State of Washington
Office of Financial Management

Single Audit Report

For the Fiscal Year Ended June 30, 2010

March 2011

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Single Audit Report
For the Fiscal Year Ended June 30, 2010

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Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

March 10, 2011

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of and for the year ended June 30, 2010, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the state's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Department of Retirement Systems, Washington's Lottery, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board. Those financial statements represent part or all of the total assets, net assets, and revenues or additions of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information as follows:

Opinion Unit	Percent of Total Assets	Percent of Net Assets	Percent of Total Revenues/ Additions
Governmental Activities	11.8%	21.2%	12.8%
Business-Type Activities	78.3%	100%	17.4%
Higher Education Special Revenue Fund	39.2%	30.7%	48.9%
Higher Education Endowment Fund	91.2%	96.7%	90.4%
Higher Education Student Services Fund	73.3%	82.5%	80.2%
Workers' Compensation Fund	99.0%	100%	44.8%
Aggregate Discretely Presented Component Units and Remaining Fund Information	90.2%	95.5%	83.7%

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Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned entities and funds are based solely on the reports of other auditors.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Department of Retirement Systems, Washington's Lottery, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

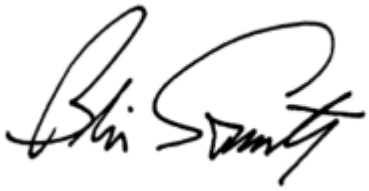
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1.D. 1, the financial statements include pension trust fund investments valued at $21.7 billion which comprise 25.4% of total assets and 30.5% of net assets of the aggregate discretely presented component units and remaining fund information. The fair values of these investments have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or, in the case of investments in partnerships, the general partners.

As described in Note 2, during the year ended June 30, 2010, the State implemented Governmental Accounting Standards Board *Statement No. 51 - Accounting and Financial Reporting for Intangible Assets* and *Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

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

The management's discussion and analysis and the required supplementary information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



BRIAN SONNTAG, CGFM
STATE AUDITOR

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MD&A

Management's Discussion and Analysis

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MD&A

Management's Discussion & Analysis

As managers of the state of Washington, we offer this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2010. We present this information in conjunction with the information included in our letter of transmittal, which can be found preceding this narrative, and with the state's financial statements, which follow. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total assets of the state of Washington exceeded its liabilities by $16.2 billion (reported as net assets). Of this amount, $(11.1) billion was reported as "unrestricted (deficit) net assets." A negative balance indicates that no funds were available for discretionary purposes.

- The state of Washington's governmental funds reported a combined ending fund balance of $10.5 billion, an increase of 10 percent compared with the prior year.

- The General Fund reported an unreserved fund balance (deficit) of $(561) million, at the end of Fiscal Year 2010, or 2.4 percent of total General Fund expenditures.

- The state's capital assets increased by $1.8 billion while total bond debt increased by $2.7 billion during the current fiscal year. Of the total bond debt issued, $1.1 billion was unspent at year end largely related to a June 2010 bond issuance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the state of Washington's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The focus is on both the state as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the state's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the state of Washington's finances, in a manner similar to a private sector business.

Statement of Net Assets. The *Statement of Net Assets* presents information on all of the state of Washington's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the state of Washington is improving or deteriorating.

Statement of Activities. The *Statement of Activities* presents information showing how the state's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The Statement of Activities is focused on both the gross and net cost of various activities (including governmental, business-type, and component unit). This is intended to summarize and simplify the reader's analysis of the revenues and costs of various state activities and the degree to which activities are subsidized by general revenues.

Both of these government-wide financial statements distinguish functions of the state of Washington that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the state of Washington include education, human services, transportation, natural resources, adult corrections, and general government.

The business-type activities of the state of Washington include the workers' compensation and unemployment compensation programs, as well as Washington's lottery, liquor control, and various higher education student services such as housing and dining.

The government-wide financial statements can be found on pages B17 through B19 of this report.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The state of Washington, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the state can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for four major funds and an aggregate total for all nonmajor funds. The state's major governmental funds are the General Fund, Higher Education Special Revenue Fund, the Motor Vehicle Fund, and the Higher Education Endowment Fund. Individual fund data for the state's nonmajor governmental funds are provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages B22 through B25 of this report.

Proprietary Funds. The state of Washington maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds represent an accounting device used to accumulate and allocate costs internally among the state of Washington's various functions. The state of Washington uses internal service funds to account for general services such as motor pool, central stores, data processing services, risk management, employee health insurance, and printing services. Because internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for the Workers' Compensation Fund, Unemployment Compensation Fund, and the Higher Education Student Services Fund, which are considered to be major funds, as well as an aggregated total for all nonmajor enterprise funds.

The internal service funds are combined for presentation purposes. Individual fund data for the state's nonmajor proprietary funds are provided in the form of combining statements elsewhere in this report. The proprietary fund financial statements can be found on pages B26 through B31 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the state of Washington's own programs. Washington's fiduciary funds include state administered pension plans. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the state's fiduciary funds are provided in the form of combining statements elsewhere in this report.

The fiduciary fund financial statements can be found on pages B32 through B33 of this report.

Component Units. Component units that are legally separate from the state and primarily serve or benefit those outside the state are discretely presented. They are either financially accountable to the state, or have relationships with the state such that exclusion would cause the state's financial statements to be misleading or incomplete. The state discretely reports one major component unit, the Washington State Public Stadium Authority, and four nonmajor component units.

Refer to Note 1 on pages B38 through B47 for more detailed information. Individual fund data for the state's nonmajor component units are provided in the form of combining statements elsewhere in this report. The component unit financial statements can be found on pages B34 through B35 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B37 through B132 of this report.

OTHER REQUIRED INFORMATION

In addition to this discussion and analysis, this report also presents required supplementary information on budgetary comparisons, pension plans and other post-employment benefits, funding progress, and infrastructure assets reported using the modified approach.

Required supplementary information can be found on pages B133 through B159 of this report.

The combining statements referred to earlier are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 181-231 of the Comprehensive Annual Financial Report.

STATE OF WASHINGTON
Statement of Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	$ 16,915	$ 15,611	$ 22,080	$ 21,027	$ 38,995	$ 36,638
Capital assets	31,247	29,558	2,254	2,099	33,501	31,657
Total assets	48,162	45,169	24,334	23,126	72,496	68,295
LIABILITIES						
Current and other liabilities	3,730	3,593	3,421	2,653	7,151	6,246
Long-term liabilities outstanding	21,234	17,721	27,934	25,689	49,168	43,410
Total liabilities	24,964	21,314	31,355	28,342	56,319	49,656
NET ASSETS						
Invested in capital assets, net of related debt	18,201	17,551	913	721	19,114	18,272
Restricted	5,214	4,887	2,930	3,800	8,144	8,687
Unrestricted (deficit)	(217)	1,417	(10,864)	(9,737)	(11,081)	(8,320)
Total net assets	$ 23,198	$ 23,855	$ (7,021)	$ (5,216)	$ 16,177	$ 18,639

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the state of Washington, total assets exceed liabilities by $16.2 billion at June 30, 2010 as compared to $18.6 billion as reported at June 30, 2009.

The largest portion of the state's net assets (118.2 percent for Fiscal Year 2010 as compared to 98.0 percent for Fiscal Year 2009) reflects its investment in capital assets (e.g., land, buildings, equipment and intangible assets), less any related debt used to acquire those assets that is still outstanding. The state of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the state of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the state of Washington's net assets (50.3 percent for Fiscal Year 2010 as compared to 46.6 percent for Fiscal Year 2009) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $(11.1) billion represents unrestricted (deficit) net assets. The state's overall negative balance is caused by deficits in both governmental and business-type activities.

In governmental activities, the deficit is largely related to decreased tax revenues in Fiscal Year 2010. The decline in tax revenues reflects the continued weak economy and the lack of consumer confidence.

In business-type activities, the majority of the deficit is caused by the workers' compensation program that provides time-loss, medical, disability and pension payments to qualifying individuals who sustain work-related injuries or develop occupational diseases as a result of their required work activities.

The main benefit plans of the workers' compensation program are funded on rates that will keep the plans solvent in accordance with recognized actuarial principles.

The supplemental pension cost-of-living adjustments (COLAs) granted for time-loss and disability payments, however, are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

As previously mentioned, the state's activities are divided between governmental and business-type. The majority of support for governmental activities comes from taxes and intergovernmental grants, while business-type activities are supported primarily through user charges.

STATE OF WASHINGTON

Changes in Net Assets

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
REVENUES						
Program revenues:						
Charges for services	$ 4,584	$ 4,398	$ 5,987	$ 5,640	$ 10,571	$ 10,038
Operating grants and contributions	12,193	10,565	2,468	572	14,661	11,137
Capital grants and contributions	939	706	-	-	939	706
General revenues:						
Taxes	14,982	16,001	160	113	15,142	16,114
Interest and investment earnings (loss)	449	(212)	1,743	291	2,192	79
Total Revenues	33,147	31,458	10,358	6,616	43,505	38,074
EXPENSES						
General government	(1,738)	(1,815)	-	-	(1,738)	(1,815)
Education - K-12	(8,468)	(8,549)	-	-	(8,468)	(8,549)
Education - Higher education	(6,051)	(6,044)	-	-	(6,051)	(6,044)
Human services	(12,946)	(12,436)	-	-	(12,946)	(12,436)
Adult corrections	(938)	(1,044)	-	-	(938)	(1,044)
Natural resources and recreation	(1,084)	(1,062)	-	-	(1,084)	(1,062)
Transportation	(2,073)	(1,883)	-	-	(2,073)	(1,883)
Interest on long-term debt	(810)	(728)	-	-	(810)	(728)
Workers' compensation	-	-	(4,268)	(2,544)	(4,268)	(2,544)
Unemployment compensation	-	-	(4,729)	(2,360)	(4,729)	(2,360)
Higher education student services	-	-	(1,628)	(1,502)	(1,628)	(1,502)
Liquor control	-	-	(552)	(540)	(552)	(540)
Washington's lottery	-	-	(389)	(401)	(389)	(401)
Other business-type activities	-	-	(345)	(391)	(345)	(391)
Total Expenses	(34,108)	(33,561)	(11,911)	(7,738)	(46,019)	(41,299)
Excess (deficiency) of revenues over expenses before contributions to endowments and transfers	(961)	(2,103)	(1,553)	(1,122)	(2,514)	(3,225)
Contributions to endowments	52	57	-	-	52	57
Transfers	252	(190)	(252)	190	-	-
Increase (decrease) in net assets	(657)	(2,236)	(1,805)	(932)	(2,462)	(3,168)
Net assets - July 1	23,855	26,091	(5,216)	(4,284)	18,639	21,807
Net assets - June 30	$ 23,198	$ 23,855	$ (7,021)	$ (5,216)	$ 16,177	$ 18,639

Governmental Activities. Governmental activities resulted in a decrease in the state of Washington's net assets of $657 million. A number of factors contributed to the decrease:

- Tax revenues decreased $1.0 billion in Fiscal Year 2010 as compared to Fiscal Year 2009 reflecting the negative impact of the slowing economy and slumping housing markets. While certain tax sources showed moderate increases, sales and use taxes reported a decrease of $435 million. Sales and use taxes are the main tax revenue for governmental activities. Taxable sales have declined due to reductions in consumer spending power as a result of job losses as well as weak consumer confidence. Real estate excise taxes also declined by $20 million reflecting the continued decline in real estate throughout Fiscal Year 2010 in spite of record low mortgage rates, declining home prices and the federal government's home-buyers tax credit program.

- Operating and capital grants and contributions increased $1.9 billion in Fiscal Year 2010 as compared to Fiscal Year 2009. American Recovery and Reinvestment Act grants made up $1.3 billion of the increase funding expenses in the areas of education, transportation, public health and the environment.

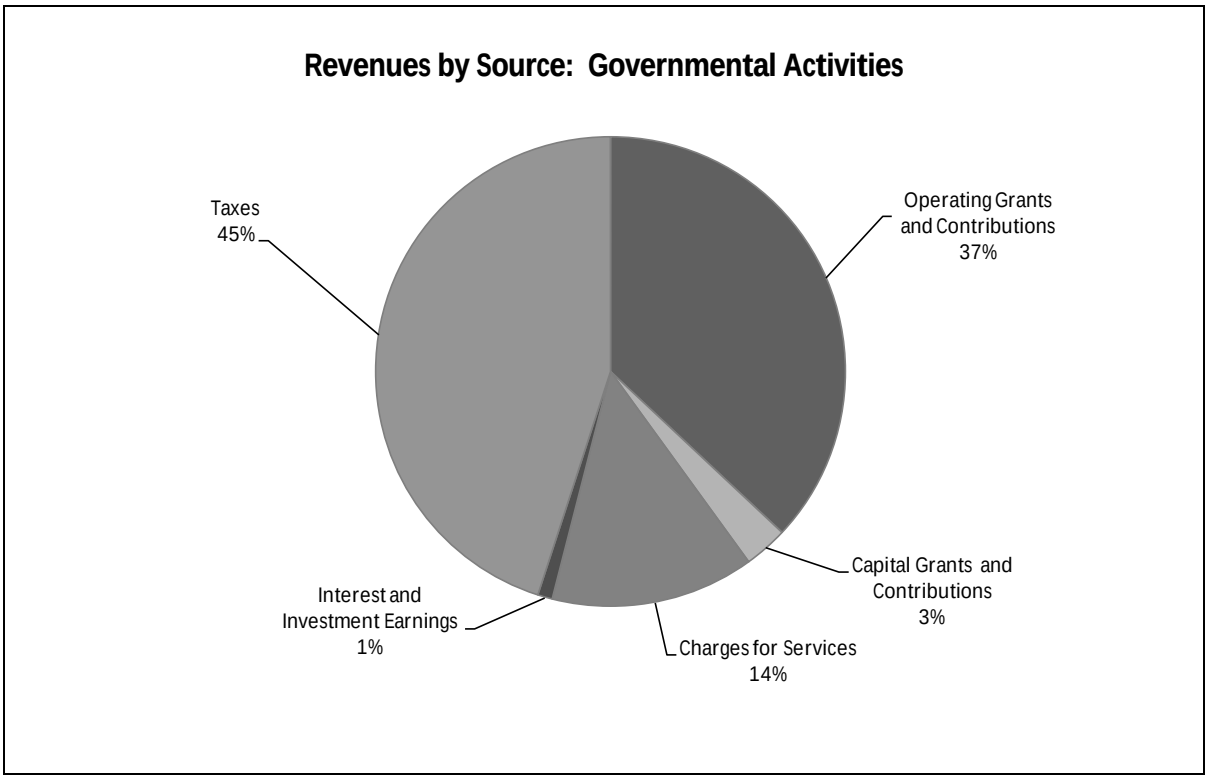
- Expenses grew slightly in spite of the drop in revenues. The expenses for human services and education comprised 80.5 percent of the total expenses for governmental activities which is consistent with the 80.5 percent in Fiscal Year 2009. Human services accounted for the majority of the growth in expenses increasing by $510 million or 4.1 percent in Fiscal Year 2010 over Fiscal Year 2009 reflecting the increased number of citizens seeking assistance from state programs and services due to the economic recession.

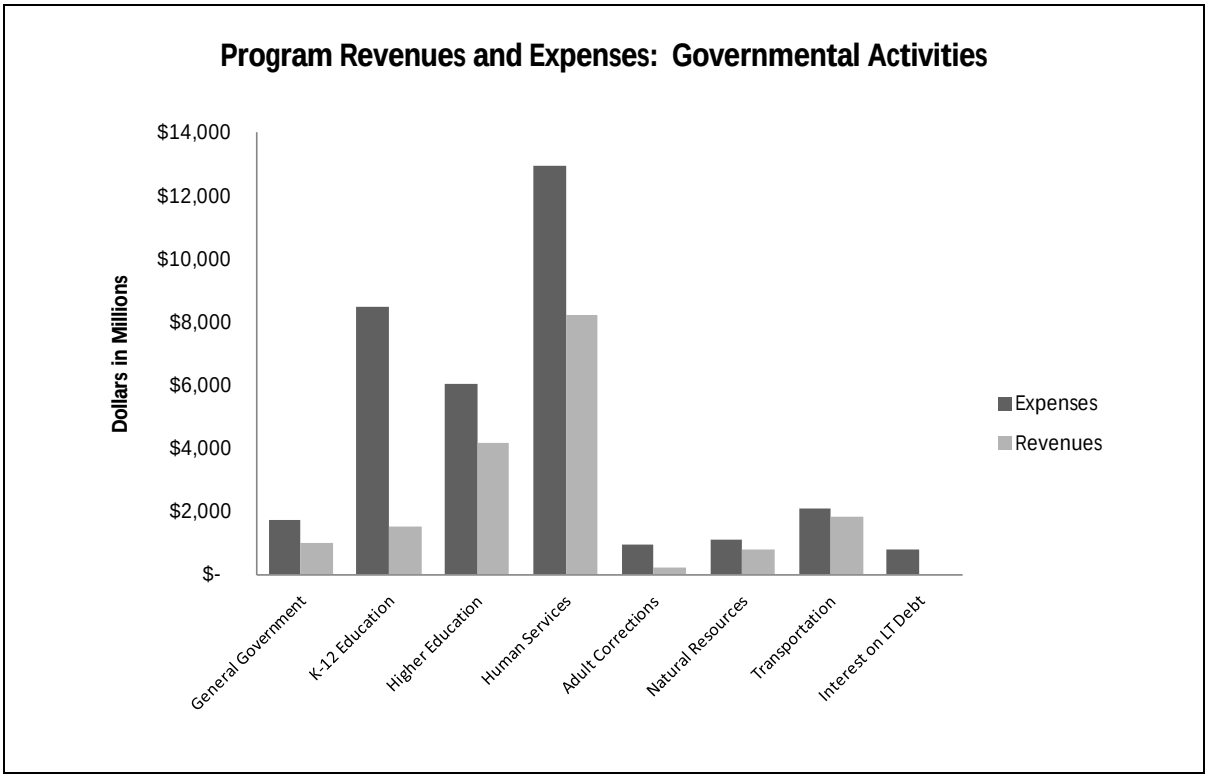
Business-Type Activities. Business-type activities decreased the state of Washington's net assets by $1.8 billion which included losses in both the workers' compensation and unemployment compensation activities. Key factors contributing to the operating results of business-type activities are:

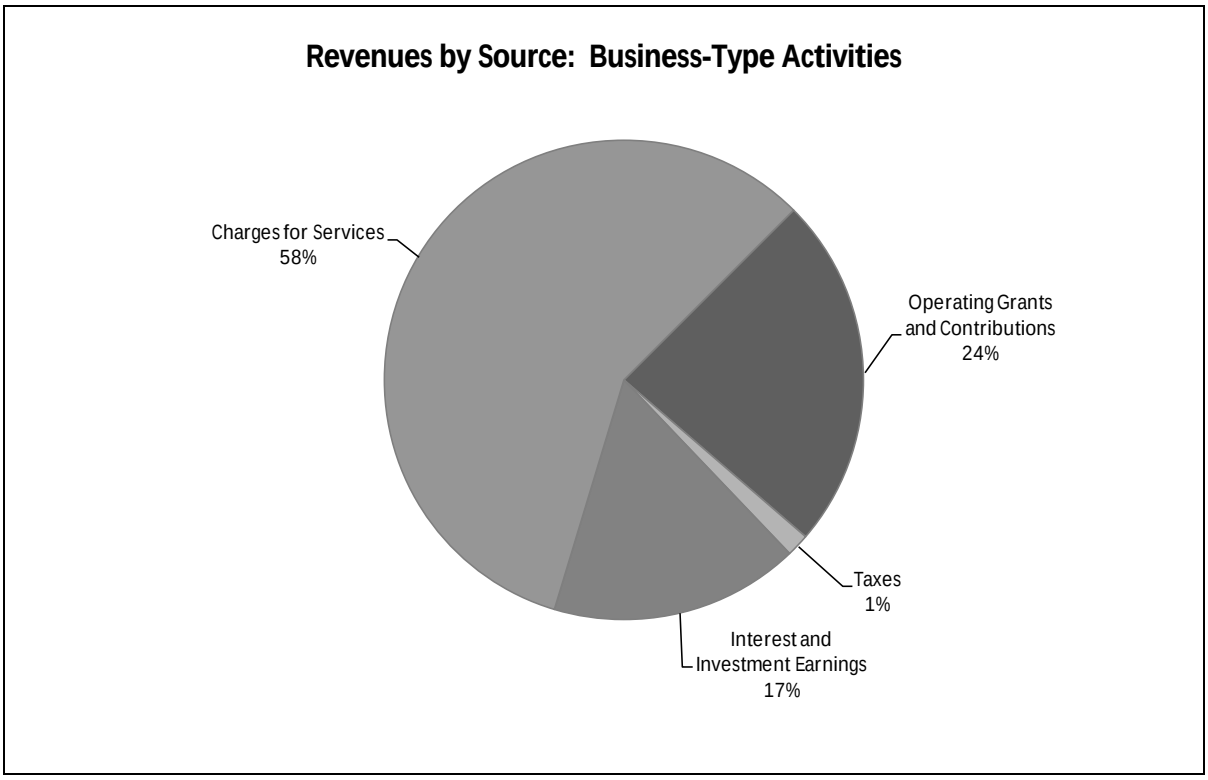
- The decrease in net assets in the workers' compensation activity in Fiscal Year 2010 was $598 million more than the decrease in Fiscal Year 2009. A number of factors contributed to the increased loss including a decrease in premium revenue of $97 million which resulted from a 5.2 percent decline in the number of reported hours worked reflecting the current recessionary stress on the job market. Claims costs increased by $1.8 billion or 82.1 percent in Fiscal Year 2010 compared with Fiscal Year 2009. The increase in claims costs is attributable to increases in forecasted future wage inflation, an increase in the number of pensions granted for permanent disability, and increases in the duration of time-loss claims affecting both current and prior year claims. Nonoperating investment income increased by $1.2 billion due to improvements in the financial markets.

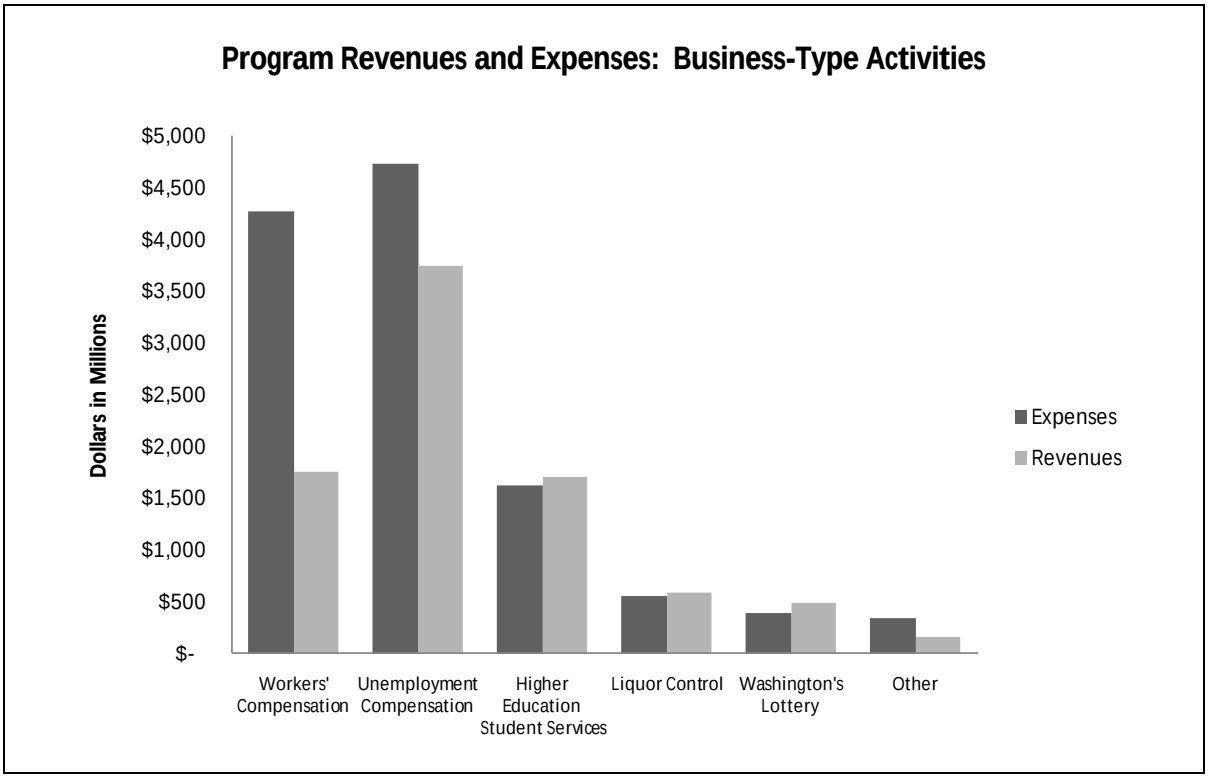
- The unemployment compensation activity reported a Fiscal Year 2010 operating loss of $985 million, compared to a $789 million operating loss in Fiscal Year 2009. Washington's unemployment insurance program is an experience-based system. Since Washington had relatively low unemployment until Fiscal Year 2009, unemployment premium revenue had been declining. Fiscal Year 2010 premium revenues reflected the first increase since Fiscal Year 2005. This increase combined with an increase in federal aid of $1.9 billion, which included American Recovery and Reinvestment Act funding, fell short of covering the increase in unemployment insurance benefits which rose by $2.4 billion over Fiscal Year 2009. The increase in benefit costs was the result of increases in the number of claims and the duration of claims. The annualized unemployment rate for the state was 9.2 percent in Fiscal Year 2010, up from 7.3 percent in Fiscal Year 2009, a 26 percent increase.

