOTE 12 - CFDA NUMBER

The Office of National Drug Control Policy does not use CFDA numbers. The CFDA number provided on the Schedule of Expenditures of Federal Awards was determined per guidance provided in the Budgeting, Accounting, and Reporting System Manual using the Federal Agency's Grant Award Number G09NW0003A.

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NOTE 13 - OVER REPORTED 2010 EXPENDITURES

(a) Expenditures of \$2,146, which were incurred in 2011 under CFDA number 20.106 "Airport Improvement Program" Contract Number DOT-FA09NM-0053, were reimbursed by revenue received in 2010. In 2010, expenditures were mistakenly billed and reimbursed twice. The excess revenue received was applied to expenditures incurred after the billing. A remainder of \$5,962 excess revenue will be applied to expenditures incurred in 2012. Due to this billing error, expenditures were over reported by \$8,108 on the 2010 Schedule of Expenditures of Federal Awards under CFDA number 20.106 "Airport Improvement Program" Contract Number DOT-FA09NM-0053.

(b) Expenditures of \$289, which were incurred in 2011 under CFDA number 97.012 "Boating Safety Financial Assistance" Contract Number LE 911-222, were reimbursed by revenue received in 2010. In 2010, an error occurred on the hours billed to the grant, resulting in an overpayment. Due to this billing error, expenditures were over reported by \$289 on the 2010 Schedule of Expenditures of Federal Awards under CFDA number 97.012 "Boating Safety Financial Assistance" Contract Number LE 911-222.

NOTE 14 - UNDER REPORTED 2010 EXPENDITURES

The following grants incurred expenditures in 2010 that were not included on the 2010 Schedule of Expenditures of Federal Awards. The 2010 expenditures are not included in the expenditure totals reported on the 2011 Schedule of Expenditures of Federal Awards.

(a) Under CFDA 20.106 "Airport Improvement Program," 2010 expenditures of \$3,135 were not included since the eligibility of the costs was still being determined.

(b) Under CFDA 20.205 "Highway Planning and Construction" contract LA-6450, expenditures of \$108,913 were incurred in 2010, but identification of the costs for billing was delayed until 2011.

NOTE 15 - 2011 EXPENDITURES INCURRED IN 2010

Expenditures of \$293,273, reported under CFDA 20.205 "Highway Planning and Construction" contract LA-5452 on the 2011 Schedule of Expenditures of Federal Awards, were expenditures incurred in 2010 but not paid until 2011. These expenditures should have been reported as expenditures on the 2010 Schedule of Federal Awards, but were not identified as 2010 services until after the 2010 Schedule of Federal Awards was complete.