- The higher education student services activity reported relatively proportional increases in both expenses and charges for services when compared to the prior year. Additionally, both liquor control and Washington's lottery activities reported operating revenues and expenses consistent with the prior year.


Revenues by Source: Governmental Activities
Taxes
45%
Operating Grants
and Contributions
37%
Capital Grants and
Contributions
3%
Charges for Services
14%
Interest and
Investment Earnings
1%


Program Revenues and Expenses: Governmental Activities
Dollars in Millions
$14,000
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$-
General Government
K-12 Education
Higher Education
Human Services
Adult Corrections
Natural Resources
Transportation
Interest on LT Debt
Expenses
Revenues


Revenues by Source: Business-Type Activities
Charges for Services 58%
Operating Grants and Contributions 24%
Taxes 1%
Interest and Investment Earnings 17%


Program Revenues and Expenses: Business-Type Activities
Dollars in Millions
$5,000
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$-
Workers' Compensation
Unemployment Compensation
Higher Education Student Services
Liquor Control
Washington's Lottery
Other
Expenses
Revenues

Financial Analysis of the Government's Funds

As noted earlier, the state of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. As previously discussed, the focus of the state of Washington's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the state of Washington's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the state of Washington. Due to statutory changes, several related accounts were added to the General Fund during Fiscal Year 2010 to improve budget transparency.

At the end of Fiscal Year 2010, total fund balance for the General Fund equaled $379 million, a decrease of $783 million from Fiscal Year 2009. Unreserved fund balance included $864 million designated for working capital purposes. This amount relates to certain accrued revenues and is not considered by management to be available to spend.

The remaining unreserved fund balance deficit of $(561) million indicates that the state has overspent funds available for discretionary purposes. The deficit fund balance reflects the Fiscal Year 2010 decrease of $783 million which followed the $757 million decrease in Fiscal Year 2009. The back to back decreases are due to the recessionary economic conditions.

The increase in General Fund revenues and expenditures is largely attributable to the consolidation of the related accounts. Consistent with Fiscal Year 2009, revenues did not keep pace with the demand for services.

STATE OF WASHINGTON
General Fund
(in millions of dollars)

	Fiscal Year 2010	Fiscal Year 2009	Difference Increase (Decrease)
REVENUES			
Taxes	$13,169	$12,791	$ 378
Federal grants	9,648	8,311	1,337
Investment revenue (loss)	(9)	64	(73)
Other	567	421	146
Total	23,375	21,587	1,788
EXPENDITURES			
Human services	13,209	11,912	1,297
Education	9,243	9,044	199
Other	1,331	1,223	108
Total	23,783	22,179	1,604
Net transfers in (out)	(379)	(192)	(187)
Other financing sources	4	27	(23)
Net increase (decrease) in fund balance	$ (783)	$ (757)	$ (26)

Expenditures continue to be concentrated in services and programs most vital to citizens – primarily human services and public education. In Fiscal Year 2010, the General Fund received $1.7 billion in American Recovery and Reinvestment Act funding predominately for human services and public education programs up from $927 million in Fiscal Year 2009.

In addition to the General Fund, the state reports the Higher Education Special Revenue, the Motor Vehicle Special Revenue and the Higher Education Endowment Funds as major governmental funds.

The fund balance of the Higher Education Special Revenue Fund increased by $114 million in Fiscal Year 2010. Increases in tuition and federal grant revenues offset the increased costs of higher education activities.

The fund balance of the Motor Vehicle Special Revenue Fund increased by $1.2 billion. The majority of this

increase is due to June bond sale proceeds intended for expenditure on construction projects during the summer months. The state issued $1.7 billion in federal Build America Bond bonds in Fiscal Year 2010 accelerating a portion of the planned Fiscal Year 2011 borrowings to take advantage of exceptionally low interest rates.

The fund balance for the Higher Education Endowment Fund increased by $251 million. While support from donors was consistent with the prior year, investment earnings of $270 million in Fiscal Year 2010 compared with investment losses of $474 million in Fiscal Year 2009 reflected improvement in the financial markets. The increase in investment earnings supported the increased use of funds to support donor specified activities.

The fund balance for nonmajor governmental funds increased by $186 million. The largest factor contributing to the increase is bond sale proceeds on hand at year end to cover construction projects in progress.

Proprietary Funds. The state of Washington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The Workers' Compensation Fund reported a loss of $1.0 billion in Fiscal Year 2010. Operating revenues decreased by $101 million and operating expenses increased by $1.7 billion as compared to Fiscal Year 2009. As noted previously, operating revenues were down due to a reduction in reported worker hours reflecting the sluggish job market and claims were up due to increases in forecasted future wage inflation, an increase in the number of pensions granted for permanent disability, and increases in the duration of time-loss claims affecting both current and prior year claims. The negative changes were partially offset by an increase in investment income of $1.2 billion.

- Washington's average unemployment rate increased markedly in Fiscal Year 2010, as the continued slow national economy and weak housing markets took their toll on the labor markets. Despite an increase in federal aid of $1.9 billion, which included American Recovery and Reinvestment Act funding, the Unemployment Compensation Fund incurred a loss of $870 million.

- Activity for the various nonmajor proprietary funds resulted in a net increase to net assets of $18 million. The overall increase was reduced by the $20 million loss reported by the state's guaranteed college tuition (GET) program which is included in the Other Activities Fund. This GET loss was smaller than the $340 million loss reported in Fiscal Year 2009. The losses are primarily due to lower than projected investment earnings combined with higher than projected tuition increases. The GET program is continuing to proceed cautiously.

General Fund Budgetary Highlights

Differences between the original budget of the General Fund and the final amended budget reflect adjustments related to changes in the state's economy during the year ended June 30, 2010. While there were no significant increases or decreases, changes to estimates are summarized as follows:

- Estimated resources increased by $950 million over the course of the first fiscal year. A decrease of $911 million was reported for taxes in recognition of the continued sluggish economy. The decrease in estimated tax revenue was offset by increases to federal grants-in-aid of $1.3 billion.

- Appropriated expenditure authority increased by $1.2 billion over the course of the Fiscal Year ended June 30, 2010. Increases were recorded in human services, natural resources and recreation, education and capital outlays of $1.2 billion, $90 million, $57 million, and $29 million, respectively. The largest decrease was in transfers to other funds of $171 million.

The state did not overspend its legal spending authority for the Fiscal Year 2010, the first year of the 2009-2011 Biennium. Actual General Fund revenues and expenditures were 48 and 49 percent of final budgeted revenues and appropriations, respectively, for the 2009-2011 Biennium.

Capital Assets, Infrastructure, Bond Debt Administration, and Economic Factors

Capital Assets. The state of Washington's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounted to $33.5 billion (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, museum and historical collections, buildings and other improvements, furnishings, equipment, and intangibles, as well as construction in progress.

Washington's Fiscal Year 2010 investment in capital assets, net of current year depreciation, was $1.8 billion, including increases to the state's transportation infrastructure of $1.4 billion and buildings of $558 million. The state's construction in progress includes both new construction and major improvements to state and common school capital facilities, transportation projects and assistance to local governments for public works capital projects.

Remaining commitments on these construction projects total $5.3 billion.

Additional information on the state of Washington's capital assets can be found in Note 6 beginning on page B76 of this report.

Infrastructure. The state of Washington first reported infrastructure under the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 in Fiscal Year 2002. Transportation infrastructure reported includes the state highway system, emergency airports, and two short rail lines. While the rail lines are reported net of depreciation, the state highway system and emergency airports are reported using the modified approach. Under the modified approach, rather than recording depreciation, asset condition is reported.

STATE OF WASHINGTON

Capital Assets - Net of Depreciation

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 1,179	$ 1,130	$ 143	$ 142	$ 1,322	$ 1,272
Transportation infrastructure and other assets not depreciated	19,758	18,328	-	-	19,758	18,328
Buildings	6,926	6,473	1,671	1,566	8,597	8,039
Furnishings, equipment and intangible assets	1,362	1,377	142	150	1,504	1,527
Other improvements and infrastructure	1,157	1,065	87	88	1,244	1,153
Construction in progress	865	1,185	211	153	1,076	1,338
Total	$ 31,247	$ 29,558	$ 2,254	$ 2,099	$ 33,501	$ 31,657

The condition of these assets, along with the rating scales for pavement, bridges, rest areas, and airports, and additional detail comparing planned-to-actual preservation and maintenance spending are available in the required supplementary information beginning on page B151.

The state highway system capital investment in Fiscal Year 2010 was a net of $1.4 billion to add additional lane miles, replace and build new bridges and highway structures, improve highway safety, increase mobility and preservation activities that extend the life of the system. Of this investment, $150.5 million was funded by the federal American Recovery and Reinvestment Act. The Washington State Department of Transportation (WSDOT) accomplished a net addition of 106 lane miles and 23 bridges and other highway structures in Fiscal Year 2010. Amounts spent during Fiscal Year 2010 to maintain and preserve these infrastructure assets were not significantly different from estimated spending plans according to the biennial budget.

The state highway system and emergency airports continue to meet established condition levels. No significant changes in condition levels were noted for pavements or bridges. Detailed information about targeted and actual condition levels for roads, bridges, rest areas, and airports can be found in the required supplementary information section of this report.

The safety of bridge structures is ensured through meticulous inspections and rating of the primary components of bridges by the WSDOT Bridge Preservation Office or local agency staff. The condition of all bridge decks, superstructures and substructures are rated based on these inspections.

The WSDOT's planned highway infrastructure projects for the next four years, Fiscal Years 2011 through 2014, would commit approximately $3.7 billion for 448 projects. These projects are either already in progress or are expected to commence within the next four years.

Bond Debt. At the end of Fiscal Year 2010, the state of Washington had general obligation bond debt outstanding of $16.6 billion, an increase of 18 percent over Fiscal Year 2009. This debt is secured by a pledge of the full faith and credit of the state. Additionally, the state had authorized $9.5 billion general obligation debt that remains unissued.

During Fiscal Year 2010, the state issued general obligation debt, totaling $3.9 billion, for various capital and transportation projects. The state took advantage of historically low interest rates and the federal Build America Bonds program to lock in long-term borrowing costs at unprecedented lows. Two Build America Bonds sales during Fiscal Year 2010 provided $1.6 billion to finance transportation projects at the lowest net effective true

interest cost in state history. Washington also capitalized on strong demand for Washington debt to refund outstanding bonds for a savings of $70.4 million in debt service costs.

General obligation debt is subject to the constitutional limitation as prescribed by the State Constitution. The aggregate debt contracted by the state as of June 30, 2010, does not exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than 9 percent of the arithmetic mean of its general state revenues for the three immediately preceding fiscal years. The arithmetic mean of its general state revenues for Fiscal Years 2007, 2008, and 2009 is $12.5 billion. The debt service limitation, 9 percent of this mean, is $1.1 billion. The state's maximum annual debt service as of June 30, 2010 subject to the constitutional debt limitation is $971.3 million, or $155.4 million less than the debt service limitation.

For further information on the debt limit, refer to the Certification of the Debt Limitation of the State of Washington, available from the Office of the State Treasurer or at: http://www.tre.wa.gov/documents/debt_cdl2010.pdf.

STATE OF WASHINGTON
Bond Debt
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation (GO) bonds	$ 16,540	$ 14,049	$ 60	$ 69	$ 16,600	$ 14,118
Accreted interest on zero interest rate GO bonds	367	328	42	38	409	366
Revenue bonds	743	616	1,084	1,074	1,827	1,690
Total	$ 17,650	$ 14,993	$ 1,186	$ 1,181	$ 18,836	$ 16,174

By statutory provision, the State Finance Committee (SFC) is authorized to supervise and control the issuance of all state bonds, notes, or other evidences of indebtedness.

The SFC is composed of the Governor, Lieutenant Governor, and State Treasurer, the latter serving as chairman.

As of June 30, 2010, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA+ by Standard & Poor's Rating Group (S & P), and AA+ by Fitch Ratings.

The state had revenue debt outstanding at June 30, 2010, of $1.8 billion, an increase of $137 million over Fiscal Year 2009. This increase is primarily related to revenue bonds issued by state colleges and universities. This debt is not supported or intended to be supported by the full faith and credit of the state. Revenue bond debt is generally secured by specific sources of revenue. The exception is the University of Washington who issues general revenue bonds that are payable from general revenues of the university.

Additional information on the state's bond debt obligations is presented in Note 7 beginning on page B80 of this report.

Additional information on the state's legal debt limit is presented in the statistical section on page 266 of the Comprehensive Annual Financial Report.

Conditions with Expected Future Impact

Economic Factors. The forecast for Washington for Fiscal Year 2011 is for a slow to moderate recovery from the recession. That said, in the coming year, legislative leaders and management will be facing a number of challenges.

- Employment is projected to begin rebounding in Fiscal Year 2011, although construction employment is not expected to show signs of recovery until the second half of Fiscal Year 2011.

- The economic recovery is expected to be slow by historical standards.

- Following September 2011 forecast projections of reduced state revenues, Governor Gregoire called for across the board cuts in the General Fund of 6.3 percent effective October 1, 2011.

Rainy Day Account. In November 2007, Washington State voters ratified Engrossed Substitute Senate Joint Resolution 8206, amending the state's Constitution and establishing the Budget Stabilization Account (BSA). The Constitution details a limited number of circumstances under which funds can be appropriated from the BSA, one of which is a favorable vote of at least three-fifths of the members of each house of the Legislature.

On June 30, 2010, $119 million was transferred to the BSA from the General Fund in accordance with the provisions of the Constitution. Also during Fiscal Year 2010, Engrossed Substitute House Bill 6444 authorized the transfer of $45 million from the BSA to the General Fund.

The BSA has a fund balance of $95 million as of June 30, 2010.

November 2, 2010 General Election. There were measures on the state's November 2, 2010 general election ballot that addressed state laws related to state operations, state imposed taxes and fees, and the calculation of the state debt limitation. These measures, if passed, could fiscally impact the state. Election results are not final or official until certified. By law, December 2, 2010 is the last day for the Office of the Secretary of State to certify General Election returns. Information is posted as available on the Secretary of State's website at http://www.sos.wa.gov.

Requests for Information

This financial report is designed to provide a general overview of the state of Washington's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Financial Management, Accounting Division, P.O. Box 43113, Olympia, WA 98504-3113.

Basic Financial Statements

Governmental-wide Financial Statements

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Statement of Net Assets

June 30, 2010

(expressed in thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Cash and pooled investments	$ 3,341,544	$ 6,509,507	$ 9,851,051	$ 65,266
Taxes receivable (net of allowance)	2,837,375	9,790	2,847,165	-
Other receivables (net of allowance)	1,299,050	1,297,022	2,596,072	2,154
Internal balances (net)	192,382	(192,382)	-	-
Due from other governments	4,007,386	200,093	4,207,479	-
Inventories	90,610	98,132	188,742	-
Investments, noncurrent	3,863,824	13,749,971	17,613,795	18,469
Other assets	96,330	311,325	407,655	76,116
Restricted assets:				
Cash and cash equivalents	1,105,586	76,398	1,181,984	-
Investments	8,678	-	8,678	-
Receivables	72,127	20,315	92,442	-
Capital assets (Note 6):				
Non-depreciable assets	21,801,797	353,768	22,155,565	34,677
Depreciable assets, net of depreciation	9,445,126	1,900,472	11,345,598	338,377
Total capital assets, net of depreciation	31,246,923	2,254,240	33,501,163	373,054
Total Assets	$ 48,161,815	$ 24,334,411	$ 72,496,226	$ 535,059
LIABILITIES				
Accounts payable	$ 1,676,691	$ 95,144	$ 1,771,835	$ 37,450
Contracts and retainage payable	177,774	22,038	199,812	2,566
Accrued liabilities	610,115	263,251	873,366	3,930
Obligations under security lending agreements	203,150	2,867,466	3,070,616	-
Due to other governments	781,463	130,902	912,365	-
Unearned revenue	279,835	42,334	322,169	5,429
Long-term liabilities (Note 7):				
Due within one year	1,435,286	2,537,739	3,973,025	-
Due in more than one year	19,799,142	25,397,061	45,196,203	25,587
Total Liabilities	24,963,456	31,355,935	56,319,391	74,962
NET ASSETS				
Invested in capital assets, net of related debt	18,200,533	913,094	19,113,627	343,524
Restricted for:				
Unemployment compensation	-	2,929,842	2,929,842	-
Other purposes	2,298,123	-	2,298,123	20,990
Expendable permanent fund principal	1,413,326	-	1,413,326	-
Nonexpendable permanent endowments	1,503,472	-	1,503,472	-
Unrestricted (deficit)	(217,095)	(10,864,460)	(11,081,555)	95,583
Total Net Assets (Deficit)	$ 23,198,359	$ (7,021,524)	$ 16,176,835	$ 460,097

The notes to the financial statements are an integral part of this statement.

Statement of Activities

For the Fiscal Year Ended June 30, 2010

(expressed in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General government	$ 1,738,451	$ 534,461	$ 433,204	$ 1,124
Education - elementary and secondary (K-12)	8,467,649	11,725	1,510,920	-
Education - higher education	6,051,421	2,210,357	1,945,904	16,009
Human services	12,946,115	345,415	7,885,895	6,922
Adult corrections	937,473	17,815	184,738	-
Natural resources and recreation	1,083,430	564,345	168,456	55,253
Transportation	2,073,086	899,445	64,002	859,519
Interest on long-term debt	810,156	-	-	-
Total Governmental Activities	34,107,781	4,583,563	12,193,119	938,827
Business-Type Activities:				
Workers' compensation	4,267,927	1,755,015	7,805	-
Unemployment compensation	4,728,805	1,287,803	2,455,706	-
Higher education student services	1,627,819	1,698,098	4,474	-
Liquor control	552,363	592,638	10	-
Washington's lottery	388,715	491,076	-	-
Other	345,704	162,393	8	15
Total Business-Type Activities	11,911,333	5,987,023	2,468,003	15
Total Primary Government	$ 46,019,114	$ 10,570,586	$ 14,661,122	$ 938,842
COMPONENT UNITS	$ 68,184	$ 16,446	$ 43,771	$ 903
Total Component Units	$ 68,184	$ 16,446	$ 43,771	$ 903

General Revenues:
- Taxes, net of related credits:
  - Sales and use
  - Business and occupation
  - Property
  - Motor vehicle and fuel
  - Excise
  - Cigarette and tobacco
  - Public utilities
  - Insurance premium
  - Other
- Interest and investment earnings

Total general revenues

Excess (deficiency) of revenues over expenses before contributions to endowments and transfers

Contributions to endowments

Transfers

Change in Net Assets

Net assets - Beginning

Net assets - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (769,662)	$ -	$ (769,662)	
(6,945,004)	-	(6,945,004)	
(1,879,151)	-	(1,879,151)	
(4,707,883)	-	(4,707,883)	
(734,920)	-	(734,920)	
(295,376)	-	(295,376)	
(250,120)	-	(250,120)	
(810,156)	-	(810,156)	
(16,392,272)	-	(16,392,272)	
-	(2,505,107)	(2,505,107)	
-	(985,296)	(985,296)	
-	74,753	74,753	
-	40,285	40,285	
-	102,361	102,361	
-	(183,288)	(183,288)	
-	(3,456,292)	(3,456,292)	
(16,392,272)	(3,456,292)	(19,848,564)	
			$ (7,064)
			(7,064)
6,870,776	-	6,870,776	-
2,596,668	-	2,596,668	-
1,822,278	-	1,822,278	-
1,218,877	-	1,218,877	-
466,557	50,766	517,323	-
426,265	-	426,265	-
411,584	-	411,584	-
405,922	-	405,922	-
763,337	109,462	872,799	-
449,090	1,742,003	2,191,093	2,708
15,431,354	1,902,231	17,333,585	2,708
(960,918)	(1,554,061)	(2,514,979)	(4,356)
52,230	-	52,230	-
251,914	(251,914)	-	-
(656,774)	(1,805,975)	(2,462,749)	(4,356)
23,855,133	(5,215,549)	18,639,584	464,453
$ 23,198,359	$ (7,021,524)	$ 16,176,835	$ 460,097

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Basic Financial Statements

Fund Financial Statements

Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2010
(expressed in thousands)

	General	Special Revenue: Higher Education	Special Revenue: Motor Vehicle	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS						
Cash and pooled investments	$ -	$ 144,803	$ 695,659	$ 316,393	$ 1,631,669	$ 2,788,524
Investments	44,080	1,066,639	31,739	2,592,731	272,336	4,007,525
Taxes receivable (net of allowance)	2,703,247	21,169	110,536	-	2,423	2,837,375
Other receivables (net of allowance)	288,191	338,675	63,560	23,083	653,570	1,367,079
Due from other funds	76,085	155,172	11,432	28	1,012,920	1,255,637
Due from other governments	1,435,081	139,661	74,134	1	2,268,626	3,917,503
Inventories and prepaids	14,507	14,985	40,682	-	4,830	75,004
Restricted assets:						
Cash and pooled investments	-	-	960,036	-	145,550	1,105,586
Investments	-	-	-	-	8,678	8,678
Receivables	885	65,628	-	-	4	66,517
Total Assets	$ 4,562,076	$ 1,946,732	$ 1,987,778	$ 2,932,236	$ 6,000,606	$ 17,429,428
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,186,220	$ 69,216	$ 155,251	$ 2,501	$ 203,276	$ 1,616,464
Contracts and retainages payable	38,688	3,477	54,668	1,994	42,140	140,967
Accrued liabilities	206,723	243,891	87,974	29,634	78,216	646,438
Obligations under security lending agreements	-	-	-	158,231	44,919	203,150
Due to other funds	877,992	92,968	15,860	2,151	165,585	1,154,556
Due to other governments	490,557	604	68,137	-	118,851	678,149
Deferred revenue	1,361,542	216,874	24,974	8,999	808,872	2,421,261
Claims and judgments payable	21,605	-	-	-	5,626	27,231
Total Liabilities	4,183,327	627,030	406,864	203,510	1,467,485	6,888,216
Fund Balances:						
Reserved for:						
Encumbrances	-	226,759	3,946	-	782,222	1,012,927
Inventories	13,871	12,629	40,682	-	612	67,794
Debt service	-	-	-	-	93,149	93,149
Permanent funds	-	-	-	2,728,726	188,072	2,916,798
Other specific purposes	62,293	210,978	853	-	2,009,812	2,283,936
Unreserved, designated for, reported in:						
Working capital	863,652	-	-	-	-	863,652
Higher education	-	107,624	-	-	-	107,624
Special revenue funds	-	-	-	-	157	157
Debt service funds	-	-	-	-	170,200	170,200
Unreserved, undesignated	(561,067)	761,712	1,535,433	-	-	1,736,078
Unreserved, undesignated reported in:						
Special revenue funds	-	-	-	-	1,219,705	1,219,705
Capital project funds	-	-	-	-	69,192	69,192
Total Fund Balances	378,749	1,319,702	1,580,914	2,728,726	4,533,121	10,541,212
Total Liabilities and Fund Balances	$ 4,562,076	$ 1,946,732	$ 1,987,778	$ 2,932,236	$ 6,000,606	$ 17,429,428

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Balance Sheet to the Statement of Net Assets
GOVERNMENTAL FUNDS

June 30, 2010

(expressed in thousands)

Total Fund Balances for Governmental Funds		$ 10,541,212
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Non-depreciable assets	$ 21,785,333	
Depreciable assets	15,390,036	
Less: Accumulated depreciation	(6,372,746)	
Total capital assets		30,802,623
Some of the state's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		2,142,153
Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a financial resource and therefore is not reported in the funds.		12,500
Unmatured interest on general obligation bonds is not recognized in the funds until due.		(337,791)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.		(257,912)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds and other financing contracts payable	$ (17,553,730)	
Accreted interest on bonds	(366,515)	
Compensated absences	(512,553)	
Other postemployment benefits obligations	(697,213)	
Unfunded pension obligations	(191,389)	
Pollution remediation obligations	(174,353)	
Claims and judgments	(33,661)	
Other obligations	(175,012)	
Total long-term liabilities		(19,704,426)
Net Assets of Governmental Activities		$ 23,198,359

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	General	Special Revenue: Higher Education	Special Revenue: Motor Vehicle	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES						
Retail sales and use taxes	$ 6,801,220	$ -	$ -	$ -	$ 69,556	$ 6,870,776
Business and occupation taxes	2,592,710	-	-	-	3,958	2,596,668
Property taxes	1,822,278	-	-	-	-	1,822,278
Excise taxes	417,845	-	-	-	53,642	471,487
Motor vehicle and fuel taxes	-	-	1,203,870	-	15,007	1,218,877
Other taxes	1,535,293	158,736	26	-	276,634	1,970,689
Licenses, permits, and fees	85,637	617	375,492	-	525,164	986,910
Timber sales	4,855	-	27	20,321	122,448	147,651
Other contracts and grants	177,250	686,292	1,710	-	12,119	877,371
Federal grants-in-aid	9,647,711	1,389,004	546,918	-	804,202	12,387,835
Charges for services	55,660	1,787,298	242,283	1,107	316,972	2,403,320
Investment income (loss)	(9,485)	82,152	18,843	269,839	87,741	449,090
Miscellaneous revenue	182,827	207,821	27,803	1,852	498,482	918,785
Unclaimed property	60,853	-	-	-	-	60,853
Contributions and donations	-	-	-	52,230	-	52,230
Total Revenues	23,374,654	4,311,920	2,416,972	345,349	2,785,925	33,234,820
EXPENDITURES						
Current:						
General government	821,978	-	14,240	102	637,501	1,473,821
Human services	13,209,253	362	-	-	526,309	13,735,924
Natural resources and recreation	359,862	-	1,032	2	527,773	888,669
Transportation	43,930	1,991	1,246,463	-	583,563	1,875,947
Education	9,242,798	4,210,304	-	482	535,469	13,989,053
Intergovernmental	30,316	-	237,201	-	114,566	382,083
Capital outlays	53,796	187,844	1,468,215	129	550,111	2,260,095
Debt service:						
Principal	20,268	21,545	469	-	629,035	671,317
Interest	570	6,537	302	-	732,102	739,511
Total Expenditures	23,782,771	4,428,583	2,967,922	715	4,836,429	36,016,420
Excess of Revenues Over (Under) Expenditures	(408,117)	(116,663)	(550,950)	344,634	(2,050,504)	(2,781,600)
OTHER FINANCING SOURCES (USES)						
Bonds issued	-	41,466	2,060,820	-	1,193,290	3,295,576
Refunding bonds issued	-	-	-	-	723,115	723,115
Payments to escrow agents for refunded bond debt	-	-	-	-	(792,468)	(792,468)
Bond issue premiums	-	690	32,569	-	156,463	189,722
Bond issue discounts	-	-	-	-	(69)	(69)
Other debt issued	4,186	107,991	-	-	203	112,380
Refunding other debt issued	-	11,960	1,710	-	2,150	15,820
Payments to escrow agents for refunded other debt	-	(12,517)	(1,800)	-	(2,262)	(16,579)
Transfers in	1,187,128	217,859	24,228	6,734	2,262,876	3,698,825
Transfers out	(1,566,398)	(136,535)	(341,733)	(100,848)	(1,306,378)	(3,451,892)
Total Other Financing Sources (Uses)	(375,084)	230,914	1,775,794	(94,114)	2,236,920	3,774,430
Net Change in Fund Balances	(783,201)	114,251	1,224,844	250,520	186,416	992,830
Fund Balances - Beginning, as restated	1,161,950	1,205,451	356,070	2,478,206	4,346,705	9,548,382
Fund Balances - Ending	$ 378,749	$ 1,319,702	$ 1,580,914	$ 2,728,726	$ 4,533,121	$ 10,541,212

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds		$ 992,830
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlays	$ 2,206,643	
Less: Depreciation expense	(508,267)	1,698,376
Some revenues in the Statement of Activities do not provide current financial resources, and therefore, are deferred in governmental funds. Also, revenues related to prior periods that became available during the current period are reported in governmental funds but are eliminated in the Statement of Activities. This amount is the net adjustment.		62,746
Pension trust funding in excess of annual required contributions uses current financial resources, but does not qualify as an expense.		(2,300)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.		(70,715)
Bond proceeds and other financing contracts provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net assets. In the current period, these amounts consist of:		
Bonds and other financing contracts issued	$ (4,800,227)	
Principal payments on bonds and other financing contracts	2,109,660	
Accreted interest on bonds	(38,898)	(2,729,465)
Some expenses/revenue reductions reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in governmental funds. Also payments of certain obligations related to prior periods are recognized in governmental funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:		
Compensated absences	$ 6,414	
Other postemployment benefits obligations	(253,559)	
Unfunded pension obligations	(37,259)	
Pollution remediation obligations	(139,348)	
Claims and judgments	(56)	
Accrued interest	(31,838)	
Unclaimed property	(93,158)	
Other obligations	(59,442)	(608,246)
Change in Net Assets of Governmental Activities		$ (656,774)

The notes to the financial statements are an integral part of this statement.

Statement of Fund Net Assets
PROPRIETARY FUNDS
June 30, 2010
(expressed in thousands)

	Business-Type Activities Enterprise Funds					Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets:						
Cash and pooled investments	$ 47,007	$ 2,321,418	$ 871,501	$ 347,259	$ 3,587,185	$ 335,349
Investments	2,377,679	-	4,353	540,290	2,922,322	2,702
Taxes receivable (net of allowance)	-	-	-	9,790	9,790	-
Other receivables (net of allowance)	588,631	521,125	159,153	28,113	1,297,022	6,973
Due from other funds	528	6,339	26,438	8,816	42,121	171,376
Due from other governments	1,207	104,828	53,325	3,767	163,127	8,396
Inventories	120	-	42,102	55,910	98,132	17,962
Prepaid expenses	-	-	19,397	1,343	20,740	5,102
Restricted assets:						
Cash and pooled investments	-	-	76,398	-	76,398	-
Receivables	-	-	-	20,315	20,315	5,610
Total Current Assets	3,015,172	2,953,710	1,252,667	1,015,603	8,237,152	553,470
Noncurrent Assets:						
Investments, noncurrent	11,894,481	-	223,455	1,632,035	13,749,971	71,268
Other noncurrent assets	-	-	67,806	222,778	290,584	29
Capital assets:						
Land and other non-depreciable assets	3,240	-	60,439	79,072	142,751	3,836
Buildings	62,705	-	1,920,425	420,691	2,403,821	168,506
Other improvements	1,661	-	74,401	21,751	97,813	18,796
Furnishings, equipment and intangible assets	69,688	-	394,769	70,169	534,626	766,227
Infrastructure	-	-	30,110	-	30,110	1,818
Accumulated depreciation	(81,377)	-	(914,115)	(170,406)	(1,165,898)	(527,511)
Construction in progress	7,443	-	153,540	50,034	211,017	12,628
Total Noncurrent Assets	11,957,841	-	2,010,830	2,326,124	16,294,795	515,597
Total Assets	14,973,013	2,953,710	3,263,497	3,341,727	24,531,947	1,069,067
LIABILITIES						
Current Liabilities:						
Accounts payable	2,882	-	61,591	30,671	95,144	60,226
Contracts and retainages payable	7,306	-	11,937	93,094	112,337	36,779
Accrued liabilities	161,014	2,613	156,726	128,644	448,997	32,524
Obligations under security lending agreements	2,377,679	-	-	489,787	2,867,466	-
Bonds and notes payable	4,030	-	47,017	74,062	125,109	23,775
Due to other funds	5,334	1,120	175,640	28,490	210,584	102,469
Due to other governments	-	20,135	6	97,716	117,857	41
Unearned revenue	7,996	-	34,286	52	42,334	726
Claims and judgments payable	2,132,081	-	-	4,501	2,136,582	237,626
Total Current Liabilities	4,698,322	23,868	487,203	947,017	6,156,410	494,166
Noncurrent Liabilities:						
Claims and judgments payable	21,893,751	-	-	7,989	21,901,740	635,530
Bonds and notes payable	18,080	-	1,092,441	251,481	1,362,002	171,843
Other long-term liabilities	29,914	-	90,983	2,012,422	2,133,319	25,440
Total Noncurrent Liabilities	21,941,745	-	1,183,424	2,271,892	25,397,061	832,813
Total Liabilities	26,640,067	23,868	1,670,627	3,218,909	31,553,471	1,326,979
NET ASSETS						
Invested in capital assets, net of related debt	41,251	-	656,509	215,334	913,094	254,293
Restricted for:						
Unemployment compensation	-	2,929,842	-	-	2,929,842	-
Unrestricted	(11,708,305)	-	936,361	(92,516)	(10,864,460)	(512,205)
Total Net Assets (Deficit)	$ (11,667,054)	$ 2,929,842	$ 1,592,870	$ 122,818	$ (7,021,524)	$ (257,912)

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Business-Type Activities Enterprise Funds					Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Sales	$ -	$ -	$ 145,636	$ 637,350	$ 782,986	$ 101,884
Less: Cost of goods sold	-	-	91,390	424,824	516,214	87,524
Gross profit	-	-	54,246	212,526	266,772	14,360
Charges for services	25	-	1,339,785	80,082	1,419,892	606,664
Premiums and assessments	1,727,722	1,241,121	-	-	2,968,843	1,300,093
Federal aid for unemployment insurance benefits	-	2,455,706	-	-	2,455,706	-
Lottery ticket proceeds	-	-	-	491,021	491,021	-
Miscellaneous revenue	27,195	46,682	209,960	7,090	290,927	111,189
Total Operating Revenues	1,754,942	3,743,509	1,603,991	790,719	7,893,161	2,032,306
OPERATING EXPENSES						
Salaries and wages	137,086	-	577,094	99,495	813,675	296,368
Employee benefits	48,557	-	154,896	41,630	245,083	83,609
Personal services	4,521	-	15,196	22,052	41,769	19,541
Goods and services	67,817	-	594,709	125,952	788,478	294,955
Travel	3,339	-	18,086	2,463	23,888	3,531
Premiums and claims	3,971,059	4,728,804	-	-	8,699,863	1,333,761
Lottery prize payments	-	-	-	291,828	291,828	-
Depreciation and amortization	7,991	-	101,021	16,325	125,337	69,208
Guaranteed education tuition expense	-	-	-	181,664	181,664	-
Miscellaneous expenses	26,287	-	16,113	578	42,978	2,223
Total Operating Expenses	4,266,657	4,728,804	1,477,115	781,987	11,254,563	2,103,196
Operating Income (Loss)	(2,511,715)	(985,295)	126,876	8,732	(3,361,402)	(70,890)
NONOPERATING REVENUES (EXPENSES)						
Earnings (loss) on investments	1,454,440	115,416	24,802	147,345	1,742,003	5,195
Interest expense	(1,271)	-	(59,313)	(34,917)	(95,501)	(8,207)
Distributions to other governments	-	-	-	(45,053)	(45,053)	-
Tax revenue	-	-	-	160,228	160,228	-
Other revenues (expenses)	7,878	-	7,191	30,581	45,650	(626)
Total Nonoperating Revenues (Expenses)	1,461,047	115,416	(27,320)	258,184	1,807,327	(3,638)
Income (Loss) Before Contributions and Transfers	(1,050,668)	(869,879)	99,556	266,916	(1,554,075)	(74,528)
Capital contributions	-	-	-	15	15	1,809
Transfers in	840	-	19,869	27,136	47,845	25,310
Transfers out	-	-	(23,570)	(276,190)	(299,760)	(23,306)
Net Contributions and Transfers	840	-	(3,701)	(249,039)	(251,900)	3,813
Change in Net Assets	(1,049,828)	(869,879)	95,855	17,877	(1,805,975)	(70,715)
Net Assets (Deficit) - Beginning, as restated	(10,617,226)	3,799,721	1,497,015	104,941	(5,215,549)	(187,197)
Net Assets (Deficit) - Ending	$ (11,667,054)	$ 2,929,842	$ 1,592,870	$ 122,818	$ (7,021,524)	$ (257,912)

The notes to the financial statements are an integral part of this statement.

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,952,915	$ 1,074,166	$ 1,477,391	$ 1,436,342
Payments to suppliers	(2,282,720)	(4,721,068)	(602,589)	(970,861)
Payments to employees	(178,887)	-	(708,190)	(135,136)
Other receipts (payments)	27,196	2,453,363	209,960	7,090
Net Cash Provided (Used) by Operating Activities	(481,496)	(1,193,539)	376,572	337,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	840	-	19,869	27,136
Transfers out	-	-	(23,570)	(276,190)
Operating grants and donations received	7,604	-	4,755	18
Taxes and license fees collected	113	-	-	186,208
Distributions to other governments	-	-	-	(45,053)
Other noncapital financing sources (uses)	-	-	-	4,384
Net Cash Provided (Used) by Noncapital Financing Activities	8,557	-	1,054	(103,497)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid	(1,346)	-	(60,307)	(13,602)
Capital contributions	-	-	-	15
Principal payments on long-term capital financing	(3,820)	-	(54,364)	(24,185)
Proceeds from long-term capital financing	-	-	143,779	-
Proceeds from sale of capital assets	39	-	14,094	989
Acquisitions of capital assets	(8,086)	-	(351,400)	(25,057)
Net Cash Provided (Used) by Capital and Related Financing Activities	(13,213)	-	(308,198)	(61,840)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest	523,356	115,416	18,350	18,929
Proceeds from sale of investment securities	5,021,292	-	30,688	433,527
Purchases of investment securities	(5,082,205)	-	(27,254)	(584,049)
Net Cash Provided (Used) by Investing Activities	462,443	115,416	21,784	(131,593)
Net Increase (Decrease) in Cash and Pooled Investments	(23,709)	(1,078,123)	91,212	40,505
Cash and Pooled Investments, July 1, as restated	70,716	3,399,541	856,687	306,754
Cash and Pooled Investments, June 30	$ 47,007	$ 2,321,418	$ 947,899	$ 347,259
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income (Loss)	$ (2,511,715)	$ (985,295)	$ 126,876	$ 8,732
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:				
Depreciation	7,991	-	101,021	16,325
Change in Assets: Decrease (Increase)				
Receivables (net of allowance)	251,649	(215,981)	(5,103)	(16,047)
Inventories	22	-	(1,838)	(6,124)
Prepaid expenses	38	-	13,616	(979)
Change in Liabilities: Increase (Decrease)				
Payables	1,770,519	7,737	142,000	335,528
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	$ (481,496)	$ (1,193,539)	$ 376,572	$ 337,435

The notes to the financial statements are an integral part of this statement.

Continued

Total	Governmental Activities Internal Service Funds
$ 5,940,814	$ 2,036,236
(8,577,238)	(1,692,577)
(1,022,213)	(379,904)
2,697,609	111,188
(961,028)	74,943
47,845	25,310
(299,760)	(23,306)
12,377	520
186,321	-
(45,053)	-
4,384	(1)
(93,886)	2,523
(75,255)	(8,299)
15	-
(82,369)	(46,987)
143,779	33,148
15,122	6,967
(384,543)	(66,109)
(383,251)	(81,280)
676,051	5,737
5,485,507	35,573
(5,693,508)	(39,501)
468,050	1,809
(970,115)	(2,005)
4,633,698	337,354
$ 3,663,583	$ 335,349
$ (3,361,402)	$ (70,890)
125,337	69,208
14,518	28,226
(7,940)	211
12,675	478
2,255,784	47,710
$ (961,028)	$ 74,943

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contributions of capital assets	$ -	$ -	$ -	$ -
Acquisition of capital assets through capital leases	-	-	71	-
Refunding Certificates of Participation issued	-	-	6,725	-
Refunding Certificates of Participation redeemed	-	-	7,005	-
Amortization of annuity prize liability	-	-	-	17,352
Increase (decrease) in fair value of investments	928,502	-	39	127,586
Refunding bonds issued	-	-	53,470	-
Refunding bonds redeemed	-	-	56,295	-
Amortization of debt premium (issue costs/discount)	-	-	(383)	(110)
Accretion of interest on zero coupon bonds	-	-	-	(3,709)
Increase in ownership of joint venture	-	-	6,963	-

The notes to the financial statements are an integral part of this statement.

Concluded

Total	Governmental Activities Internal Service Funds
$ -	$ 1,809
71	15
6,725	15,075
7,005	15,490
17,352	-
1,056,127	(528)
53,470	-
56,295	-
(493)	-
(3,709)	-
6,963	-

Statement of Fiduciary Net Assets
FIDUCIARY FUNDS
June 30, 2010
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans	Agency Funds
ASSETS				
Current Assets:				
Cash and pooled investments	$ 8,155	$ 3,535,387	$ 317,199	$ 262,259
Investments	-	3,852,658	-	-
Receivables, pension and other employee benefit plans:				
Employers	-	-	111,752	-
Members (net of allowance)	-	-	2,560	-
Interest and dividends	-	-	168,917	-
Investment trades pending	-	-	3,599,468	-
Due from other pension and other employee benefit funds	-	-	1,626	-
Other receivables, all other funds	-	1,542	-	10,613
Due from other funds	-	-	79	215
Due from other governments	-	-	-	18,135
Total Current Assets	8,155	7,389,587	4,201,601	291,222
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	22,686,332	-
Fixed income	-	-	11,758,745	-
Private equity	-	-	13,560,126	-
Real estate	-	-	7,483,584	-
Security lending	-	-	3,667,614	-
Liquidity	-	-	1,645,221	-
Tangible asset	-	-	610,388	-
Investments, noncurrent, all other funds	18,128	939,909	-	17,858
Other noncurrent assets	-	-	-	32,175
Capital assets:				
Furnishings, equipment and intangible assets	32	-	-	-
Accumulated depreciation	(15)	-	-	-
Total Noncurrent Assets	18,145	939,909	61,412,010	50,033
Total Assets	26,300	8,329,496	65,613,611	$ 341,255
LIABILITIES				
Accounts payable	286	-	-	$ 9,048
Contracts and retainages payable	-	-	-	37,133
Accrued liabilities	111	57	4,177,204	53,616
Obligations under security lending agreements	-	-	3,667,614	-
Due to other funds	-	-	1,763	56
Due to other pension and other employee benefit funds	-	-	1,626	-
Due to other governments	-	-	-	209,228
Unearned revenue	-	-	1,087	-
Other long-term liabilities	-	-	-	32,174
Total Liabilities	397	57	7,849,294	$ 341,255
NET ASSETS				
Net assets held in trust for:				
Pension benefits	-	-	55,315,440	
Deferred compensation participants	-	-	2,448,877	
Local government pool participants	-	8,329,439	-	
Individuals, organizations & other governments	25,903	-	-	
Total Net Assets	$ 25,903	$ 8,329,439	$ 57,764,317	

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Assets
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Private-Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	$ -	$ -	$ 920,043
Members	-	-	941,664
State	-	-	68,631
Participants	-	17,193,607	185,120
Total Contributions	-	17,193,607	2,115,458
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	5,306,164
Interest and dividends	-	32,586	1,586,364
Less: Investment expenses	-	-	(226,686)
Net Investment Income (Loss)	-	32,586	6,665,842
Other Additions:			
Unclaimed property	48,422	-	-
Transfers from other pension plans	-	-	19,905
Other contracts, grants and miscellaneous	1	-	1,148
Total Other Additions	48,423	-	21,053
Total Additions	48,423	17,226,193	8,802,353
DEDUCTIONS			
Pension benefits	-	-	2,754,169
Pension refunds	-	-	202,207
Transfers to other pension plans	-	-	19,905
Administrative expenses	3,482	657	2,666
Distributions to participants	-	16,922,279	108,578
Payments to or on behalf of individuals, organizations and other governments in accordance with state unclaimed property laws	40,739	-	-
Total Deductions	44,221	16,922,936	3,087,525
Net Increase (Decrease)	4,202	303,257	5,714,828
Net Assets - Beginning	21,701	8,026,182	52,049,489
Net Assets - Ending	$ 25,903	$ 8,329,439	$ 57,764,317

The notes to the financial statements are an integral part of this statement.

Statement of Fund Net Assets
COMPONENT UNITS
June 30, 2010
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
ASSETS			
Current Assets:			
Cash and pooled investments	$ 6,738	$ 14,925	$ 21,663
Investments	3,784	39,819	43,603
Other receivables (net of allowance)	442	1,712	2,154
Prepaid expenses	24	175	199
Total Current Assets	10,988	56,631	67,619
Noncurrent Assets:			
Investments, noncurrent	18,469	-	18,469
Other noncurrent assets	-	75,917	75,917
Capital assets:			
Land	34,677	-	34,677
Buildings	460,025	-	460,025
Furnishings, equipment and intangible assets	23,129	1,655	24,784
Accumulated depreciation	(145,112)	(1,320)	(146,432)
Total Noncurrent Assets	391,188	76,252	467,440
Total Assets	402,176	132,883	535,059
LIABILITIES			
Current Liabilities:			
Accounts payable	18	37,432	37,450
Contracts and retainages payable	2,566	-	2,566
Accrued liabilities	3,860	70	3,930
Unearned revenue	86	5,343	5,429
Total Current Liabilities	6,530	42,845	49,375
Noncurrent Liabilities:			
Other long-term liabilities	25,587	-	25,587
Total Noncurrent Liabilities	25,587	-	25,587
Total Liabilities	32,117	42,845	74,962
NET ASSETS			
Invested in capital assets, net of related debt	343,189	335	343,524
Restricted for deferred sales tax	20,490	-	20,490
Restricted for other purposes	-	500	500
Unrestricted	6,380	89,203	95,583
Total Net Assets (Deficit)	$ 370,059	$ 90,038	$ 460,097

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
OPERATING REVENUES			
Charges for services	$ 1,031	$ 15,415	$ 16,446
Total Operating Revenues	1,031	15,415	16,446
OPERATING EXPENSES			
Salaries and wages	404	4,573	4,977
Employee benefits	74	1,247	1,321
Personal services	183	1,576	1,759
Goods and services	827	2,132	2,959
Travel	2	33	35
Depreciation and amortization	15,558	161	15,719
Miscellaneous expenses	-	173	173
Total Operating Expenses	17,048	9,895	26,943
Operating Income (Loss)	(16,017)	5,520	(10,497)
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	1,130	1,578	2,708
Operating grants and contributions	-	41,810	41,810
Distributions of operating grants	-	(41,256)	(41,256)
Naming rights	1,961	-	1,961
Other	15	-	15
Total Nonoperating Revenues (Expenses)	3,106	2,132	5,238
Income (Loss)	(12,911)	7,652	(5,259)
Capital grants and contributions	903	-	903
Total Contributions and Transfers	903	-	903
Change in Net Assets	(12,008)	7,652	(4,356)
Net Assets - Beginning	382,067	82,386	464,453
Net Assets - Ending	$ 370,059	$ 90,038	$ 460,097

The notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2010

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Note 1
Summary of Significant Accounting Policies

The accompanying financial statements of the state of Washington have been prepared in conformity with generally accepted accounting principles (GAAP). The Office of Financial Management (OFM) is the primary authority for the state's accounting and reporting requirements. OFM has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles nationally. For government-wide and enterprise fund reporting, the state follows only those private-sector standards issued on or before November 30, 1989, unless those pronouncements conflict with or contradict the pronouncements of the GASB. Following is a summary of the significant accounting policies:

A. REPORTING ENTITY

In defining the state of Washington for financial reporting purposes, management considers: all funds, organizations, institutions, agencies, departments, and offices that are legally part of the state (the primary government); organizations for which the state is financially accountable; and other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading or incomplete.

Financial accountability exists when the primary government appoints a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. An organization is fiscally dependent if it is unable to determine its budget without another government having the substantive authority to approve or modify that budget, to levy taxes or set rates or charges without substantive approval by another government, or to issue bonded debt without substantive approval by another government.

Based on these criteria, the following are included in the financial statements of the primary government:

State Agencies. Except as otherwise described herein, all state elected offices, departments, agencies, commissions, boards, committees, authorities, and councils (agencies) and all funds and subsidiary accounts of the state are included in the primary government. Executives of these agencies are either elected, directly appointed by the Governor, appointed by a board which is appointed by the Governor, or appointed by a board which is in part appointed by the Governor.

Additionally, a small number of board positions are established by statute or independently elected. The state Legislature creates these agencies, assigns their programs, approves operational funding, and requires financial accountability. The Legislature also authorizes all bond issuances for capital construction projects for the benefit of state agencies. The legal liability for these bonds and the ownership of agency assets resides with the state.

Colleges and Universities. The governing boards of the five state universities, the state college, and the 34 state community and technical colleges are appointed by the Governor. Each college's governing board appoints a president to function as chief administrator. The state Legislature approves budgets and budget amendments for the colleges' appropriated funds, which include the state's General Fund as well as certain capital projects funds. The state Treasurer issues general obligation debt for major campus construction projects. However, the colleges are authorized to issue revenue bonds. The University of Washington issues general revenue bonds that are payable from general revenues, including student tuition and fees, grant indirect cost recovery, sales and services revenue, and investment income. The remainder of the college revenue bonds pledge the income derived from acquired or constructed assets such as housing, dining, and parking facilities. These revenue bonds are payable solely from, and secured by, fees and revenues derived from the operation of constructed facilities; the legal liability for the bonds and the ownership of the college assets reside with the state. Colleges do not have separate corporate powers and sue and are sued as part of the state with legal representation provided through the state Attorney General's Office. Since the colleges are legally part of the state, their financial operations, including their blended component units, are reported in the primary government financial statements using the fund structure prescribed by GASB.

Retirement Systems. The state of Washington, through the Department of Retirement Systems, administers eight retirement systems for public employees of the state and political subdivisions: the Public Employees' Retirement System, the Teachers' Retirement System, the School Employees' Retirement System, the Law Enforcement Officers' and Fire Fighters' Retirement System, the Washington State Patrol Retirement System, the Public Safety Employees' Retirement System, the Judicial Retirement System, and the Judges' Retirement Fund. The

director of the Department of Retirement Systems is appointed by the Governor.

There are two additional retirement systems administered outside of the Department of Retirement Systems. The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund is administered through the Board for Volunteer Fire Fighters, which is appointed by the Governor. The Judicial Retirement Account is administered through the Administrative Office of the Courts under the direction of the Board for Judicial Administration.

The state Legislature establishes laws pertaining to the creation and administration of all public retirement systems. The participants of the public retirement systems, together with the state, provide funding for all costs of the systems based upon actuarial valuations. The state establishes benefit levels and approves the actuarial assumptions used in determining contribution levels.

All ten of the aforementioned retirement systems are included in the primary government's financial statements.

Blended Component Units. Blended component units, although legally separate entities, are part of the state's operations in substance. Accordingly, they are reported as part of the state and blended into the appropriate funds. The following entities are blended in the state's financial statements:

Tobacco Settlement Authority (TSA). The TSA was created by the Washington State Legislature in March 2002 as a public instrumentality separate and distinct from the state. It is governed by a five-member board appointed by the Governor. It was created solely for the purpose of issuing bonds to securitize a portion of the state's future tobacco settlement revenue. Proceeds of the debt instrument were transferred to the state to help fund health care, long-term care, and other programs of the state. Refer to Note 7 for additional information.

Financial reports for the TSA may be obtained from the authority at the following address:

Tobacco Settlement Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046

Other Blended Component Units. Tumwater Office Properties, the University of Washington (UW) Alumni Association, UW Physicians, UW Physicians Network, Community Development Properties C-D, Educational Research Properties, Radford Court Properties, Twenty-Fifth Avenue Properties, TSB Properties, Washington Biomedical Research Properties I and II, and Washington Biomedical Research Facilities 3 are blended component units in the state's financial statements. All the aforementioned blended component units provide services entirely or almost entirely to the state. Financial information for these blended component units may be obtained from their respective administrative offices.

Discrete Component Units. Discretely presented component units are reported in a separate column in the government-wide financial statements. Discretely presented component units are legally separate from the state and primarily serve or benefit those outside of the state. They are financially accountable to the state, or have relationships with the state such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These entities are reported as discrete component units because state officials either serve on or appoint the members of the governing bodies of the authorities. The state also has the ability to influence the operations of the authorities through legislation. The following entities are discretely presented in the financial statements of the state in the component unit's column:

The Washington State Housing Finance Commission, the Washington Higher Education Facilities Authority, the Washington Health Care Facilities Authority, and the Washington Economic Development Finance Authority (financing authorities) were created by the state Legislature in a way that specifically prevents them from causing the state to be liable or responsible for their acts and obligations, including, but not limited to, any obligation to pay principal and interest on financing authority bonds. The financing authorities cannot obligate the state, either legally or morally, and the state has not assumed any obligation of, or with respect to, the financing authorities.

Financial reports of these financing authorities may be obtained from each authority at the following addresses:

Washington Health Care Facilities Authority
410 - 11th Avenue SE, Suite 201
PO Box 40935
Olympia, WA 98504-0935

Washington State Housing Finance Commission
Washington Higher Education Facilities Authority
Washington Economic Development Finance Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104-1046

The Washington State Public Stadium Authority (PSA) was created by the state Legislature to acquire, construct, own, and operate a football/soccer stadium, exhibition center, and parking garage. Construction was completed in 2002. PSA capital assets, net of accumulated depreciation, total $373 million. The state issued general obligation bonds for a portion of the cost of the stadium construction. The total public share of the stadium and exhibition center cost did not exceed $300 million from all state and local government funding sources, as defined in statute.

Project costs in excess of $300 million were the responsibility of the project's private partner, First & Goal, Inc. The bonds are being repaid through new state lottery games, a state sales tax credit, extension of the local hotel/motel tax, and parking and admissions taxes at the new facility. Financial reports of the PSA may be obtained at the following address:

Washington State Public Stadium Authority
Qwest Field & Event Center
800 Occidental Avenue South, #700
Seattle, WA 98134

The state's component units each have a year-end of June 30 with the exception of the Washington Economic Development Finance Authority which has a December 31 year-end.

Joint Venture. In 1998, the University of Washington Medical Center (Medical Center) entered into an agreement with Seattle Children's Hospital and Fred Hutchinson Cancer Research Center to establish the Seattle Cancer Care Alliance (SCCA). Each member of the SCCA has a one-third interest. The mission of the SCCA is to eliminate cancer as a cause of human suffering and death and to become recognized as the premier cancer research and treatment center in the Pacific Northwest. The SCCA integrates the cancer research, teaching, and clinical cancer programs of all three institutions to provide state-of-the-art cancer care. Under the agreement, the Medical Center provides the patient care to all adult inpatients of the SCCA.

Inpatient Services – The SCCA operates a 20-bed unit located within the Medical Center in which its adult inpatients receive care. The fiscal intermediary has determined that the 20-bed unit qualifies as a hospital within a hospital for Medicare reimbursement purposes. The SCCA provides medical oversight and management of the inpatient unit. Under agreements, the Medical Center provides inpatient care services to the SCCA including necessary personnel, equipment, and ancillary services.

Outpatient Services – The SCCA operates an ambulatory cancer care service facility in Seattle. The Medical Center provides various services to the SCCA's outpatient facility including certain pharmacy, laboratory, and pathology services as well as billing, purchasing, and other administrative services.

The state accounts for the Medical Center's interest in SCCA under the equity method of accounting. Income of $7.4 million was recorded in Fiscal Year 2010, bringing the total equity investment to $63 million which is recognized in the state's financial statements in the Higher Education Student Services Fund.

Separate financial statements for SCCA may be obtained from:

Seattle Cancer Care Alliance
825 Eastlake Avenue East
PO Box 19023
Seattle, WA 98109-1023

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The state presents two basic government-wide financial statements: the Statement of Net Assets and the Statement of Activities. These government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. The financial information for the primary government is distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Statement of Net Assets. The Statement of Net Assets presents the state's non-fiduciary assets and liabilities. As a general rule, balances between governmental and business-type activities are eliminated.

Assets and liabilities are presented in a net assets format in order of liquidity. Net assets are classified into three categories:

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

- Restricted net assets result when constraints are placed on net asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories.

Statement of Activities. The Statement of Activities reports the extent to which each major state program is supported by general state revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business-type activities, a major program is an identifiable activity.

Program revenues offset the direct expenses of major programs. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from the goods or services or is otherwise directly affected by the program, such as a state citizen or taxpayer, or other governments or nongovernmental entities.

- Amounts received from outside entities that are restricted to one or more specific programs. These amounts can be operating or capital in nature.

- Earnings on investments that are restricted to a specific program are also considered program revenues.

General revenues consist of taxes and other items not meeting the definition of program revenues.

Generally the effect of internal activities is eliminated. Exceptions to this rule include charges between the workers' compensation insurance programs and various other state programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved.

Fund Financial Statements

The state uses 663 accounts that are combined into 54 rollup funds. The state presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column regardless of fund type. Internal service and fiduciary funds are reported by fund type. Major funds include:

Major Governmental Funds:

- General Fund is the state's primary operating fund. This fund accounts for all financial resources and transactions not accounted for in other funds.

- Higher Education Special Revenue Fund primarily accounts for grants and contracts received for research and other educational purposes. This fund also accounts for charges for services by state institutions of higher education.

- Motor Vehicle Special Revenue Fund accounts for highway activities of the Washington State Patrol, operations of the state ferry system, maintenance of non-interstate highways and bridges, completion and preservation of the interstate system, and other transportation improvements. Motor Vehicle Fund revenues are generated from vehicle fuel taxes, vehicle licenses, tolling, and federal transportation agencies.

- Higher Education Endowment Permanent Fund accounts for gifts and bequests that the donors have specified must remain intact. Each gift is governed by various restrictions on the investment and use of the funds.

Major Enterprise Funds:

- Workers' Compensation Fund accounts for the workers' compensation program that provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

- Unemployment Compensation Fund accounts for the unemployment compensation program. It accounts for the deposit of funds, requisitioned from the Federal Unemployment Trust Fund, to provide services to eligible participants within the state and to pay unemployment benefits.

- Higher Education Student Services Fund is used by colleges and universities principally for bookstore, cafeteria, parking, student housing, food service, and hospital business enterprise activities.

The state includes the following governmental and proprietary fund types within nonmajor funds:

Nonmajor Governmental Funds:

- Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or for major capital projects) that are legally restricted to expenditures for specific purposes. These include a variety of state programs including public safety and health assistance programs; natural resource and wildlife protection and management programs; driver licensing and non-highway transportation improvements; K-12 school construction; and construction and loan programs for local public works projects.

- Debt Service Funds account for the accumulation of resources for, and the payment of, principal and interest on the state's bonds issued in support of governmental activities.

- Capital Projects Funds account for the acquisition, construction, or improvement of major capital facilities including higher education facilities.

- Common School Permanent Fund accounts for the principal derived from the sale of timber. Interest earned is used for the benefit of common schools.

Nonmajor Proprietary Funds:

- Enterprise Funds account for the state's business type operations for which a fee is charged to external users for goods or services including: the state lottery; state liquor stores; the guaranteed college tuition program; and the convention and trade center.

- Internal Service Funds account for the provision of legal, motor pool, data processing, risk management, health insurance, and other services by one department or agency to other departments or agencies of the state on a cost-reimbursement basis.

The state reports the following fiduciary funds:

- Pension (and other employee benefit) Trust Funds are used to report resources that are required to be held in trust by the state for the members and beneficiaries of defined benefit and defined contribution pension plans, and other employee benefit plans.

- Investment Trust Fund accounts for the external portion of the Local Government Investment Pool (LGIP), which is reported by the state as the sponsoring government.

- Private-Purpose Trust Fund is used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments such as the administration of unclaimed property.

- Agency Funds account for resources held by the state in a custodial capacity for other governments, private organizations, or individuals.

Operating and Nonoperating Revenues and Expenses. The state's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. For example, operating revenues for the state's workers' compensation and health insurance funds consist of premiums and assessments collected. Operating expenses consist of claims paid to covered individuals, claims adjustment expenses, costs of commercial insurance coverage and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating, including interest expense and investment gains and losses.

Application of Restricted/Unrestricted Resources. When both restricted and unrestricted resources are available for use, it is the state's policy to use restricted resources first and then use unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

For government-wide reporting purposes, the state uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

For fund statement reporting purposes, the state uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds. With the current financial resources measurement focus, generally only current assets and current liabilities are included on the governmental funds balance sheet. Operating statements for these funds present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, motor fuel taxes, federal grants-in-aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within one year. Revenue for timber cutting contracts is accrued when the timber is harvested. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the availability criteria is met. Expenditure-driven grant revenue is considered available if it can be collected by the state at the same time cash is disbursed to cover the associated grant expenditure. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collectible within 12 months.

Property taxes are levied in December for the following calendar year. The first half-year collections are due by April 30, and the second half-year collections are due by October 31. Since the state is on a fiscal year ending June 30, the first half-year collections are recognized as revenue, if collectible within 60 days of the fiscal year end. The

second half-year collections are recognized as receivables offset by deferred revenue. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are generally recognized when the related liability is incurred.

However, unmatured interest on general long-term debt is recognized when due, and certain compensated absences, other postemployment benefits, and claims and judgments are recognized when the obligations are expected to be liquidated with available expendable financial resources.

The state reports deferred revenues on its governmental fund balance sheet under certain conditions. Deferred revenues arise when a potential revenue does not meet both the "measurable" and the "available" criteria for revenue recognition in the current period. Deferred revenues also arise when resources are received by the state before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures/expenses.

All proprietary and trust funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on their respective statements of net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. Net assets in proprietary funds are segregated into three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Net assets for trust funds are held in trust for external individuals and organizations.

All proprietary and trust funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Cash and Investments

Investments of surplus or pooled cash balances are reported on the accompanying Statements of Net Assets, Balance Sheets and Statements of Cash Flows as "Cash and Pooled Investments." The Office of the State Treasurer invests state treasury cash surpluses where funds can be disbursed at any time without prior notice or penalty. For reporting purposes, pooled investments are stated at fair value or amortized cost, which approximates fair value. For purposes of reporting cash flows, the state considers cash and pooled investments to be cash equivalents. Pooled investments include short-term, highly-liquid investments that are both readily convertible to cash and are so near their maturity dates that they present insignificant risk of changes in value because of changes in interest rates.

The method of accounting for noncurrent investments varies depending upon the fund classification. Investments in the state's Local Government Investment Pool (LGIP), an external investment pool operated in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2a-7 of the Investment Company Act of 1940, are reported at amortized cost. The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, phone number (360) 902-9000 or TTY (360) 902-8963.

Certain pension trust fund investments, including real estate and private equity, are reported at fair values based on appraisals or estimates in the absence of readily ascertainable fair values. At June 30, 2010, these investments are valued at $21.7 billion. Because of the inherent uncertainties in the estimation of fair value, it is possible that the estimates will change.

All other noncurrent investments are reported at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Additional disclosure describing investments is provided in Note 3.

2. Receivables and Payables

Receivables in the state's governmental fund type accounts consist primarily of taxes and federal revenues. Receivables in all other funds have arisen in the ordinary course of business. Receivables are recorded when either the asset or revenue recognition criteria (refer to Note 1.C) have been met. All receivables are reported net of an allowance for accounts estimated to be uncollectible.

For government-wide reporting purposes, amounts recorded as interfund/interagency receivables and payables are eliminated in the governmental and business-type activities columns on the Statement of Net Assets, except for the net residual balances due between the governmental and business-type activities, which are reported as internal balances. Amounts recorded in governmental and business-type activities as due to or from fiduciary funds have been reported as due to or from other governments.

Noncurrent receivables are recorded in the Workers' Compensation Fund representing estimated recoveries

from third parties for a certain portion of claims expenses that are recorded as noncurrent claims payable. The accrued recoveries are computed using a variety of actuarial and statistical techniques and are discounted at assumed interest rates to arrive at the recorded value.

Disclosures related to the Workers' Compensation Fund activities and claims payable are provided in Notes 1.E.1 and 7.E.

3. Inventories and Prepaids

Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported in the state's financial statements if the fiscal year-end balance on hand within an agency is estimated to be $25,000 or more. Consumable inventories are generally valued at cost using the first-in, first-out method. Donated consumable inventories are recorded at fair market value.

All merchandise inventories are considered reportable for financial statement purposes. Merchandise inventories are generally valued at cost using the first-in, first-out method.

Inventories of governmental funds are valued at cost and recorded using the consumption method. Proprietary funds expense inventories when used or sold.

For governmental fund financial reporting, inventory balances are also recorded as a reservation of fund balance indicating that they do not constitute "available spendable resources" except for $4.9 million in federally donated consumable inventories, which are offset by deferred revenues because they do not constitute an "available" resource until consumed.

Prepaid items are those certain types of supplies and/or services (not inventory) that are acquired or purchased during an accounting period but not used or consumed during that accounting period.

In governmental fund type accounts, prepaid items are generally accounted for using the purchases method. Under the purchases method, prepaid items are treated as expenditures when purchased and residual balances, if any, at year end are not accounted for as assets.

In proprietary and trust fund type accounts, prepaid items are accounted for using the consumption method. The portion of supplies or services consumed or used during a period is recorded as an expense. The balance that remains is reported as an asset until consumed or used.

4. Restricted Assets

Unspent proceeds of state bond issues and other debt financing programs are classified as restricted assets because their use is limited by applicable bond and other debt covenants. These are reflected on the balance sheets and statements of net assets.

5. Capital Assets

Except as noted below, it is the state's policy to capitalize:

- All land;
- All additions and improvements to the state highway system;
- Infrastructure, other than the state highway system, with a cost of $100,000 or more;
- Buildings, building improvements, and leasehold improvements with a cost of $100,000 or more;
- Intangible assets, either purchased or internally developed, with a cost of $1,000,000 or more that are identifiable by meeting one of the following conditions:
    - The asset is capable of being separate or divided and sold, transferred, licensed, rented, exchanged; or
    - The asset arises from contractual or other legal rights, regardless of whether those rights are transferable or separable;
- All other capital assets with a unit cost of $5,000 or greater, or collections with a total cost of $5,000 or greater, unless otherwise noted; and
- All capital assets acquired with Certificates of Participation, a debt financing program administered by the Office of the State Treasurer.

Assets acquired by capital leases are capitalized if the asset's fair market value meets the state's capitalization threshold described above.

Purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Capital asset costs include the purchase price plus those costs necessary to place the asset in its intended location and condition for use (ancillary costs). Normal maintenance and repair costs that do not materially add to the value or extend the life of the state's capital assets are not capitalized.

Donated capital assets are valued at their estimated fair market value on the date of donation, plus all appropriate ancillary costs. When the fair market value is not practically determinable due to lack of sufficient records, estimated

cost is used. Where necessary, estimates of original cost and fair market value are derived by factoring price levels from the current period to the time of acquisition.
The value of assets constructed by agencies for their own use includes all direct construction costs and indirect costs that are related to the construction. In enterprise and trust funds, net interest costs (if material) incurred during the period of construction are capitalized.

State agencies have the option to capitalize art collections, library reserve collections, and museum and historical collections that are considered inexhaustible, in that their value does not diminish over time, if all of the following conditions are met:

- The collection is held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to policy requirements that the proceeds from sales of collection items be used to acquire other items for the collection.

Depreciation/amortization is calculated using the straight-line method over the estimated useful lives of the assets. Generally, estimated useful lives are as follows:

Buildings & building components	5-50 years
Furnishings, equipment & collections	3-50 years
Other improvements	3-50 years
Intangibles	3-50 years
Infrastructure	20-50 years

The cost and related accumulated depreciation/amortization of disposed capital assets are removed from the accounting records.

The state capitalizes the state highway system as a network but does not depreciate it since the system is being preserved approximately at or above a condition level established by the state. That condition level is documented and disclosed. Additionally, the highway system is managed using an asset management system that includes:

- Maintenance of an up-to-date inventory of system assets,
- Performance of condition assessments of the assets at least every three years with summarization of the results using a measurement scale, and
- Annual estimation of the amount to maintain and preserve the assets at the condition level established and disclosed.

All state highway system expenditures that preserve the useful life of the system are expensed in the period incurred. Additions and improvements that increase the capacity or efficiency of the system are capitalized. This approach of reporting condition instead of depreciating the highway system is called the modified approach.

For government-wide financial reporting purposes, capital assets of the state are reported as assets in the applicable governmental or business-type activities column on the Statement of Net Assets. Depreciation/amortization expense related to capital assets is reported in the Statement of Activities.

Capital assets and the related depreciation/amortization expense are also reported in the proprietary fund financial statements.

In governmental funds, capital assets are not capitalized in the accounts that acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in the year assets are acquired or construction costs are incurred. No depreciation/amortization is reported.

6. Compensated Absences

State employees accrue vested vacation leave at a variable rate based on years of service. In general, accrued vacation leave cannot exceed 240 hours at the employee's anniversary date.

Employees accrue sick leave at the rate of one day per month without limitation on the amount that can be accumulated. Sick leave is not vested; i.e., the state does not pay employees for unused sick leave upon termination except upon employee death or retirement. At death or retirement, the state is liable for 25 percent of the employee's accumulated sick leave. In addition, the state has a sick leave buyout option in which, each January, employees who accumulate sick leave in excess of 480 hours may redeem sick leave earned but not taken during the previous year at the rate of one day's pay in exchange for each four days of sick leave.

It is the state's policy to liquidate unpaid compensated absences outstanding at June 30 with future resources rather than advance funding it with currently available expendable financial resources.

For government-wide reporting purposes, the state reports compensated absences obligations as liabilities in the applicable governmental or business-type activities columns on the Statement of Net Assets.

For fund statement reporting purposes, governmental funds recognize an expenditure for annual and sick leave when it is payable, i.e., upon employee's use, resignation, or retirement. Proprietary and trust funds recognize the expense and accrue a liability for annual leave and

estimated sick leave buyout, including related payroll taxes and benefits as applicable, as the leave is earned.

7. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term obligations of the state are reported as liabilities on the Statement of Net Assets. Bonds payable are reported net of applicable original issuance premium or discount. When material, bond premiums, discounts, and issue costs are deferred and amortized over the life of the bonds.

For governmental fund financial reporting, the face (par) amount of debt issued is reported as other financing sources. Premiums and discounts on original debt issuance are also reported as other financing sources and uses, respectively. Issue costs are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report the difference between fund assets and fund liabilities as "fund balance." Reserved fund balance represents that portion of fund balance that is (1) not available for appropriation or expenditure, and/or (2) legally segregated for a specific future use. Unreserved, designated fund balance indicates tentative plans for future use of financial resources. Unreserved, undesignated fund balance represents the amount available for appropriation.

In proprietary funds, fund equity is called net assets. Net assets are comprised of three components: invested in capital assets, net of related debt; restricted; and unrestricted.

E. OTHER INFORMATION

1. Insurance Activities

Workers' Compensation. Title 51 RCW establishes the state of Washington's workers' compensation program. The statute requires all applicable employers to secure coverage for job-related injuries and diseases through the Workers' Compensation Fund or through self-insurance.

Direct private insurance is not authorized, although self-insurers are permitted to reinsure up to 80 percent of their obligations through private insurers.

The Workers' Compensation Fund, an enterprise fund, is used to account for the workers' compensation program which provides time-loss, medical, vocational, disability, and pension benefits to qualifying individuals sustaining work-related injuries or illnesses. The main benefit plans of the workers' compensation program are funded based on rates that will keep these plans solvent in accordance with recognized actuarial principles. The supplemental pension plan supports cost-of-living adjustments (COLA) granted for time-loss and disability payments; however, these are funded on a pay-as-you-go basis. By statute, the state is only allowed to collect enough revenue to fund the current COLA payments.

Premiums are based on individual employers' reported payroll hours and insurance rates based on each employer's risk classification(s) and past experience, except the Supplemental Pension Fund premiums are based on a flat rate per hours worked independent of risk class or past experience. In addition to its regular premium plan which is required for all employers, the Workers' Compensation Fund offers a voluntary retrospective premium rating plan under which premiums are subject to three annual adjustments based on group and individual employers' loss experience. Initial adjustments to the standard premiums are paid to or collected from the groups and individual employers approximately ten months after the end of each plan year.

The Department of Labor and Industries, as administrator of the workers' compensation program, establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have already occurred. The length of time for which such costs must be estimated varies depending on the benefit involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liabilities, claims adjudication, and judgments, the process used in computing claims liabilities does not necessarily result in an exact amount.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent paid losses, claim frequency, and other economic, legal, and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Changes to claims liabilities from prior periods are charged or credited to expense in the periods in which they are made.

Risk Management. The state of Washington operates a self-insurance liability program pursuant to RCW 4.92.130. The state manages its tort claims as an insurance business activity rather than a general governmental activity. The state's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead, the state's management believes it is more economical to manage its risks internally and set aside assets for claims settlement in the Risk Management Fund, an internal service fund. A limited amount of commercial insurance is purchased for liabilities arising from the operations of the Washington State ferries, employee bonds, and to limit the exposure to catastrophic losses.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past eight fiscal years. Otherwise, the self-insurance liability program services all claims against the state for injuries and property damage to third parties. The majority of state funds and agencies participate in the self-insurance liability program in proportion to their anticipated exposure to liability losses.

Health Insurance. The state of Washington administers and provides medical, dental, basic life, and basic long-term disability insurance coverage for eligible state employees. In addition, the state offers coverage to K-12 school districts, educational service districts, tribal governments, political subdivisions, and employee organizations representing state civil service workers. The state establishes eligibility requirements and approves plan benefits of all participating health care organizations. Because the state and its employees are the predominant participants in the employee health insurance program, it is accounted for in the Employee Insurance Fund, an internal service fund.

The state's share of the cost of coverage for state employees is based on a per capita amount determined annually by the Legislature and allocated to state agencies.

The Health Care Authority, as administrator of the health care benefits program, collects this monthly "premium" from agencies for each active employee enrolled in the program. State employees self-pay for coverage beyond the state's contribution. Cost of coverage for non-state employees is paid by their respective employers. Most coverage is available on a self-paid basis to former employees and employees who are temporarily not in pay status.

Most coverage is also available on a self-paid basis to eligible retirees. In accordance with the provisions of GASB Statement No. 43, an agency fund, the Retiree Health Insurance Fund, is used to account for the retiree health insurance program. For additional information, refer to Note 12.

The state secures commercial insurance for certain coverage offered, but self-insures the risk of loss for the Uniform Medical Plan and the Aetna Public Health Plan.

The Uniform Medical and Aetna Public Health Plans enrolled 63.1 percent of the eligible subscribers in Fiscal Year 2010. Claims are paid from premiums collected, and claims adjudication is contracted through a third-party administrator.

Considerations in calculating liabilities include frequency of claims, administrative costs, industry inflation trends, advances in medical technology, and other social and economic factors. Liabilities include an amount for claims incurred but not reported.

2. Postemployment Benefits

COBRA. In compliance with federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the state offers health and dental benefits on a temporary basis to qualified beneficiaries whose benefit coverage would otherwise end because of a qualifying event such as loss of employment. COBRA coverage is available on a self-paid basis and is the same medical and dental coverage available to state employees.

Medical Expense Plan. As disclosed in Note 1.D, at the time of separation from state service due to retirement or death, the state offers a 25 percent buyout of an employee's accumulated sick leave. Individual state agencies may offer eligible employees a medical expense plan (MEP) that meets the requirements of the Internal Revenue Code. Agencies offering an MEP deposit the retiring employee's sick leave buyout in the MEP for reimbursement of medical expenses.

Retirement Benefits. Refer to Note 11 Retirement Plans and Note 12 Other Postemployment Benefits.

3. Interfund/Interagency Activities

The state engages in two major categories of interfund/interagency activity: reciprocal and nonreciprocal. Reciprocal interfund/interagency activity is the internal counterpart to exchange and exchange-like transactions and includes both interfund loans and services provided and used. Nonreciprocal activity is nonexchange in nature and includes both transfers and reimbursements.

4. Donor-restricted Endowments

The state of Washington reports endowments in higher education endowment permanent accounts. These accounts are established outside of the state treasury for use by the higher education institutions. There is no state law that governs endowment spending; rather, the policies of individual university and college boards govern the spending of net appreciation on investments.

Prior to Fiscal Year 2009, the institutions generally used a 5 percent spending rate policy for authorizing and spending investment income. However, in light of the 2008-2009 financial crisis and subsequent drop in endowment values, the institutions adopted interim spending policies that decreased distributions to campus programs during Fiscal Years 2009 and 2010. Thereafter, distributions will remain at reduced levels until market conditions warrant a return to normal spending.

The net appreciation available for authorization for expenditure by governing boards totaled $151 million. This amount is reported as Restricted for Permanent Funds – Expendable on the government-wide Statement of Net Assets.

Note 2
Accounting and Reporting Changes

Reporting Changes. Effective for Fiscal Year 2010 reporting, the state implemented the following new standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* Statement No. 51 requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This statement also requires that an intangible asset be recognized in the Statement of Net Assets only if it is considered identifiable.

Retroactive reporting of the provisions of the statement is generally required with the exception of intangible assets considered to have indefinite useful lives and those considered to be internally generated. The state did not have any intangibles assets at June 30, 2010 that were subject to retroactive reporting.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments.* Statement No. 53 requires the state to report derivative instruments at fair value as assets or liabilities in the financial statements and to disclose a summary of derivative instrument activity as well as the objectives, significant terms, and risks associated with derivative instruments.

Fund Reclassification. During Fiscal Year 2010, it was determined that an activity being reported in the Central Administrative and Regulatory Fund, a Nonmajor Governmental Fund, would be more appropriately reported in the Health Insurance Internal Service Fund. To correct this situation, beginning fund balances were restated to effect the proper fund classification of the activity.

Fund equity at July 1, 2009, has been restated as follows (expressed in thousands):

	Fund equity at June 30, 2009, as previously reported	Fund Reclassification	Prior Period Adjustment	Fund equity as restated, July 1, 2009
Governmental Funds:				
General	$ 1,161,950	$ -	$ -	$ 1,161,950
Higher Education Special Revenue	1,205,451	-	-	1,205,451
Motor Vehicle Special Revenue *	356,070	-	-	356,070
Higher Education Endowment	2,478,206	-	-	2,478,206
Nonmajor Governmental *	4,347,186	(481)	-	4,346,705
Proprietary Funds:				
Enterprise Funds:				
Workers' Compensation	(10,617,226)	-	-	(10,617,226)
Unemployment Compensation	3,799,721	-	-	3,799,721
Higher Education Student Services	1,497,015	-	-	1,497,015
Nonmajor Enterprise	104,941	-	-	104,941
Internal Service Funds	(187,678)	481	-	(187,197)
Fiduciary Funds:				
Private Purpose Trust	21,701	-	-	21,701
Local Government Investment Pool	8,026,182	-	-	8,026,182
Pension and Other Employee Benefit Plans	52,049,489	-	-	52,049,489
Component Units:				
Public Stadium	382,067	-	-	382,067
Nonmajor Component Units	82,386	-	-	82,386

* The Motor Vehicle Special Revenue was reported as a nonmajor governmental fund in Fiscal Year 2009, but became a major fund for reporting purposes in Fiscal Year 2010.

Note 3
Deposits and Investments

A. DEPOSITS

Custodial Credit Risk. Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the state would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

The state minimizes custodial credit risk by restrictions set forth in state law. Statutes restrict the State Treasurer to deposit funds in financial institutions that are physically located in Washington unless otherwise expressly permitted by statute and authorized by the Washington Public Deposit Protection Commission (PDPC). The PDPC, established under chapter 39.58 of the Revised Code of Washington (RCW), makes and enforces regulations and administers a collateral pool program to ensure public funds are protected if a financial institution becomes insolvent. Securities pledged are held by a trustee agent for the benefit of the collateral pool.

At June 30, 2010, $829.8 million of the state's deposits with financial institutions were either insured or collateralized, with the remaining $23.9 million uninsured/ uncollateralized. The Federal Deposit Insurance Corporation (FDIC) covers the state's insured deposits and the PDPC provides collateral protection.

B. INVESTMENTS – PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS (PENSION TRUST FUNDS)

1. Summary of Investment Policies

Under RCW 43.33A.030, trusteeship of the pension trust funds is vested within the voting members of the Washington State Investment Board (WSIB). The Legislature has established a standard of care for investment of these funds in RCW 43.33A.140. Additionally, the WSIB and its staff must comply with other state laws, such as the Ethics in Public Service Act, chapter 42.52 RCW, as it makes its investment decisions and seeks to meet its investment objectives.

The WSIB manages the self-directed investments of the Public Employees' Retirement System (PERS) Plan 3, Teachers' Retirement System (TRS) Plan 3, School Employees' Retirement System (SERS) Plan 3 or Deferred Compensation. Administration of these plans and program rests with the Department of Retirement Systems (DRS). Members of the plans and program select and manage their asset allocation among the various investment options offered.

The WSIB is authorized to invest as provided by statute (chapter 43.33A RCW) and WSIB policy. The WSIB is authorized to invest in the following: U.S. Treasury bills; discount notes; repurchase agreements; reverse repurchase agreements; banker's acceptances; commercial paper; guaranteed investment contracts; U.S. Government and Agency (government sponsored corporations eligible for collateral purposes at the Federal Reserve) securities; non-U.S. dollar bonds; investment grade corporate bonds; non-investment grade corporate bonds; publicly traded mortgage-backed securities; privately placed mortgages; private placements of corporate debt; U.S. and foreign common stock; U.S. preferred stock; convertible securities; private equity including but not limited to investment corporations, partnerships, and limited liability companies for venture capital, leveraged buy-outs, real estate and other tangible assets, or other forms of private equity; asset backed securities; and derivative securities including futures, options, options on futures, forward contracts, and swap transactions. There were no violations of these investment restrictions during Fiscal Year 2010.

The WSIB manages pension fund assets to maximize return at a prudent level of risk (RCW 43.33A.110). The WSIB establishes asset allocation targets that must be considered at all times when making investment decisions. The asset mix may deviate from the target. Deviations greater than predetermined acceptable levels require rebalancing back to the target. When an asset class exceeds its range, the goal of rebalancing is to meet the target allocation within consideration of the other remaining asset classes.

Eligible Investments. Pension trust funds are invested in the Commingled Trust Fund (CTF). The CTF is comprised of public market equities, fixed income securities, private equity investments, real estate and tangible assets. The CTF's performance benchmark objective is to exceed the return of a policy benchmark consisting of public market indices weighted according to asset allocation targets. The asset allocation for the CTF is formally reviewed at least every four years. The allocation policy will be reviewed more frequently if the WSIB believes there has been a fundamental change in the structure of the capital markets or in the underlying cash flow or liability structure of the pension trust funds.

In October 2007, the public equity program adopted a global benchmark, the Dow Jones Global Total Stock Markets Index, reflecting the globalization of capital markets. The CTF also reduced its asset allocation to public equity from 46 percent to 37 percent to facilitate increased allocations to alternative investments (private equity, real estate, and tangible assets).
Even though the fund moved to a global benchmark, the program was not substantially restructured and, thus, the

public equity portfolio remains a combination of separate U.S. and international components. Because U.S. equity markets are generally efficient, all of the WSIB's investments in this segment are in a low-cost, broad-based passive index fund. In keeping with the belief that international equity markets are less efficient while acknowledging that international efficiency is increasing, the WSIB's developed markets international equity program has increased its use of passive strategies to 35 percent, but kept the majority of the program in active mandates. The entire emerging markets equity program is actively managed.

The portfolio is constrained by policy from investing more than 1 percent of the portfolio's par holdings in any single issuer with a quality rating below investment grade (as defined by Barclays Capital Global Family of Fixed Income Indices). Total holdings of below investment grade credit bonds shall not exceed 15 percent of total bond holdings. The duration of the portfolio (the sensitivity of the portfolio's fair value to changes in the level of interest rates) is targeted to be within 20 percent of the duration of the Barclays Capital Universal Index.

In addition, the major sector allocations are limited to the following ranges: U.S treasuries and government agencies – 10 percent to 45 percent, credit bonds – 10 percent to 60 percent, asset backed securities – 0 percent to 10 percent, commercial mortgage-backed securities – 0 percent to 10 percent, and mortgage-backed securities – 5 percent to 45 percent.

Pension trust funds can be invested in any appropriate private equity investment opportunity that has the potential for returns superior to traditional investment opportunities and which is not prohibited by the WSIB's policies or by law. These investment types include venture capital investments, corporate finance, distressed, international and mezzanine investments. Private equity investments are made through limited partnership vehicles.

The portfolio is managed to meet or exceed the returns of the Russell 3000 (lagged by one quarter) plus 300 basis points. To meet the return and plan objectives, the private equity portfolio has diversified investments in companies in a variety of growth stages. The portfolio also includes a broad cross-section of opportunities in different industries and geographic regions.

The primary goal of the tangible asset portfolio is to generate a long-term, high quality, stable income stream. The secondary goal is to generate appreciation approximately commensurate with inflation. The structure of the investments are primarily targeted to be tangible asset operating companies providing the WSIB with governance provisions related to acquisition, dispositions, and ongoing operational decisions for annual capital expenditures. The tangible asset portfolio invests in a number of sectors, but the primary focus is infrastructure, timber, and natural resource rights (oil and natural gas).

The WSIB's current return objective for tangible assets calls for a target benchmark of 4 percent above the U.S. Consumer Price Index over a long-term investment horizon defined as at least five years.

The WSIB's real estate program is an externally managed pool of selected partnership investments, intended to provide alternative portfolio characteristics when compared to traditional stock and bond investments. The majority of the WSIB's partnerships invest in institutional-quality real estate assets that are leased to third parties. The combination of income generated from bond-like lease payments, coupled with the hard asset qualities of commercial real estate, combine to generate returns that are expected to fall between the return expectations for fixed income and equities over the long term. The real estate portfolio is managed to deliver risk-adjusted returns that are consistent with the WSIB's long-term return expectations for the asset class.

The WSIB's real estate partnerships typically invest in private real estate assets that are held for long-term income and appreciation. Many of the WSIB's investment partnerships do not involve co-investment with other financial entities, thereby providing the WSIB with control provisions related to transactions and ongoing operational decisions for annual capital expenditures.

Volatility in the real estate portfolio is minimized through a combination of factors. First, the majority of the WSIB's partners own real estate assets in a private investment form which are not subject to public market volatility. Secondly, real estate capital is diversified among a host of partners with varying investment styles. Thirdly, partnership assets are invested in numerous economic regions, including foreign markets, and in various property types. Finally, the WSIB's partners invest at different points within the properties' capital structure and life cycle.

The WSIB's current benchmark seeks to earn an 8 percent annual investment return over a rolling 10-year period.

The innovation portfolio investment strategy is to provide WSIB with the ability to invest in assets that fall outside of traditional asset classes and to provide the WSIB with comfort and demonstrated success before committing large dollar amounts to the strategy. The overall benchmark for the innovation portfolio is the weighted average of the underlying benchmark for each asset in the portfolio.

Currently, all innovation portfolio investment managers are investing in publicly traded common stock.

2. Unfunded Commitments

The WSIB has entered into a number of agreements that commit the pension trust funds, upon request, to make additional investment purchases up to predetermined amounts. As of June 30, 2010, the retirement funds had unfunded commitments of $7.6 billion, $7.4 billion and $482 million in private equity, real estate and tangible assets, respectively.

3. Securities Lending

State law and Board policy permit the pension trust funds to participate in securities lending programs to augment investment income. The WSIB has entered into an agreement with JPMorgan to act as agent for the WSIB in securities lending transactions. As JPMorgan is the custodian bank for the WSIB, it is counterparty to securities lending transactions.

The pension trust funds report securities lent (the underlying securities) as assets in the Statement of Net Assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets.

Securities received as collateral are reported as assets if the pension trust funds have the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are also reported in the Statement of Net Assets. Securities lending transactions collateralized by securities that the pension trust funds do not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Securities were loaned (consisting of fixed income and equities) and collateralized by the pension trust funds' agent with cash and U.S. government securities (exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102 percent of the fair value, including accrued interest, of the securities loaned. All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities.

The collateral held and fair value of securities on loan at June 30, 2010, were $4.0 billion and $3.9 billion respectively. At year-end, the amounts the pension trust funds owed the borrowers exceeded the amounts the borrowers owed pension trust funds, resulting in no credit risk exposure.

During Fiscal Year 2010, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of loans for 2010 was 2.2 days.

Cash collateral was invested by the WSIB's agents in securities in the WSIB's separately managed short-term investment pool (average final maturity of 30 days). Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral.

Non-cash collateral could not be pledged or sold absent borrower default. Accordingly, non-cash collateral held under securities lending contracts with a value of $304 million has not been included in the Statement of Net Assets. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. JPMorgan indemnified the WSIB by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. JPMorgan's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2010, there were no significant violations of legal or contractual provisions, or failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the pension trust funds incurred no losses during Fiscal Year 2010 resulting from a default by either the borrowers or the securities lending agents.

4. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Effective duration is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Effective duration uses the present value of future cash flows, weighted for those flows as a percentage of the investment's full price.

Increases in prevailing interest rates generally translate into decreases in fair values of those investments, and decreases in interest rates result in increases in valuations.

The WSIB does not have a formal policy specifically for interest rate risk. The pension trust funds' fixed income investments are actively managed to exceed the return of the Barclays Capital Universal Index, with a duration that is not 20 percent higher or lower than the duration of the index.

As of June 30, 2010, the pension trust funds' duration was within the duration target of this index.

The following schedule provides information about the interest rate risks associated with the pension trust funds' investments as of June 30, 2010. The schedule displays various asset classes held by maturity in years and credit ratings. Residential mortgage backed, commercial mortgage backed, and asset backed securities are reported using the average life within the portfolio. The average life is a calculated estimate of the average time (in years) until maturity for these securities taking into account possible prepayments of principal. All other securities on this schedule are reported using the stated maturity date. Foreign corporate bonds and corporate equities are reported in U.S. dollar (USD) and non U.S. dollar (Non USD) denominations.

Pension Trust Funds
June 30, 2010
(expressed in thousands)

		Maturity				
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**	**Credit Rating**
Asset backed securities	$ 188,397	$ 19,141	$ 155,122	$ 7,499	$ 6,635	Multiple
Residential mortgage backed securities	2,875,074	360,808	2,502,015	12,251	-	Multiple
Commercial mortgage backed securities	478,293	60,363	416,905	1,025	-	Multiple
Corporate bonds - domestic	1,624,171	15,092	450,788	982,961	175,330	Multiple
Corporate bonds - foreign (USD)	4,405,322	103,819	979,626	2,639,195	682,682	Multiple
Corporate bonds - foreign (Non USD)	666,549	-	242,745	307,068	116,736	Multiple
U.S. government treasuries	673,678	-	673,678	-	-	Aaa
Treasury inflation protected securities	847,259	-	847,259	-	-	Aaa
	11,758,743	$ 559,223	$ 6,268,138	$ 3,949,999	$ 981,383	
Corporate stock (USD)	659,330					
Corporate stock (Non USD)	7,504,394					
Commingled equity index funds	10,204,806					
Alternative investments	21,654,099					
Liquidity	1,061,657					
Securities lending collateral	3,667,615					
Total	$ 56,510,644					

Investments with multiple credit ratings are presented using the Moody's rating scale as follows:

Pension Trust Funds
Investments with Multiple Credit Ratings
June 30, 2010
(expressed in thousands)

	Investment Type						
Moody's Equivalent Credit Rating	**Asset-Backed Securities**	**Residential Mortgage Backed Securities**	**Commercial Mortgage Backed Securities**	**Corporate Bonds - Domestic**	**Corporate Bonds -Foreign (USD)**	**Corporate Bonds - Foreign (Non USD)**	**Total**
Aaa	$ 146,601	$ 2,816,711	$ 385,755	$ 102,049	$ 27,344	$ 511,086	$ 3,989,546
Aa1	-	3,997	-	-	-	-	3,997
Aa2	531	8,077	52,032	-	186,560	-	247,200
Aa3	6,978	3,535	40,506	143,150	252,738	-	446,907
A1	-	2,864	-	112,531	492,134	-	607,529
A2	-	-	-	226,212	163,997	788	390,997
A3	-	-	-	71,017	364,398	29,214	464,629
Baa1	3,116	4,582	-	389,580	419,845	-	817,123
Baa2	-	2,733	-	367,526	851,575	26,834	1,248,668
Baa3 and lower	31,171	32,575	-	212,106	1,646,731	98,627	2,021,210
Total	$ 188,397	$ 2,875,074	$ 478,293	$ 1,624,171	$ 4,405,322	$ 666,549	$ 10,237,806

5. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Rated debt investments of the pension trust funds as of June 30, 2010, were rated by Moody's and/or an equivalent national rating organization.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The WSIB policy states no corporate fixed income issue shall exceed 3 percent of cost at the time of purchase or 6 percent of fair value thereafter of the fund, and no high yield issues shall exceed 1 percent of cost or 2 percent of fair value of the fund. There was no concentration of credit risk exceeding these policy guidelines as of June 30, 2010.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the pension trust funds would not be able to recover the value of investments that are in the possession of an outside party. The WSIB does not have a policy specifically for custodial credit risk. The WSIB mitigates custodial risk by having its investment securities held by its custodian. Also, investment securities are registered in the name of the WSIB for the benefit of the pension trust funds, excluding cash and cash equivalents and repurchase agreements held as securities lending collateral.

6. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The WSIB does not have a formal policy to limit foreign currency risk. The WSIB manages their exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios by sector and by issuer to limit foreign currency and security risk.

The following schedule presents the exposure of pension fund investments to foreign currency risk. The schedule provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Pension Trust Funds
Foreign Currency Risk
June 30, 2010
(expressed in thousands)

	Investment Type					
Foreign Currency Denomination	**Currency**	**Fixed Income**	**Equity**	**Private Equity**	**Real Estate**	**Total**
Australia-Dollar	$ 4,378	$ 373,361	$ 365,690	$ -	$ 18,282	$ 761,711
Brazil-Real	399	134,079	100,424	-	-	234,902
Canada-Dollar	1,858	-	453,623	-	-	455,481
Denmark-Krone	348	-	81,982	-	-	82,330
E.M.U.-Euro	41,010	-	2,006,480	1,575,005	120,529	3,743,024
Hong Kong-Dollar	1,165	-	332,591	-	-	333,756
India-Rupee	1,148	-	81,184	-	-	82,332
Indonesia-Rupiah	4	26,068	36,854	-	-	62,926
Japan-Yen	11,054	-	1,302,333	-	-	1,313,387
Mexico-Peso	338	29,214	36,480	-	-	66,032
Norway-Krone	1,169	43,247	72,110	-	-	116,526
Poland-Zloty	504	-	18,298	-	-	18,802
Singapore-Dollar	413	-	111,556	-	-	111,969
South Africa-Rand	113	-	97,343	-	-	97,456
South Korea-Won	392	-	116,472	-	-	116,864
Sweden-Krona	849	-	184,503	694	-	186,046
Switzerland-Franc	3,182	-	505,957	-	-	509,139
Taiwan-Dollar	11,533	-	106,170	-	-	117,703
Turkey-Lira	265	49,028	94,903	-	-	144,196
United Kingdom-Pound	3,556	788	1,274,108	9,486	-	1,287,938
Other-Miscellaneous	1,422	10,764	125,333	-	-	137,519
Total	$ 85,100	$ 666,549	$ 7,504,394	$ 1,585,185	$ 138,811	$ 9,980,039

7. Derivatives

Pension trust funds are authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate swaps, credit default swaps, equity swaps, and options. Derivative transactions involve, to varying degrees, market and credit risk. In connection with the international and domestic active equity strategy, at June 30, 2010, the pension trust funds held investments in financial futures, forward currency contracts and other derivative securities that are recorded at fair value with changes in value recognized in investment income in the Statement of Changes in Net Assets in the period of change.

Derivatives are generally used to achieve the desired market exposure of a security, index or currency, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. Derivative contracts are instruments that derive their value from underlying assets, indices, reference interest rates, or a combination of these factors. A derivative instrument could be a contract negotiated on behalf of the pension trust funds and a specific counterparty. This would typically be referred to as an "over the counter (OTC) contract" such as forward contracts and to be announced (TBA) securities. Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as "exchange traded".

Inherent in the use of OTC derivatives, the pension trust funds are exposed to counterparty credit risk on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract. As of June 30, 2010, the pension trust funds counterparty risk was not deemed to be significant, whether evaluating counterparty exposure outright or netting collateral against net asset positions on contracts with each counterparty.

Mortgage TBA's are used to achieve the desired market exposure of a security or asset class or adjust portfolio duration. A TBA is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed-upon date. TBA's carry future settlement risk due to the possibility of not receiving the asset or associated gains specified in the contract and such loss upon failure by counterparties to deliver under the contracts is not material at June 30, 2010.

Futures contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are generally used to achieve the desired market exposure of a security or index or rebalance the total portfolio.

Forward currency contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. These forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened; however, the likelihood of such loss is remote. At June 30, 2010, the pension trust funds had outstanding forward currency contracts to purchase foreign currencies with a fair value of $1.6 billion and outstanding contracts to sell foreign currencies with a fair value of $1.6 billion. The net unrealized loss of $1.8 million is included in the Statement of Changes in Net Assets. The contracts have varying maturity dates ranging from July 1, 2010, to November 10, 2010.

At June 30, 2010, the pension trust funds' fixed income portfolio held derivative securities consisting of collateralized mortgage obligations with a fair value of $1.1 billion. Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative securities by passive equity index fund managers is unavailable.

Derivatives which are exchange traded are not subject to credit risk. The maximum loss that would be recognized at June 30, 2010, if all counterparties fail to perform as contracted is $1.8 million of unrealized gain on TBA securities. This maximum exposure is reduced by $1.8 million of unrealized losses on forward currency contracts, resulting in de minimus exposure to credit risk.

At June 30, 2010, the counterparties' credit ratings for forward currency contracts that are subject to credit risk had a credit rating of no less than A2 using the Moody's rating scale.

The following schedule presents the significant terms for derivatives held as investments by the WSIB.

Pension Trust Funds
Derivative Investments
June 30, 2010
(expressed in thousands)

	Changes in Fair Value - Included in Investment Income (Loss) Amount	Fair Value - Investment Derivative Amount	Notional
Futures Contracts:			
Bond index futures	$ 4,952	$ 4,952	4
Equity index futures	19,262	(1,990)	3
Total	$ 24,214	$ 2,962	7
To Be Announced (TBA) Securities:			
Total	$ 1,810	$ 257,135	242,000
Forward Currency Contracts:			
Australia-Dollar	$ 2,177	$ 1,791	61,633
Canada-Dollar	5,355	(1,027)	133,531
Czech Republic-Koruna	361	(29)	(179,503)
Denmark-Krone	(56)	(44)	(35,714)
E.M.U.-Euro	(2,612)	(2,304)	(70,243)
Hong Kong-Dollar	(53)	(54)	(294,796)
Hungary-Forint	675	409	(920,416)
Israel-Shekel	-	-	1,281
Japan-Yen	(478)	2,813	6,747,048
Mexico-Peso	-	-	(2,323)
New Zealand-Dollar	117	(1)	(2)
Norway-Krone	21	20	(87,285)
Poland-Zloty	2,242	479	(17,930)
Singapore-Dollar	4	1	(2,189)
South Africa-Rand	(94)	(89)	(16,362)
Sweden-Krona	(3,090)	(2,606)	(442,845)
Switzerland-Franc	34	(150)	(3,234)
United Kingdom-Pound	(555)	(1,003)	19,899
United States-Dollar	-	-	(60,699)
Total	$ 4,048	$ (1,794)	4,829,851

8. Reverse Repurchase Agreements

State law permits the WSIB to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the state or provide securities or cash of equal value, the WSIB would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no reverse repurchase agreements during the year and there were no liabilities outstanding as of June 30, 2010.

C. INVESTMENTS – WORKERS' COMPENSATION FUND

1. Summary of Investment Policies

Under RCW 43.33A.030, trusteeship over the investment of the workers' compensation fund investments is vested in the voting members of the WSIB. The Legislature established a standard of care for investment of these funds in RCW 43.33A.140. Additionally, the WSIB must comply with other state laws, such as the Ethics in Public Service Act, chapter 42.52 RCW, as it makes investment decisions and seeks to meet its investment objectives.

In accordance with state laws, the workers' compensation fund investments are managed to limit fluctuations in the industrial insurance premiums, and subject to this purpose, achieve a maximum return at a prudent level of risk. Based on this requirement, the order of the objectives is:

- Maintain the solvency of the funds.
- Maintain premium rate stability.
- Ensure sufficient assets are available to fund the expected liability payments.
- Subject to those above, achieve a maximum return at a prudent level of risk.

Eligible Investments. Eligible investments are securities and deposits that are in accordance with the WSIB's investment policy and RCW 43.33A.110. Eligible investments include:

- U.S. Equities.
- International Equities.
- U.S. Treasuries and Government Agencies.
- Credit Bonds.
- Mortgage-Backed Securities rated investment grade, as defined by Barclays Capital Global Family of Fixed Income Indices.
- Asset-Backed Securities rated investment grade, as defined by Barclays Capital Global Family of Fixed Income Indices.
- Commercial Mortgage-Backed Securities rated investment grade, as defined by Barclays Capital Global Family of Fixed Income Indices.
- Investment Grade Non-U.S. Dollar Bonds.

Investment Restrictions. To meet stated objectives, investments of workers' compensation funds are subject to the following constraints:

- All assets under the management of the WSIB are to be invested to maximize return at a prudent level of risk in accordance with RCW 43.33A.110 and RCW 43.33A.140.
- Asset allocations are to be reviewed every three to four years or sooner if there are significant changes in funding levels or the liability durations.
- Assets are to be rebalanced across asset classes when the fair value of the assets falls outside the policy ranges. The timing of any rebalancing will be based on market opportunities, cash flows, and the consideration of transaction costs; therefore, they need not occur immediately.
- No corporate fixed income issue cost shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time.
- The benchmark and structure for U.S. equities will be the broad U.S. stock market as defined by the Dow Jones U.S. Total Stock Market Index. The benchmark and structure for international equities will be the Morgan Stanley Capital International All Country World Ex U.S. Investable Market Index (MSCI ACW Ex U.S. IMI). Both portfolios will be 100 percent passively managed in commingled index funds. The commingled funds may use futures for hedging or establishing a long-term position.
- Sector allocation for U.S. equities should be within a range of 55 percent to 65 percent. Allocation for international equities should be within a range of 35 percent to 45 percent.
- The fixed income portfolios' structure varies depending upon the required duration target. The duration targets are reviewed every three years, or sooner, if there are significant changes in the funding levels or the liability durations.
- Sector allocation of fixed income investments must be managed within the following prescribed ranges: U.S. Treasuries and government agencies – 5 percent to 25 percent, credit bonds – 20 percent to 70 percent, asset backed securities – 0 percent to 10 percent, commercial mortgage backed securities – 0 percent to 10 percent and mortgage backed securities – 0 percent to 25 percent. These targets are long-term in nature. Deviations may occur in the short-term as a result of interim market conditions. However, if a range is

exceeded the portfolios must be rebalanced as soon as it is practical to the target allocations.

- Total holdings of below investment grade credit bonds (as defined by Barclays Capital Global Family of Fixed Income Indices) should not exceed 5 percent of total fixed income holdings.

2. Securities Lending

State law and Board policy permit the workers' compensation fund to participate in securities lending programs to augment investment income. The WSIB has entered into an agreement with JPMorgan to act as agent for the workers' compensation fund in securities lending transactions. As JPMorgan is the custodian bank for the workers' compensation fund, it is counterparty to securities lending transactions.

The workers' compensation fund reports securities lent (the underlying securities) as assets in the Statement of Net Assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are reported as assets if the workers' compensation fund has the ability to pledge or sell them without a borrower default. Liabilities resulting from these transactions are also reported in the Statement of Net Assets. Securities lending transactions collateralized by securities that the workers' compensation fund does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

Fixed income securities were loaned and collateralized by the WSIB's agent with cash and U.S. government securities (exclusive of mortgage backed securities and letters of credit), and irrevocable letters of credit. When the loaned securities had collateral denominated in the same currency, the collateral requirement was 102 percent of the fair value, including accrued interest, of the securities loaned. All other securities were required to be collateralized at 105 percent of the fair value, including accrued interest, of the loaned securities. The collateral held and fair value of securities on loan at June 30, 2010 was $2.6 billion and $2.5 billion, respectively. As of June 30, 2010, the amounts the workers' compensation fund owed the borrowers exceeded the amounts the borrowers owed the workers' compensation fund resulting in no credit risk exposure to borrowers.

During Fiscal Year 2010, securities lending transactions could be terminated on demand by either the workers' compensation fund or the borrower. The weighted average maturity of loans was 2.2 days.

Cash collateral was invested by the workers' compensation fund in the WSIB's short-term investment pool (average final maturity of 30 days). Because the securities lending agreements were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. Non-cash collateral could not be pledged or sold absent borrower default. Accordingly, non-cash collateral held under securities lending contracts with a value of $197 million have not been included in the Statement of Net Assets. There are no restrictions on the amount of securities that can be lent.

Securities were lent with the agreement that they would be returned in the future for exchange of the collateral. JPMorgan indemnified the workers' compensation fund by agreeing to purchase replacement securities or return the cash collateral in the event a borrower failed to return the loaned securities or pay distributions thereon. JPMorgan's responsibilities included performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable federal regulations concerning securities lending.

During Fiscal Year 2010, there were no significant violations of legal or contractual provisions, no failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the workers' compensation fund incurred no losses during Fiscal Year 2010 resulting from a default by either the borrowers or the securities lending agents.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates over time will adversely affect the fair value of an investment. Effective duration is the measure of a debt investment's exposure to fair value changes arising from changes in interest rates. Effective duration uses the present value of cash flows, weighted for those flows as a percentage of the investment's full price. Increases in prevailing interest rates generally translate into decreases in fair values of those investments. The WSIB does not have a formal policy specifically for interest rate risk.

The workers' compensation fixed income investments are actively managed to exceed the return of the Comparable Market Index, with volatility as measured by duration to be similar to or less than the index. As of June 30, 2010, the durations of the various fixed income classes were within the duration targets of the Comparable Market Index.

The workers' compensation fund investments include both U.S. agencies and corporate debt variable-rate securities, most of which reset periodically to the market interest rate. Because these securities frequently re-price to prevailing market rates, interest rate risk is substantially reduced at each periodic reset date.

The following schedule provides information about the interest rate risks associated with the workers' compensation fund investments as of June 30, 2010. The schedule displays various asset classes held by maturity in years, effective durations, and credit ratings. Residential

mortgage backed, commercial mortgage backed, and asset backed securities are reported using the average life within the portfolio. The average life is a calculated estimate of the average time (in years) until maturity for these securities taking into account possible prepayments of principal. All other securities on the schedule are reported using the stated maturity date.

Workers' Compensation Fund
June 30, 2010
(expressed in thousands)

		Maturity				
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**	**6-10 Years**	**More than 10 Years**	**Credit Rating**
Residential mortgage backed securities	$ 1,747,601	$ 23,935	$ 889,862	$ 732,074	$ 101,730	Aaa
Commercial mortgage backed securities	554,452	56,490	351,054	146,125	783	Multiple
Corporate bonds-domestic	3,081,812	125,039	680,589	1,016,490	1,259,694	Multiple
Corporate bonds-foreign (USD)	2,753,892	118,326	824,662	1,029,889	781,015	Multiple
Government securities-domestic:						
U.S. government treasuries	605,292	-	605,292	-	-	Aaa
U.S. treasury inflation protected securities	1,606,498	89,365	246,323	704,527	566,283	Aaa
	10,349,547	$ 413,155	$ 3,597,782	$ 3,629,105	$ 2,709,505	
Commingled index funds-domestic	775,728					
Commingled index funds-foreign	548,241					
Money market funds	220,860					
Securities lending collateral	2,377,679					
Total	$ 14,272,055					

Investments with multiple credit ratings are presented using the Moody's rating scale as follows:

Workers' Compensation Fund
Investments with Multiple Credit Ratings
June 30, 2010
(expressed in thousands)

	Investment Type			
Moody's Equivalent Credit Rating	**Commercial Mortgage Backed Securities**	**Corporate Bonds - Domestic**	**Corporate Bonds- Foreign (USD)**	**Total**
Aaa	$ 485,785	$ 116,121	$ 375,071	$ 976,977
Aa2	28,161	-	245,091	273,252
Aa3	40,506	364,886	316,124	721,516
A1	-	307,416	329,248	636,664
A2	-	786,111	84,836	870,947
A3	-	290,627	240,360	530,987
Baa1	-	510,699	288,580	799,279
Baa2	-	513,004	522,373	1,035,377
Baa3 and lower	-	169,785	300,244	470,029
Other	-	23,163	51,965	75,128
Total	$ 554,452	$ 3,081,812	$ 2,753,892	$ 6,390,156

4. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The rated debt investments of the workers' compensation fund as of June 30, 2010, were rated by Moody's and/or an equivalent national rating organization.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The workers' compensation fund policy states no corporate fixed income issue's cost shall exceed 3 percent of the fund's fair value at the time of purchase, nor shall its fair value exceed 6 percent of the fund's fair value at any time. There was no concentration of credit risk as of June 30, 2010.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the workers' compensation fund would not be able to recover the value of investments that are in the possession of an outside party. The workers' compensation fund does not have a policy specifically for custodial credit risk. The WSIB mitigates custodial credit risk by having its investment securities held by its custodian. Also, investment securities are registered in the name of the WSIB for the benefit of the workers' compensation fund, excluding cash and cash equivalents and repurchase agreements held as securities lending collateral.

5. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The workers' compensation fund does not have a formal policy to limit foreign currency risk. The workers' compensation funds had $548 million invested in an international commingled equity index fund. As such, no currency denomination risk is presented.

6. Derivatives

The workers' compensation fund is authorized to utilize various derivative financial instruments, including mortgage-backed securities, financial futures, forward contracts, interest rate and equity swaps, and options to manage its exposure to fluctuations in interest and currency rates while increasing portfolio returns. Derivative transactions involve, to varying degrees, market and credit risk. The workers' compensation fund mitigates market risks arising from derivative transactions by requiring collateral in cash and investments to be maintained equal to the securities positions outstanding, and thereby prohibiting the use of leverage or speculation. Credit risks arising from derivative transactions are mitigated by selecting and monitoring creditworthy counterparties and collateral issuers.

Consistent with the workers' compensation fund's authority to invest in derivatives, international active equity managers may make limited investments in financial futures, forward contracts or other derivative securities to manage exposure to currency rate risk and equitize excess cash holdings. No such derivative securities were held as of June 30, 2010.

Domestic and foreign passive equity index fund managers may also utilize various derivative securities to manage exposure to risk and increase portfolio returns. Information on the extent of use and holdings of derivative securities by passive equity index fund managers is unavailable. At June 30, 2010, the only derivative securities held directly by the workers' compensation fund were collateralized mortgage obligations (CMOs) of $1.7 billion.

7. Reverse Repurchase Agreements

State law permits the WSIB to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities underlying reverse repurchase agreements normally exceeds the cash received, providing the dealers margin against a decline in fair value of the securities. If the dealers default on their obligations to resell these securities to the state or provide securities or cash of equal value, the WSIB would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. There were no reverse repurchase agreements during Fiscal Year 2010 and there were no liabilities outstanding as of June 30, 2010.

D. INVESTMENTS – LOCAL GOVERNMENT INVESTMENT POOL (LGIP)

1. Summary of Investment Policies

The LGIP is managed and operated by the Office of the State Treasurer (OST). The State Finance Committee is the administrator of the statute that created the pool and adopts appropriate rules. The OST is responsible for establishing the investment policy for the pool and reviews it annually. Any proposed changes are reviewed by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

The LGIP is comparable to a Rule 2a-7 money market fund recognized by the Securities and Exchange Commission (17CFR.270.2a-7). Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize

both market and credit risk. As such, investments are reported at amortized cost (which approximates fair value).

Investment Objectives. The objectives of the LGIP investment policy, in priority order, are safety, liquidity, and return on investment. To provide for the safety and liquidity of funds deposited in the LGIP, the state treasurer and designated investment officers shall:

- Adhere to all restrictions on the investment of funds established by law and by the policy.
- Limit the purchase of investments in securities so that the weighted average maturity of the portfolio, as defined in Section VI of the policy, does not exceed 90 days.
- Limit the purchase of investments to securities that have a maximum final maturity of 397 days, with the exceptions listed in section VI of the policy.
- Limit the purchase of investments in securities other than those issued by the U.S. government or its agencies.
- Prepare regular reports of portfolio activity.

The primary objective of safety will be measured in cash, as opposed to accounting terms, where different, and in terms of the portfolio, as a whole, as opposed to the terms of any individual transaction. This means, for example, that a single transaction that generated an accounting loss but actually increased the amount of cash received in the portfolio would be considered to have increased capital, and not decreased it. Within the restrictions necessary to ensure the safety and liquidity of funds, the investment portfolio of the LGIP will be structured to attain a market rate of return throughout an economic cycle.

Eligible Investments. Eligible investments are only those securities and deposits authorized by statute (Chapters 39.58, 39.59, 43.84.080 and 43.250 RCW). Eligible investments include:

- Obligations of the U.S. government.
- Obligations of U.S. government agencies, or of corporations wholly owned by the U.S. government.
- Obligations of government sponsored corporations that are, or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all of the organizations.
- Commercial paper provided that the OST adheres with policies and procedures of the WSIB regarding commercial paper (RCW 43.84.080(7)).
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Obligations of the state of Washington or its political sub-divisions.

Investment Restrictions. To provide for the safety and liquidity of LGIP Funds, the investment portfolio will be subject to the following restrictions:

- All money market securities are required to be rated A-1 by Standard and Poor's Corporation and P-1 by Moody's Investors Services, Inc.
- Investments are restricted to fixed rate securities that mature in 397 days or less, and floating and variable rate securities that mature in 762 days or less.
- The weighted average maturity of the portfolio may not exceed 90 days.
- Cash generated through securities lending or reverse repurchase agreement transactions will not increase the dollar amount of specified investment types beyond stated limits.

2. Securities Lending

The LGIP investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the LGIP. During Fiscal Year 2010, the LGIP had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the LGIP. Furthermore, the contract requires the lending agent to indemnify the LGIP if the borrowers fail to return the securities (and if collateral is inadequate to replace the securities lent) or if the borrower fails to pay the LGIP for income distribution by the securities' issuers while the securities are on loan.

The LGIP cannot pledge or sell collateral securities received unless the borrower defaults. The LGIP investment policy limits the amount of reverse repurchase agreements and securities lending to 30 percent of the total portfolio. There were neither violations of legal or contractual provisions nor any losses resulting from a default of a borrower or lending agent during the year.
State statutes permit the LGIP to lend its securities to broker-dealers and other entities with a simultaneous

agreement to return the collateral for the same securities in the future. The LGIP, which has contracted with a lending agent to lend securities in the LGIP, earns a fee for this activity. The lending agent lends securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent.

The cash is invested by the lending agent in repurchase agreements or money market instruments, in accordance with investment guidelines approved by the LGIP. The securities held as collateral and the securities underlying the cash collateral are held by the LGIP's custodian. There were no securities on loan as of June 30, 2010.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment.

The portfolio is managed in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940, i.e., money market funds. Much of the Rule 2a-7 investment guidelines are directed towards limiting interest rate risk, in order to maintain a stable net asset value.

The LGIP policy places a 90-day maximum on the weighted average maturity. Further, the maximum maturity of any security will not exceed 397 days, except securities utilized in repurchase agreements and U.S.

Agency floating or variable rate notes may have a maximum maturity of 762 days, provided that they have reset dates within one year and which on any reset date can reasonably be expected to have a market value that approximates its amortized cost.

As of June 30, 2010, the LGIP had a weighted average maturity of 49 days.

The following schedule presents the LGIP investments by type and provides information about the interest rate risks associated with the LGIP investments as of June 30, 2010.

Local Government Investment Pool (LGIP)
June 30, 2010
(expressed in thousands)

		Maturity	
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**
U.S. government obligations	$ 449,640	$ 449,640	$ -
U.S. agency obligations	5,082,699	4,142,790	939,909
Repurchase agreements	2,600,000	2,600,000	-
Certificates of deposit	38,000	38,000	-
Interest bearing bank accounts	826,328	826,328	-
Total	$ 8,996,667	$ 8,056,758	$ 939,909

4. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The LGIP investment policy limits the types of securities available for investment to obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, commercial paper, deposits with qualified public depositaries, or obligations of the state of Washington or its political subdivisions.

Banker's acceptances and commercial paper must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. The LGIP currently does not have any banker's acceptances, commercial paper, or municipal bonds in its portfolio.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counter party, the LGIP will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The LGIP investment policy requires that securities purchased by the office be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the LGIP's exposure to risk and insure the safety of the investment. All securities utilized in repurchase agreements were rated AAA. The market value of securities utilized in repurchase agreements must be at least 102 percent of the value of the repurchase agreement.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The LGIP mitigates concentration of credit risk by limiting the percentage of the portfolio invested with any one issuer.

With the exception of U.S. Treasury and U.S. Agency securities, the OST mitigates concentration of credit risk by limiting the purchase of securities of any one issuer to no more than 5 percent of the portfolio. As of June 30, 2010, U.S. Treasury securities comprised 5.0 percent of the total portfolio. U.S. Agency securities comprised 56.5 percent of the total portfolio, including Federal Home Loan Mortgage Corporation (11.7 percent), Federal Home Loan Bank (8.3 percent), Federal National Mortgage Association (20.2 percent), and Federal Farm Credit Bank (16.3 percent).

5. Foreign Currency Risk. None.

6. Derivatives

A derivative is a futures, forward, swap, or option contract, or other financial instrument with similar characteristics. The LGIP did not own, buy, or sell derivatives during the fiscal year.

7. Reverse Repurchase Agreements

State law also permits the LGIP to enter into reverse repurchase agreements, which are, by contract, sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest.

The fair value of the securities pledged as collateral by the LGIP underlying the reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in the fair value of the securities.

If the dealers default on their obligations to resell these securities to the LGIP or to provide equal value in securities or cash, the LGIP would suffer an economic loss equal to the difference between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. During the fiscal year there was no credit risk for the LGIP due to the fair value plus accrued interest of the underlying securities being less than the fair value plus accrued interest of the reinvested cash. On June 30, 2010, there were no obligations under reverse repurchase agreements.

The market value, plus accrued income, of mortgage-backed securities utilized in repurchase agreements with more than seven days remaining until maturity will be 105 percent of the value of the repurchase agreement. The market value, plus accrued income, of securities utilized in all other repurchase agreements will be 102 percent of the value of the repurchase agreement.

The securities utilized in repurchase agreements are priced daily and held by the LGIP's custodian in the state's name. Collateralized Mortgage Obligations (CMO) utilized in repurchase agreements must pass the Federal Financial Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency. As of June 30, 2010, repurchase agreements totaled $2.6 billion.

E. INVESTMENTS – HIGHER EDUCATION SPECIAL REVENUE AND ENDOWMENT FUNDS

1. Summary of Investment Policies

The investments of the University of Washington represent 74 percent of the total investments in Higher Education Special Revenue and Endowment Funds.

The Board of Regents of the University of Washington is responsible for the management of the University's investments. The Board establishes investment policy, which is carried out by the Chief Investment Officer.

The University of Washington Investment Committee (UWINCO) comprised of Board members and investment professionals advises on matters relating to the management of the University's investment portfolios.

The majority of the University's investments are insured, registered, and held by the University's custodial bank as an agent for the University. Investments not held by the custodian include lent securities, mutual funds, venture capital, private equity, distressed, marketable alternatives, mortgages, real estate, and miscellaneous investments.

The University combines most short-term cash balances in the Invested Funds Pool. At June 30, 2010, the Invested Funds Pool totaled $1.1 billion. The fund also owns units in the Consolidated Endowment Fund valued at $354.9 million on June 30, 2010.

By University policy, departments with qualifying funds in the Invested Funds Pool receive distributions based on their average balances and on the type of balance. Campus depositors received 2 percent in Fiscal Year 2010. Endowment operating and gift accounts received 3 percent in Fiscal Year 2010. The difference between the actual earnings of the Invested Funds Pool and the calculated distributions is used to support activities benefiting all University departments.

The majority of the endowed funds are invested in a pooled fund called the Consolidated Endowment Fund (CEF). Individual endowments purchase units in the pool on the basis of a per unit valuation of the CEF at fair value

on the last business day of the calendar quarter. Income is distributed based on the number of units held.

During Fiscal Year 2009, in light of the 2008-2009 financial crises and the decline in the CEF market value, the Board of Regents implemented an interim spending policy. Under the interim policy, year-over-year CEF distributions decreased from the Fiscal Year 2008 level by 25 percent in Fiscal Years 2009 and 2010.

At their October 21, 2010 meeting, the Board of Regents adopted a new spending policy for the CEF replacing the interim spending policy. Under the new policy, quarterly distributions to programs will equal 4 percent of a five-year rolling average. The new policy is effective with the December 2010 quarterly distributions with the five year averaging period implemented incrementally. The administrative fee of 1 percent supporting campus-wide fundraising and stewardship activities and offsetting the internal cost of managing endowment assets continues but will now be based on a five year average value consistent with the basis for program distributions.

The University records its permanent endowments at the lower of original gift value or current market value in the Restricted Nonexpendable Net Assets category. Of the total $1.1 billion permanent endowment funds (at fair value) as of June 30, 2010, the aggregate amount of the deficiencies where the fair value of the assets is less than the original gifts is $53.3 million at June 30, 2010.

Funds in irrevocable trusts managed by trustees other than the University are not reported in the financial statements. The fair value of these funds was $45.6 million at June 30, 2010. Income received from these trusts which is included in investment income, was $2.2 million for the year ended June 30, 2010.

Net appreciation (depreciation) in the fair value of investments includes both realized and unrealized gains and losses on investments. The University realized net gains of $138 million in 2010 from the sale of investments. The calculation of realized gains and losses is independent of the net appreciation of the fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and are sold in the current year, include the net appreciation of these investments reported in the prior year(s).

The net (depreciation) appreciation in the fair value of investments during the year ended June 30, 2010 was $223.8 million.

The following schedule presents the fair value of the University of Washington's investments by type at June 30, 2010:

University of Washington
June 30, 2010
(expressed in thousands)

Investment Type	Fair Value
Cash equivalents	$ 337,842
Domestic fixed income	1,105,961
Foreign fixed income	18,909
Domestic equity	421,489
Foreign equity	479,014
Non-marketable alternatives	407,847
Absolute return	376,730
Real estate	9,737
Miscellaneous	4,471
Total	$ 3,162,000

2. Funding Commitments

The University enters into contracts with investment managers to fund alternate investments. As of June 30, 2010, the University had outstanding commitments to fund alternative investments in the amount of $215.3 million.

3. Securities Lending

The University's investment policies permit it to lend its securities to broker dealers and other entities. Due to market conditions, the University terminated this program in September 2008, and as of June 30, 2010 the University has no securities on loan.

4. Interest Rate Risk

The University manages interest rate risk through its investment policies and the investment guidelines established with each manager. Each fixed income manager is assigned a maximum boundary for duration as compared to the manager's relevant benchmark index. The goal is to allow ample freedom for the manager to perform, while controlling the interest rate risk in the portfolio. Modified duration, which estimates the sensitivity of a bond's price to interest rate changes, is based on a calculation entitled Macaulay duration.

Macaulay is an accepted calculation developed for a portfolio of bonds assembled to fund a fixed liability. Macaulay duration is calculated as follows: sum of discounted time-weighted cash flows divided by the bond price. Modified duration is calculated using the following formula: Macaulay duration divided by (one plus yield-to-maturity divided by the number of coupon payments per year).

The Interest Rate Risk Schedule presents the modified duration of the University's investments for which duration is measured. Duration figures at June 30, 2010, exclude $60.4 million of fixed-income securities held outside the CEF and the Invested Funds Pool. These amounts, which in total makeup 1.9 percent of the University's investments, are not included in the duration figures below.

University of Washington
Interest Rate Risk
Duration as of June 30, 2010
(expressed in thousands, modified duration in years)

	Consolidated Endowment Fund		Invested Funds Pool	
	Asset Value	Duration	Asset Value	Duration
Domestic Fixed Income				
Asset backed securities	$ 28,716	2.11	$ 33,336	1.87
Cash equivalents	54,932	1.59	252,486	0.02
Corporate bonds	84,748	2.84	37,797	1.55
Government and agencies	143,467	1.99	692,698	3.26
Mortgage related	16,052	2.53	45,230	2.91
Subtotal Domestic Fixed Income	327,915	2.18	1,061,547	2.37
International Fixed Income				
Cash equivalents	3	-	-	-
International fixed	5,620	3.89	7,215	2.21
Subtotal International Fixed Income	5,623	3.89	7,215	2.21
Total	$ 333,538	2.14	$ 1,068,762	2.36

5. Credit Risk

Credit risk is the risk that the issuer or other counterparty to a financial instrument will not fulfill its obligations, or negative perceptions of the issuer's ability to make these payments will cause prices to decline.

The University investment policies limit fixed income exposure to investment grade assets. The investment policy for the University's invested funds cash pool requires each manager to maintain an average quality rating of "AA" as issued by a nationally recognized rating organization. The invested funds liquidity pool requires each manager to maintain an average quality rating of "A" and to hold 50 percent of their portfolios in government and government agency issues.

The investment policy for the CEF reflects its long-term nature by specifying average quality rating levels by individual manager, but still restricting investments to investment grade credits.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The University does not have a formal policy regarding custodial credit risk. However, all University assets are held in the name of the University of Washington and are not subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The University mitigates concentration of credit risk by maintaining a portfolio of investment grade assets and by the due diligence of each manager.

The following schedule provides information on investments subject to credit risk.

University of Washington
Investments Credit Rating
As of June 30, 2010
(expressed in thousands)

Credit Rating	Consolidated Endowment Fund Asset Value	Invested Funds Asset Value
AAA	$ 81,363	$ 179,212
AA	38,473	20,504
A	30,979	5,062
BBB	8,384	2,930
BB	188	1,514
B	449	1,564
CCC	485	7,936
CC	203	1,612
Not rated	13,254	9,419
Total	$ 173,778	$ 229,753

6. Foreign Currency Risk

The University's investment policies permit investments in international equity and other asset classes that can include foreign currency exposure. The University also enters into foreign currency forward contracts, futures contracts, and options to manage the foreign currency exposure.

At June 30, 2010, the University had net outstanding forward commitments to sell foreign currency with a total fair value of $4.7 million, which equals 0.15 percent of the total portfolio.

The following schedule details the market value of foreign denominated securities by currency type in the CEF.

University of Washington
Consolidated Endowment Fund
Foreign Currency Risk
June 30, 2010
(expressed in thousands)

Foreign Currency	Foreign Fixed Income	Foreign Equity	Alternatives and Other Investments
Australia-Dollar	$ -	$ 7,159	$ 4,436
Brazil-Real	-	43,553	306
Britain-Pound	4,134	34,199	16,970
Canada-Dollar	1,224	9,023	15,353
China-Renminbi	-	43,613	7,511
E.M.U.-Euro	1,681	52,258	59,432
India-Rupee	-	30,865	22,170
Hong Kong-Dollar	-	31,300	4,804
Japan-Yen	-	40,845	13,273
Russia-Ruble	-	27,717	2,070
Singapore-Dollar	-	10,641	1,946
South Korea-Won	-	18,897	867
Switzerland-Franc	1,600	18,971	3,431
Taiwan-Dollar	3	19,845	2,648
Other (less than 2% total exposure)	-	77,545	20,999
Total	$ 8,642	$ 466,431	$ 176,216

7. Derivatives

The University's investments include certain derivative instruments and structured notes that derive their value from a security, asset, or index. Under the University's investment policies and guidelines derivatives may be used to manage the aggregate portfolio risk/return profile. This includes the use of swaps, options, futures and other derivative products to adjust exposures, to equitize cash, or to rebalance across asset classes.

The University's participation in investment derivative activity in total return swaps during Fiscal Year 2010 is summarized in the following schedule. The values are based on quoted market prices.

Credit exposure represents exposure to counterparties relating to financial instruments where gains exceed collateral held by the University or losses are less than the collateral posted by the University. There was no credit exposure as of June 30, 2010.

The University did not invest in derivatives for hedging purposes during Fiscal Year 2010. Details on foreign currency derivatives are disclosed under Foreign Currency Risk.

University of Washington
Derivative Investments
June 30, 2010
(expressed in thousands)

	Change in Fair Value		Fair Value			
Derivative Instrument	**Classification**	**Amount**	**Classification**	**Amount**	**Notional**	**Counterparty Credit Rating**
Equity swap	Investment revenue (loss)	$ (5,110)	Investment	$ (5,110)	$ 92,940	A-1

8. Reverse Repurchase Agreements – None.

F. INVESTMENTS - OFFICE OF THE STATE TREASURER CASH MANAGEMENT ACCOUNT

1. Summary of Investment Policies

The Office of the State Treasurer (OST) operates the state's Cash Management Account for investing Treasury/Trust Funds in excess of daily requirements.

The overall objective of the OST investment policy is to construct, from eligible investments noted below, an investment portfolio that is optimal or efficient. An optimal or efficient portfolio is one that provides the greatest expected return for a given expected level of risk, or the lowest expected risk for a given expected return.

The emphasis on "expected" is to recognize that investment decisions are made under conditions of risk and uncertainty. Neither the actual risk nor return of any investment decision is known with certainty at the time the decision is made.

Eligible Investments. Eligible investments are only those securities and deposits authorized by statute (Chapters 39.58, 39.59, 43.84.080 and 43.250 RCW). Eligible investments include:

- Obligations of the U.S. government.
- Obligations of U.S. government agencies, or of corporations wholly owned by the U.S. government.
- Obligations of government sponsored corporations that are or may become eligible as collateral for advances to member banks as determined by the board of governors of the Federal Reserve.
- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all of the organizations.
- Commercial paper, provided that the OST adheres with policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7).
- Deposits with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Local Government Investment Pool, for proceeds of bonds or other debt obligations, when the investments are made in order to comply with the Internal Revenue Code of 1986, as amended.
- Obligations of the state of Washington or its political sub-divisions.

Investment Restrictions. To provide for the safety and liquidity of Treasury/Trust Funds, the Cash Management Account investment portfolio is subject to the following restrictions:

- The final maturity of any security will not exceed ten years.
- Purchase of collateralized mortgage obligations (CMO) requires prior approval from the treasurer or assistant treasurer; CMO securities must pass the Federal Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency.
- The allocation to investments subject to high sensitivity or reduced marketability will not exceed 15 percent of the daily balance of the portfolio.

Additionally, investments in non-government securities, excluding collateral of repurchase agreements, must fall within prescribed limits.

2. Securities Lending

State statutes permit the OST to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The OST, which has contracted with a lending agent to lend securities, earns a fee for this activity.

The OST lending agent lends U.S. government and U.S. agency securities and receives collateral, which can be in the form of cash or other securities. The collateral, which must be valued at 102 percent of the fair value of the loaned securities, is priced daily and, if necessary, action is taken to maintain the collateralization level at 102 percent.

The cash is invested by the lending agent in repurchase agreements or money market instruments, in accordance with investment guidelines approved by the OST.

The securities held as collateral and the securities underlying the cash collateral are held by the custodian.

The contract with the lending agent requires them to indemnify the OST if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or if the borrower fails to pay the OST for income distribution by the securities' issuers while the securities are on loan. The OST cannot pledge or sell collateral securities received unless the borrower defaults. At June 30, 2010, there were no securities on loan.

The OST investment policy requires that any securities on loan be made available by the lending agent for next day liquidity at the option of the OST. During Fiscal Year 2010, the OST had no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed the OST.

There were no violations of legal or contractual provisions or any losses resulting from a default of a borrower or lending agent during the fiscal year.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of the investment. The Treasury/Trust investments are separated into portfolios with objectives based primarily on liquidity needs.

The OST's investment policy limits the weighted average maturity of its investments based on cash flow expectations. Policy also directs due diligence to be exercised with timely reporting of material deviation from expectations and actions taken to control adverse developments as may be possible.

The following schedule presents the fair value of the OST's investments by type at June 30, 2010.

Office of the State Treasurer (OST)
Cash Management Account
June 30, 2010
(expressed in thousands)

		Maturity	
Investment Type	**Fair Value**	**Less than 1 Year**	**1-5 Years**
U.S. agency obligations	$ 1,047,761	$ 141,034	$ 906,727
U.S. government obligations	248,657	-	248,657
Repurchase agreements	2,400,000	2,400,000	-
Certificates of deposit	187,177	187,177	-
Interest bearing bank accounts	231,296	231,296	-
Total	$ 4,114,891	$ 2,959,507	$ 1,155,384

4. Credit Risk

The OST limits credit risk by adhering to the OST investment policy which restricts the types of investments the OST can participate in, such as: U.S. government and agency securities, banker's acceptances, commercial paper, and deposits with qualified public depositaries.

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The OST investment policy requires that securities purchased by the office to be held by the master custodian, acting as an independent third party, in its safekeeping or trust department. Securities utilized in repurchase agreements are subject to additional restrictions. These restrictions are designed to limit the OST's exposure to risk and insure the safety of the investment.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. For non-governmental securities, the OST limits its exposure to concentration of credit risk by restricting the amount of investments to no more than 5 percent of the portfolio to any single issuer. During Fiscal Year 2010, the non-governmental securities of a single issuer held by the Cash Management Account did not exceed 5 percent of the total portfolio.

5. Foreign Currency Risk - None.

6. Derivatives - None.

7. Reverse Repurchase Agreements

State law also permits the OST to enter into reverse repurchase agreements, which are, by contract, sales of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The fair value of the securities pledged as collateral by the OST underlying the reverse repurchase agreements normally exceeds the cash received, providing the dealers a margin against a decline in the fair value of the securities. If the dealers default on their obligations to resell these securities to the OST or to provide equal value in securities or cash, the OST would suffer an economic loss equal to the differences between the fair value plus accrued interest of the underlying securities and the agreement obligation, including accrued interest. The OST investment policy limits the amount of reverse repurchase agreements to 30 percent of the total portfolio.

The market value, plus accrued income, of mortgage-backed securities utilized in repurchase agreements with more than seven days remaining until maturity will be 105 percent of the value of the repurchase agreement.

The market value, plus accrued income, of securities utilized in all other repurchase agreements will be 102 percent of the value of the repurchase agreement. The securities utilized in repurchase agreements are priced daily and held by the Treasury/Trust custodian in the state's name. Collateralized Mortgage Obligations (CMOs) utilized in repurchase agreements must pass the Federal Financial Institutions Examination Council (FFIEC) test, or not exceed a volatility rating of V-5 by Fitch Investor Services, or a similar rating of a nationally recognized rating agency. There were no reverse repurchase agreements as of June 30, 2010.

Note 4
Receivables and Deferred/Unearned Revenues

A. GOVERNMENTAL FUNDS

Taxes Receivable

Taxes receivable at June 30, 2010, consisted of the following (expressed in thousands):

Taxes Receivable	General	Higher Education Special Revenue	Motor Vehicle Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property	$ 965,191	$ -	$ -	$ -	$ 221	$ 965,412
Sales	1,293,167	3,534	-	-	2,090	1,298,791
Business and occupation	490,627	-	-	-	-	490,627
Estate	4,574	17,635	-	-	-	22,209
Fuel	-	-	111,238	-	2	111,240
Other	2,925	-	-	-	132	3,057
Subtotals	2,756,484	21,169	111,238	-	2,445	2,891,336
Less: Allowance for uncollectible receivables	53,237	-	702	-	22	53,961
Total Taxes Receivable	$ 2,703,247	$ 21,169	$ 110,536	$ -	$ 2,423	$ 2,837,375

Other Receivables

Other receivables at June 30, 2010, consisted of the following (expressed in thousands):

Other Receivables	General	Higher Education Special Revenue	Motor Vehicle Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Public assistance (1)	$ 1,132,069	$ -	$ -	$ -	$ -	$ 1,132,069
Accounts receivable	63,603	175,815	25,119	860	43,053	308,450
Interest	-	6,744	-	4,160	3,956	14,860
Loans (2)	2,887	132,964	-	-	374,497	510,348
Long-term contracts (3)	1,449	-	-	8,639	53,633	63,721
Miscellaneous	30,045	44,368	46,858	9,437	192,631	323,339
Subtotals	1,230,053	359,891	71,977	23,096	667,770	2,352,787
Less: Allowance for uncollectible receivables	941,862	21,216	8,417	13	14,200	985,708
Total Other Receivables	$ 288,191	$ 338,675	$ 63,560	$ 23,083	$ 653,570	$ 1,367,079

Notes:

(1) Public assistance receivables mainly represent amounts owed the state as a part of the Support Enforcement Program at the Department of Social and Health Services for the amounts due from persons required to pay support for individuals currently on state assistance, and have a low realization expectation. Accordingly, the receivable is offset by a large allowance for uncollectible receivables.

(2) Significant long-term portions of loans receivable include $108 million in the Higher Education Special Revenue Fund for student loans and $364 million in Nonmajor Governmental Funds for low income housing, public works, and economic development/revitalization loans.

(3) Long-term contracts in Nonmajor Governmental Funds are for timber sales contracts.

Deferred Revenue

Deferred revenues at June 30, 2010, consisted of the following (expressed in thousands):

Deferred Revenue	General	Higher Education Special Revenue	Motor Vehicle Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property taxes	$ 946,756	$ -	$ -	$ -	$ 78	$ 946,834
Other taxes	334,959	14,638	-	-	106	349,703
Timber sales	1,448	-	-	8,640	53,633	63,721
Charges for services	17,457	196,087	13,629	359	35,593	263,125
Donable goods	636	-	-	-	4,218	4,854
Grants and donations	27,927	759	137	-	16,963	45,786
Loan program	1,694	-	-	-	677,336	679,030
Miscellaneous	30,665	5,390	11,208	-	20,945	68,208
Total Deferred Revenue	$ 1,361,542	$ 216,874	$ 24,974	$ 8,999	$ 808,872	$ 2,421,261

B. PROPRIETARY FUNDS

Taxes Receivable

Taxes receivable at June 30, 2010, consisted of $9.8 million in liquor taxes reported in Nonmajor Enterprise Funds.

Other Receivables

Other receivables at June 30, 2010, consisted of the following (expressed in thousands):

	Business-Type Activities Enterprise Funds					Governmental Activities
Other Receivables	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Accounts receivable	$ 110,950	$ -	$ 228,926	$ 22,420	$ 362,296	$ 4,167
Interest	102,318	-	530	4,434	107,282	14
Loans	-	-	5	-	5	-
Miscellaneous	484,946	651,415	17,273	1,423	1,155,057	3,021
Subtotals	698,214	651,415	246,734	28,277	1,624,640	7,202
Less: Allowance for uncollectible receivables	109,583	130,290	87,581	164	327,618	229
Total Other Receivables	$ 588,631	$ 521,125	$ 159,153	$ 28,113	$ 1,297,022	$ 6,973

Unearned Revenue

Unearned revenue at June 30, 2010, consisted of the following (expressed in thousands):

	Business-Type Activities Enterprise Funds					Governmental Activities
Unearned Revenue	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Charges for services	$ 3	$ -	$ 33,563	$ 9	$ 33,575	$ 726
Other taxes	87	-	-	43	130	-
Miscellaneous	7,906	-	723	-	8,629	-
Total Unearned Revenue	$ 7,996	$ -	$ 34,286	$ 52	$ 42,334	$ 726

C. FIDUCIARY FUNDS

Other Receivables

Other receivables at June 30, 2010, consisted of the following (expressed in thousands):

Other Receivables	Local Government Investment Pool	Agency Funds
Interest	$ 1,542	$ 10,423
Other	-	2,109
Subtotals	1,542	12,532
Less: Allowance for uncollectible receivables	-	1,919
Total Other Receivables	$ 1,542	$ 10,613

Unearned Revenue

Unearned revenue at June 30, 2010, consisted of $1.1 million for service credit restorations reported in Pension and Other Employee Benefit Funds.

Note 5
Interfund Balances and Transfers

A. INTERFUND BALANCES

Interfund balances as reported in the financial statements at June 30, 2010, consisted of the following (expressed in thousands):

	Due From				
Due To	General	Higher Education Special Revenue	Motor Vehicle Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds
General	$ -	$ 25,495	$ 2,462	$ -	$ 31,402
Higher Educ. Special Revenue	45,313	-	608	12	15,335
Motor Vehicle Special Revenue	947	5	-	-	8,742
Higher Education Endowment	-	-	-	-	-
Nonmajor Governmental Funds	792,139	1,192	2,790	2,139	91,085
Workers' Compensation	72	41	-	-	1
Unemployment Compensation	2,421	1,861	359	-	572
Higher Educ. Student Services	10,407	8,718	52	-	6,704
Nonmajor Enterprise Funds	5,383	86	706	-	533
Internal Service Funds	21,301	55,570	8,883	-	11,211
Fiduciary Funds	9	-	-	-	-
Totals	$ 877,992	$ 92,968	$ 15,860	$ 2,151	$ 165,585

Interfund balances are expected to be paid within one year from the date of the financial statements. These balances resulted from the time lag between the dates that (1) interfund goods and services were provided and when the payments occurred, and (2) interfund transfers were accrued and when the liquidations occurred.

In addition to the interfund balances noted in the schedule above, there are interfund balances of $1.6 million within the state's Pension Trust Funds.

Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Totals
$ 196	$ -	$ 1	$ 14,967	$ 1,562	$ -	$ 76,085
318	-	65,054	2	28,530	-	155,172
2	-	-	3	1,733	-	11,432
-	-	-	-	-	28	28
106	1,120	110,352	10,791	1,185	21	1,012,920
-	-	-	-	400	14	528
607	-	64	182	273	-	6,339
226	-	-	-	3	328	26,438
31	-	116	1,090	868	3	8,816
3,828	-	53	1,202	67,903	1,425	171,376
20	-	-	253	12	-	294
$ 5,334	$ 1,120	$ 175,640	$ 28,490	$ 102,469	$ 1,819	$ 1,469,428

B. INTERFUND TRANSFERS

Interfund transfers as reported in the financial statements for the year ended June 30, 2010, consisted of the following (expressed in thousands):

	Transferred To				
Transferred From	**General**	**Higher Education Special Revenue**	**Motor Vehicle Special Revenue**	**Higher Education Endowment**	**Nonmajor Governmental Funds**
General	$ -	$ 203,231	$ -	$ 499	$ 1,344,063
Higher Educ. Special Revenue	55,936	-	-	3,511	60,717
Motor Vehicle Special Revenue	-	-	-	-	341,733
Higher Education Endowment	-	103	-	-	100,718
Nonmajor Governmental Funds	1,000,061	-	24,228	2,177	278,568
Workers' Compensation	-	-	-	-	-
Higher Educ. Student Services	-	1,423	-	-	18,731
Nonmajor Enterprise Funds	125,499	13,100	-	-	118,346
Internal Service Funds	5,632	2	-	547	-
Totals	$ 1,187,128	$ 217,859	$ 24,228	$ 6,734	$ 2,262,876

* Transfers of $3 million of capital assets were made from Proprietary Funds to Governmental Funds.

Except as noted below, transfers are used to 1) move revenues from the fund that statute requires to collect them to the fund that statute requires to expend them, 2) move receipts designated for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 4) move profits from the Liquor Fund and the Lottery Fund as required by law, and 5) transfer amounts to and from the General Fund as required by law.

Pursuant to Engrossed Substitute Senate Bill 5073, effective July 1, 2009, six accounts, previously reported within Nonmajor Governmental funds were consolidated into the General Fund. Because of the close relationship between these accounts and the General Fund, they were consolidated to improve budget transparency. The consolidation resulted in an $89 million transfer into the General Fund.

On June 30, 2010, $119 million was transferred to the Budget Stabilization Account (BSA) in accordance with the provisions of the Constitution. The BSA is reported within Nonmajor Governmental Funds. The Constitution details a limited number of circumstances under which funds can be appropriated from the BSA, one of which is a favorable vote of at least three-fifths of the members of each house of the Legislature. During Fiscal Year 2010, Engrossed Substitute House Bill 6444 authorized the transfer of $45 million from the BSA to the General Fund.

Engrossed Substitute House Bill 6444 also required transfer of $829 million from other funds to the General Fund to address revenue shortfalls.

In addition to the transfers noted in the schedule above, there were transfers of $20 million within the state's Pension Trust Funds.

Workers' Compensation	Higher Education Student Services	Nonmajor Enterprise Funds	Internal Service Funds	Capital Asset Transfers *	Totals
$ -	$ -	$ 7,750	$ 10,855	$ -	$ 1,566,398
-	11,561	-	4,810	-	136,535
-	-	-	-	-	341,733
-	27	-	-	-	100,848
-	1,329	15	-	-	1,306,378
-	-	-	-	-	-
-	-	-	459	2,957	23,570
-	-	19,224	-	21	276,190
840	6,952	147	9,186	-	23,306
$ 840	$ 19,869	$ 27,136	$ 25,310	$ 2,978	$ 3,774,958

Note 6
Capital Assets

Capital assets at June 30, 2010, are reported by the state of Washington within Governmental Activities and Business-Type Activities, as applicable.

A. GOVERNMENTAL CAPITAL ASSETS

The following is a summary of governmental capital asset activity for the year ended June 30, 2010 (expressed in thousands):

Capital Assets	Balances July 1, 2009	Additions	Deletions	Balances June 30, 2010
Capital assets, not being depreciated:				
Land	$ 1,130,220	$ 125,548	$ (77,004)	$ 1,178,764
Transportation infrastructure	18,214,619	1,430,009	(18)	19,644,610
Intangible assets- indefinite lives	-	2,552	-	2,552
Art collections, library reserves, and museum and historical collections	113,899	2,107	(5,523)	110,483
Construction in progress	1,184,622	537,752	(856,986)	865,388
Total capital assets, not being depreciated	20,643,360			21,801,797
Capital assets, being depreciated:				
Buildings	9,704,545	709,337	(12,559)	10,401,323
Accumulated depreciation	(3,231,393)	(251,880)	7,825	(3,475,448)
Net buildings	6,473,152			6,925,875
Other improvements	1,141,720	97,236	(4,027)	1,234,929
Accumulated depreciation	(472,828)	(43,370)	2,011	(514,187)
Net other improvements	668,892			720,742
Furnishings, equipment and intangible assets	3,790,589	242,377	(130,301)	3,902,665
Accumulated depreciation	(2,413,843)	(251,292)	124,730	(2,540,405)
Net furnishings, equipment and intangible assets	1,376,746			1,362,260
Infrastructure	735,070	71,395	-	806,465
Accumulated depreciation	(339,283)	(30,933)	-	(370,216)
Net infrastructure	395,787			436,249
Total capital assets, being depreciated, net	8,914,577			9,445,126
Governmental Activities Capital Assets, Net	$ 29,557,937			$ 31,246,923

B. BUSINESS-TYPE CAPITAL ASSETS

The following is a summary of business-type capital asset activity for the year ended June 30, 2010 (expressed in thousands):

Capital Assets	Balances July 1, 2009	Additions	Deletions	Balances June 30, 2010
Capital assets, not being depreciated:				
Land	$ 142,347	$ 369	$ -	$ 142,716
Art collections	35	-	-	35
Construction in progress	153,466	184,484	(126,933)	211,017
Total capital assets, not being depreciated	295,848			353,768
Capital assets, being depreciated:				
Buildings	2,226,911	185,160	(8,250)	2,403,821
Accumulated depreciation	(660,759)	(73,539)	1,863	(732,435)
Net buildings	1,566,152			1,671,386
Other improvements	91,290	6,523	-	97,813
Accumulated depreciation	(23,747)	(3,419)	-	(27,166)
Net other improvements	67,543			70,647
Furnishings, equipment and intangible assets	507,256	40,393	(13,023)	534,626
Accumulated depreciation	(357,499)	(47,115)	12,150	(392,464)
Net furnishings, equipment and intangible assets	149,757			142,162
Infrastructure	34,995	1,234	(6,119)	30,110
Accumulated depreciation	(15,364)	(1,264)	2,795	(13,833)
Net infrastructure	19,631			16,277
Total capital assets, being depreciated, net	1,803,083			1,900,472
Business-Type Activities Capital Assets, Net	$ 2,098,931			$ 2,254,240

C. DEPRECIATION

Depreciation expense for the year ended June 30, 2010, was charged by the primary government as follows (expressed in thousands):

	Amount
Governmental Activities:	
General government	$ 61,189
Education - elementary and secondary (K-12)	3,335
Education - higher education	319,554
Human services	22,875
Adult corrections	39,616
Natural resources and recreation	39,734
Transportation	91,172
Total Depreciation Expense - Governmental Activities*	$ 577,475
Business-Type Activities:	
Workers' compensation	$ 7,991
Unemployment compensation	-
Higher education student services	101,021
Other	16,325
Total Depreciation Expense - Business-Type Activities	$ 125,337

*Includes $69 million internal service fund depreciation that was allocated to functions as a part of the net internal service fund activity.

D. CONSTRUCTION IN PROGRESS

Major construction commitments of the state at June 30, 2010, are as follows (expressed in thousands):

Agency / Project Commitments	Construction In Progress June 30, 2010	Remaining Project Commitments
Department of General Administration:		
O'Brien building improvement, Transportation building improvements and other projects	$ 33,510	$ 44,179
Department of Labor and Industries:		
Early Claims Solution software and Detecting Unregistered Employers software	7,443	13,405
Department of Social and Health Services:		
State hospital and juvenile rehab construction and renovations, and other projects	48,755	4,641
Department of Veterans Affairs:		
Veterans Cemetery and other facility rehabilitation projects	8,519	1,438
Department of Corrections:		
Correctional centers construction, improvements, and other projects	68,846	380,464
Department of Transportation:		
State highway office and maintenance facilities, and ferry vessels and terminals	216,480	189,213
Transportation infrastructure	-	3,654,122
Parks and Recreation Commission:		
Cama Beach dining hall and Rasar Group camp development	3,722	1,946
Department of Fish and Wildlife:		
Skookumchuck Hatchery renovation, Deschutes Watershed center, and other projects	12,340	13,151
Employment Security Department:		
Next Generation Taxis Systemp project	14,848	43,610
State Convention and Trade Center:		
MOHAI property	50,034	7,966
Higher Education Facilities:		
University of Washington	280,521	263,779
Washington State University	29,585	277,147
Eastern Washington University	7,417	2,694
Central Washington University	11,773	58,410
The Evergreen State College	17,051	4,880
Western Washington University	42,880	43,886
Community and Technical Colleges	218,504	333,859
Other agencies miscellaneous projects	4,177	7,497
Total Construction in Progress	$ 1,076,405	$ 5,346,287

Note 7
Long-Term Liabilities

A. BONDS PAYABLE

Bonds payable at June 30, 2010, are reported by the state of Washington within governmental activities and business-type activities, as applicable.

The State Constitution and enabling statutes authorize the incurrence of state general obligation debt, to which the state's full faith, credit, and taxing power are pledged, either by the State Legislature or by a body designated by statute (presently the State Finance Committee).

Legislative authorization arises from:

- An affirmative vote of 60 percent of the members of each house of the Legislature, without voter approval, in which case the amount of such debt is generally subject to the constitutional debt limitation described below;

- When authorized by law for a distinct work or object and approved by a majority of the voters voting thereon at a general election, or a special election called for that purpose, in which case the amount of the debt so approved is not subject to the constitutional debt limitations described below;

- By the State Finance Committee without limitation as to amount, and without approval of the Legislature or approval of the voters.

The State Finance Committee debt authorization does not require voter approval; however, it is limited to providing for: (1) meeting temporary deficiencies of the state treasury if such debt is discharged within 12 months of the date of incurrence and is incurred only to provide for appropriations already made by the Legislature; or (2) refunding of outstanding obligations of the state.

Legal Debt Limitation

The State Constitution limits the amount of state debt that may be incurred by restricting the amount of general state revenues which may be allocated to pay principal and interest on debt subject to these limitations. More specifically, the constitutional debt limitation prohibits the issuance of new debt if it would cause the maximum annual debt service on all thereafter outstanding debt to exceed 9 percent of the arithmetic mean of general state revenues for the preceding three fiscal years. This limitation restricts the incurrence of new debt and not the amount of debt service that may be paid by the state in future years.

The State Constitution and current statues require the State Treasurer to certify the debt service limitation for each fiscal year. In accordance with these provisions, the debt service limitation for Fiscal Year 2010 is $1.1 billion.

This computation excludes specific bond issues and types, which are not secured by general state revenues. Of the $16.6 billion general obligation bond debt outstanding at June 30, 2010, $10.2 billion is subject to the limitation.

Based on the debt limitation calculation, the debt service requirements as of June 30, 2010, did not exceed the authorized debt service limitation.

For further information on the debt limit refer to the Certification of the Debt Limitation of the State of Washington available from the Office of the State Treasurer at: http://www.tre.wa.gov/documents/debt_cdl2010.pdf, or to the Statistical Section of this report.

Authorized But Unissued

The state had a total of $9.5 billion in general obligation bonds authorized but unissued as of June 30, 2010, for the purpose of capital construction and transportation projects throughout the state.

Interest Rates

Interest rates on fixed rate general obligation bonds ranged from 1.15 to 7.25 percent. Variable rate demand obligations (VRDO) of $131.4 million as of June 30, 2010, are remarketed on a weekly basis. Interest rates on revenue bonds range from 2.50 to 7.40 percent.

Debt Service Requirements to Maturity

General Obligations Bonds

General obligation bonds have been authorized and issued primarily to provide funds for:

- Acquisition and construction of state and common school capital facilities;
- Transportation construction and improvement projects;
- Assistance to local governments for public works capital projects; and
- Refunding of general obligation bonds outstanding.

Outstanding general obligations bonds are presented in the Washington State Treasurer's Annual Report for 2010. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington, 98504-0200, phone number (360) 902-9000 or TTY (360) 902-8963, or by visiting their website at: http://www.tre.wa.gov/aboutUs/publications/annualReports.shtml.

Total debt service requirements to maturity for general obligation bonds as of June 30, 2010, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
General Obligation Bonds	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2011	$ 622,283	$ 786,377	$ 8,196	$ 4,140	$ 630,479	$ 790,517
2012	619,785	780,244	7,484	3,767	627,269	784,011
2013	648,907	748,645	7,081	3,480	655,988	752,125
2014	683,842	719,232	3,805	553	687,647	719,785
2015	715,165	696,972	4,030	341	719,195	697,313
2016-2020	3,895,221	3,087,521	29,297	56,404	3,924,518	3,143,925
2021-2025	3,664,484	2,126,573	-	-	3,664,484	2,126,573
2026-2030	3,287,523	1,307,698	-	-	3,287,523	1,307,698
2031-2035	1,907,150	341,308	-	-	1,907,150	341,308
2036-2045	495,698	76,581	-	-	495,698	76,581
Total Debt Service Requirements	$ 16,540,058	$ 10,671,151	$ 59,893	$ 68,685	$ 16,599,951	$ 10,739,836

Revenue Bonds

Revenue bonds are authorized under current state statutes, which provide for the issuance of bonds that are not supported, or not intended to be supported, by the full faith and credit of the state.

The University of Washington issues general revenue bonds that are payable from general revenues, including student tuition and fees, grant indirect cost recovery, sales and services revenue, and investment income. General revenue bonds outstanding as of June 30, 2010, include $141.7 million in governmental activities and $631.6 million in business-type activities.

The remainder of the state's revenue bonds pledge income derived from acquired or constructed assets for retirement of the debt and payment of the related interest.

Total debt service requirements for revenue bonds to maturity as of June 30, 2010, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
Revenue Bonds	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2011	$ 24,132	$ 40,519	$ 40,106	$ 49,672	$ 64,238	$ 90,191
2012	22,145	39,417	30,221	48,517	52,366	87,934
2013	8,210	38,321	31,960	47,183	40,170	85,504
2014	20,961	37,949	33,023	45,689	53,984	83,638
2015	17,330	36,757	35,535	44,585	52,865	81,342
2016-2020	131,688	164,030	188,102	196,490	319,790	360,520
2021-2025	154,204	124,779	189,131	152,451	343,335	277,230
2026-2030	190,138	77,508	161,029	107,885	351,167	185,393
2031-2035	87,274	23,545	125,397	65,869	212,671	89,414
2036-2040	86,916	8,410	249,441	24,664	336,357	33,074
Total Debt Service Requirements	$ 742,998	$ 591,235	$ 1,083,945	$ 783,005	$ 1,826,943	$ 1,374,240

Governmental activities include revenue bonds outstanding at June 30, 2010, of $422.9 million issued by the Tobacco Settlement Authority (TSA), which is a blended component unit of the state. In November 2002, the TSA issued $517 million in bonds and transferred $450 million to the state to be used for increased health care, long-term care, and other programs.

These bonds do not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. The bonds are obligations of the TSA and are secured solely by the TSA's right to receive 29.2 percent of the state's tobacco settlement revenues, restricted investments of the TSA, undistributed TSA bond proceeds, and the earnings thereon held under the indenture authorizing the bonds. Total principal and interest remaining on the bonds is $800.6 million, payable through 2032. For the current year, pledged revenue and debt service were $44.1 million and $46.6 million, respectively.

Governmental activities include revenue bonds outstanding at June 30, 2010, of $111.7 million issued by Washington State University. The bonds were issued to fund various capital construction projects.

These bonds do not constitute either a legal or moral obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on the bonds is $176.5 million, payable through 2034. For the current year, pledged revenue and debt service were $24.6 million and $1.5 million, respectively.

Governmental activities also include revenue bonds outstanding at June 30, 2010, of $54.9 million issued by the Tumwater Office Properties (TOP), which is a blended component unit of the state. The bonds, issued in 2004, are payable solely from the trust estate pledged under the indenture, including rental payments. The bonds were used to construct an office building in Tumwater, Washington which the state occupied beginning in Fiscal Year 2006.

The bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on the bonds is $90.4 million, payable through 2028. For the current year, pledged revenue and debt service were $3.6 million and $3.6 million, respectively.

Additionally, governmental activities include revenue bonds outstanding at June 30, 2010, of $11.8 million issued by the City of Aberdeen. The bonds were used to extend utilities to the state Department of Corrections Stafford Creek Corrections Center (SCCC). The Department of Corrections entered into an agreement with the City of Aberdeen to pay a system development fee sufficient to pay the debt service on the bonds. The bonds were issued in 1998 and 2002, and refunded by the City in 2010, and are payable solely from current operating appropriations.

The bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds. Total principal and interest remaining on these bonds is $14.5 million, payable through 2022. For the current year, pledged revenue and debt service were $1.6 million and $1.6 million, respectively.

The state's colleges and universities issue bonds for the purpose of housing, dining, parking, and student facilities construction. These bonds are reported within business-type activities and are secured by a pledge of specific revenues. These bonds are not a general obligation of the state, nor does the state pledge its full faith, credit, or taxing power for payment of these bonds.

Total pledged specific revenues for the state's colleges and universities to repay the principal and interest of revenue bonds as of June 30, 2010, are as follows (expressed in thousands):

Source of Revenue Pledged	Housing and Dining Revenues (Net of Operating Expenses)	Student Facilities Fees and Earnings on Invested Fees	Parking Revenues (Net of Operating Expenses)	Bookstore Revenues
Current revenue pledged	$ 47,289	$ 47,153	$ 10,889	$ 543
Current year debt service	17,367	24,887	1,318	228
Total future revenues pledged *	366,253	647,742	37,631	5,481
Description of debt	Housing and dining bonds, issued in 1998-2010	Student facilities bonds, issued in 1996-2009 and refunding revenue bonds, issued in 2002-2006	Parking system and refunding revenue bonds, issued in 2004-2005	Student union and recreation center bonds issued in 2004
Purpose of debt	Construction and renovation of student housing and dining projects	Construction, renovation and improvements to student activity facilities and sports stadium	Construction of parking garage and improvements	Construct new bookstore as part of new student union and recreation center building
Term of commitment	2013-2038	2019-2038	2024-2030	2034
Percentage of debt service to pledged revenues (current year)	36.7%	52.8%	12.1%	42.1%

* Total future principal and interest payments.

B. CERTIFICATES OF PARTICIPATION

Certificates of participation at June 30, 2010, are reported by the state of Washington within governmental activities and business-type activities, as applicable.

Current state law authorizes the state to enter into long-term financing contracts for the acquisition of real or personal property and for the issuance of certificates of participation in the contracts. These certificates of participation do not fall under the general obligation debt limitations and are generally payable only from annual appropriations by the Legislature.

Other specific provisions could also affect the state's obligation under certain agreements. The certificates of participation are recorded for financial reporting purposes if the possibility of the state not meeting the terms of the agreements is considered remote.

Total debt service requirements for certificates of participation to maturity as of June 30, 2010, are as follows (expressed in thousands):

	Governmental Activities		Business-Type Activities		Totals	
Certificates of Participation	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
By Fiscal Year:						
2011	$ 54,711	$ 25,990	$ 74,503	$ 16,940	$ 129,214	$ 42,930
2012	46,097	15,794	30,046	10,294	76,143	26,088
2013	43,688	14,006	28,476	9,129	72,164	23,135
2014	44,179	12,327	28,796	8,035	72,975	20,362
2015	40,838	10,493	26,618	6,840	67,456	17,333
2016-2020	125,033	32,643	42,666	21,276	167,699	53,919
2021-2025	61,333	15,643	39,977	10,196	101,310	25,839
2026-2030	33,457	3,927	21,808	2,560	55,265	6,487
Total Debt Service Requirements	$ 449,336	$ 130,823	$ 292,890	$ 85,270	$ 742,226	$ 216,093

C. DEBT REFUNDINGS

When advantageous and permitted by statute and bond covenants, the State Finance Committee authorizes the refunding of outstanding bonds and certificates of participation. Colleges and universities may also refund revenue bonds.

When the state refunds outstanding bonds, the net proceeds of each refunding issue are used to purchase U.S. government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds.

As a result, the refunded bonds are considered defeased and the liability is removed from the government-wide statement of net assets.

Current Year Defeasances

Bonds

Governmental Activities.
On July 8, 2009, the state issued $386.4 million of various purpose general obligation refunding bonds with an average interest rate of 4.89 percent to refund $419.9 million of various purpose general obligation bonds with an average interest rate of 4.99 percent. The refunding resulted in a $40.9 million gross debt service savings over the next 14 years and a net present value savings of $34.1 million.

On October 14, 2009, the state issued $215.5 million of various purpose general obligation refunding bonds with an average interest rate of 5.24 percent to refund $222 million of various purpose general obligation bonds with an average interest rate of 5 percent. The refunding resulted in a $19.2 million gross debt service savings over the next 16 years and a net present value savings of $15.3 million.

On October 14, 2009, the state issued $121.2 million of motor vehicle fuel tax refunding bonds with an average interest rate of 5.24 percent to refund $124.5 million of motor vehicle fuel tax bonds with an average interest rate of 5 percent. The refunding resulted in a $10.4 million gross debt service savings over the next 16 years and a net present value savings of $8.3 million.

Business-Type Activities.
On October 28, 2009, Washington State University issued $38.4 million of student recreation center refunding revenue bonds with an average interest rate of 4.42 percent to refund $40.5 million of student recreation center revenue bonds with an average interest rate of 5 percent. The refunding resulted in a $5.8 million gross debt service savings over the next 22 years and an economic gain of $3.9 million.

On June 29, 2010, Washington State University issued $15 million of housing and dining refunding revenue bonds with an average interest rate of 3.83 percent to refund $15.8 million of housing and dining revenue bonds with an average interest rate of 4.95 percent. The refunding resulted in a $2.1 million gross debt service savings over the next 14 years and an economic gain of $1.7 million.

Certificates of Participation (COPs)

On October 8, 2009, the state issued $33.1 million in refunding certificates of participation with an average interest rate of 3.97 percent to refund $34.1 million of certificates of participation with an average interest rate of 5.18 percent. The refunding resulted in a $3.6 million gross debt service savings over the next 12 years and a net present value savings of $3.6 million.

On June 15, 2010, the state issued $4.5 million in refunding certificates of participation with an average interest rate of 3.09 percent to refund $4.5 million of certificates of participation with an average interest rate of 5.27 percent. The refunding resulted in a $0.8 million gross debt service savings over the next 11 years and a net present value savings of $0.6 million.

Prior Year Defeasances

In prior years, the state defeased certain general obligation bonds, revenue bonds, and certificates of participation by placing the proceeds of new bonds and certificates in an irrevocable trust to provide for all future debt service payments on the prior bonds and certificates.

Accordingly, the trust account assets and the liability for the defeased bonds and certificates are not included in the state's financial statements.

General Obligation Bond Debt

On June 30, 2010, $615.9 million of general obligation bonded debt outstanding is considered defeased.

Revenue Bond Debt

On June 30, 2010, $68.8 million of revenue bonded debt outstanding is considered defeased.

Certificates of Participation Debt

On June 30, 2010, $138.5 million of certificates of participation debt outstanding is considered defeased.

D. LEASES

Leases at June 30, 2010, are reported by the state of Washington within governmental activities and business-type activities, as applicable.

The state leases land, office facilities, office and computer equipment, and other assets under a variety of agreements. Although lease terms vary, most leases are subject to appropriation from the State Legislature to continue the obligation. If the possibility of receiving no funding from the Legislature is remote, leases are considered noncancelable for financial reporting purposes. Leases that represent acquisitions are classified as capital leases, and the related assets and liabilities are recorded in the financial records at the inception of the lease.

Other leases are classified as operating leases with the lease payments recorded as expenditures or expenses during the life of the lease. Certain operating leases are renewable for specified periods. In most cases, management expects that the leases will be renewed or replaced by other leases.

Land, buildings and equipment under capital leases as of June 30, 2010, include the following (expressed in thousands):

	Governmental Activities	Business-Type Activities
Land (non-depreciable)	$ 52	$ -
Buildings	14,435	6,271
Equipment	17,198	17,499
Less: Accumulated depreciation	(22,183)	(20,161)
Totals	$ 9,502	$ 3,609

The following schedule presents future minimum payments for capital and operating leases as of June 30, 2010 (expressed in thousands):

Capital and Operating Leases	Capital Leases		Operating Leases	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
By Fiscal Year:				
2011	$ 4,705	$ 2,559	$ 98,477	$ 29,830
2012	3,075	1,002	83,187	28,758
2013	2,143	404	71,739	29,113
2014	744	400	62,454	28,704
2015-2019	338	392	51,539	27,737
2020-2024	1,667	1,925	133,770	50,928
2025-2029	1,275	818	70,388	-
2030-2034	1,143	-	57,918	-
2035-2039	1,143	-	57,720	-
2040-2044	1,257	-	57,288	-
Total Future Minimum Payments	17,490	7,500	744,480	195,070
Less: Executory Costs and Interest Costs	(3,204)	(1,409)	-	-
Net Present Value of Future Minimum Lease Payments	$ 14,286	$ 6,091	$ 744,480	$ 195,070

The total operating lease rental expense for Fiscal Year 2010 for governmental activities was $178.1 million, of which $365 thousand was for contingent rentals. The total operating lease rental expense for Fiscal Year 2010 for business-type activities was $45.1 million.

E. CLAIMS AND JUDGMENTS

Claims and judgments are materially related to three activities: workers' compensation, risk management, and health insurance. Workers' compensation is a business-type activity, and risk management and health insurance are governmental activities. A description of the risks to which the state is exposed by these activities, and the ways in which the state handles the risks, is presented in Note 1.E.

Workers' Compensation

At June 30, 2010, $40.0 billion of unpaid claims and claim adjustment expenses are presented at their net present and settlement value of $24.0 billion. These claims are discounted at assumed interest rates of 2.5 percent (time loss and medical) to 6.5 percent (pensions) to arrive at a settlement value.

The claims and claim adjustment liabilities of $24.0 billion as of June 30, 2010, include $12.8 billion for supplemental pension cost of living adjustments (COLAs) that by statute are not to be fully funded.

These COLA payments are funded on a pay-as-you-go basis, and the workers' compensation actuaries have indicated that future premium payments will be sufficient to pay these claims as they come due.

The remaining claims liabilities of $11.2 billion are fully funded by long-term investments, net of obligations under securities lending agreements.

Changes in the balances of workers' compensation claims liabilities during Fiscal Years 2009 and 2010 were as follows (expressed in thousands):

Workers' Compensation Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2009	$ 21,887,148	2,334,749	(2,057,829)	$ 22,164,068
2010	$ 22,164,068	3,943,217	(2,081,453)	$ 24,025,832

Risk Management

Risk management reports tort liabilities when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for tort claims that have been incurred but not reported. It also includes an actuarial estimate of loss adjustment expenses for tort defense.

Because actual liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, it should be recognized that future loss emergence will likely deviate, perhaps materially, from the actuarial estimates. Liabilities are re-evaluated annually to take into consideration recently settled claims, the frequency of claims, and other economic or social factors.

The state is a defendant in a significant number of lawsuits pertaining to general and automobile liability matters.

As of June 30, 2010, outstanding and actuarially determined claims against the state and its agencies including actuarially projected defense costs were $727.1 million for which the state has recorded a liability. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined liabilities.

At June 30, 2010, the Risk Management Fund held $115.8 million in cash and pooled investments designated for payment of these claims under the state's Self Insurance Liability Program.

Changes in the balances of risk management claims liabilities during Fiscal Years 2009 and 2010 were as follows (expressed in thousands):

Risk Management Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Tort Defense Payments	Balances End of Fiscal Year
2009	$ 649,761	142,517	(52,963)	(19,118)	$ 720,197
2010	$ 720,197	82,387	(47,425)	(28,023)	$ 727,136

Health Insurance

The Health Insurance Fund establishes a liability when it becomes probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an actuarially determined amount for claims that have been incurred but not reported. Because actual claims liabilities depend on various complex factors, the process used in computing claims liabilities does not always result in an exact amount.

Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

At June 30, 2010, health insurance claims liabilities totaling $88.4 million are fully funded with cash and investments, net of obligations under securities lending agreements.

Changes in the balances of health insurance claim liabilities during Fiscal Years 2009 and 2010 were as follows (expressed in thousands):

Health Insurance Fund	Balances Beginning of Fiscal Year	Incurred Claims and Changes in Estimates	Claim Payments	Balances End of Fiscal Year
2009	$ 69,934	779,143	(765,636)	$ 83,441
2010	$ 83,441	879,324	(874,370)	$ 88,395

F. POLLUTION REMEDIATION

The state reports pollution remediation obligations in accordance with GASB Statement No. 49. The liability reported involves estimates of financial responsibility and amounts recoverable as well as remediation costs.

The liability could change over time as new information becomes available and as a result of changes in remediation costs, technology and regulations governing remediation efforts. Additionally, the responsibilities and liabilities discussed in this disclosure are intended to refer to obligations solely in the accounting context. This disclosure does not constitute an admission of any legal responsibility or liability. Further, it does not establish or affect the rights or obligations of any person under the law, nor does this disclosure impose upon the state any new mandatory duties or obligations.

The state and its agencies are participating as potentially responsible parties in numerous pollution remediation projects under the provisions of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA, generally referred to as Superfund) and the state Model Toxics Control Act.

There are 19 projects in progress for which the state has recorded a liability of $28.8 million which includes an estimated recovery amount of $283 thousand that is not yet realized or realizable.

The state has also voluntarily agreed to conduct certain remediation activities to the extent of funding paid to the state by third parties for such purposes. In Fiscal Year 2010, the state received funding of $148 million from third parties for these remediation activities. At June 30, 2010, the state has recorded a liability of $145.5 million for remaining project commitments.

Overall, the state has recorded a pollution remediation liability of $174.3 million, measured at its estimated amount, using the expected cash flow technique. The overall estimate is based on professional judgment, experience, and historical cost data. For some projects, the state can reasonably estimate the range of expected outlays early in the process because the site situation is common or similar to other sites with which the state has experience. In other cases, the estimates are limited to an amount specified in a settlement agreement, consent decree, or contract for remediation services.

The pollution remediation activity at some sites for which the state would otherwise have a reportable obligation is at a point where certain costs are not reasonably estimable. For example, a site assessment, remedial investigation, or feasibility study is in progress and the cleanup methodology has not yet been determined: and, consequently, associated future costs cannot be estimated.

The state's reported liability does not include remediation costs for future activities where costs are not yet reasonably estimable.

G. LONG-TERM LIABILITY ACTIVITY

Long-term liability activity at June 30, 2010, is reported by the state of Washington within governmental activities and business-type activities, as applicable. Long-term liability activity for governmental activities for the Fiscal Year 2010 is as follows (expressed in thousands):

Governmental Activities:	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Amounts Due Within One Year
Long-Term Debt:					
GO Bonds Payable:					
General obligation (GO) bonds	$ 13,310,430	$ 3,865,560	$ 1,339,770	$ 15,836,220	$ 584,640
GO - zero coupon bonds (principal)	738,719	-	34,881	703,838	37,643
Subtotal - GO bonds payable	14,049,149	3,865,560	1,374,651	16,540,058	622,283
Accreted interest - GO - zero coupon bonds	327,617	38,898	-	366,515	-
Revenue bonds payable	616,071	164,221	37,294	742,998	24,132
Less: Deferred amounts for issuance discounts	(8,729)	-	(779)	(7,950)	-
Total Bonds Payable	14,984,108	4,068,679	1,411,166	17,641,621	646,415
Other Liabilities:					
Certificates of participation	395,092	146,395	92,151	449,336	54,711
Claims and judgments	924,541	54,025	44,518	934,048	272,189
Installment contracts	2,775	-	105	2,670	-
Leases	9,631	9,923	5,268	14,286	4,276
Compensated absences	552,974	333,410	338,632	547,752	59,944
Unfunded pension obligations	154,130	41,976	4,717	191,389	-
Other postemployment benefits obligations	443,655	253,558	-	697,213	-
Pollution remediation obligations	35,005	144,255	4,907	174,353	-
Unclaimed property refunds	2	93,197	-	93,199	41
Other	218,982	1,180,324	910,745	488,561	397,710
Total Other Liabilities	2,736,787	2,257,063	1,401,043	3,592,807	788,871
Total Long-Term Debt	$ 17,720,895	$ 6,325,742	$ 2,812,209	$ 21,234,428	$ 1,435,286

For governmental activities, payments on the certificates of participation are being repaid directly from various governmental funds. The compensated absences liability will be liquidated approximately 50 percent by the General Fund, 27 percent by the Higher Education Special Revenue Fund, 10 percent by the Motor Vehicle Fund, and the balance by various other governmental funds. The claims and judgments liability will be liquidated approximately 78 percent by the Risk Management Fund (an internal service fund), 9 percent by the Health Insurance Fund (an internal service fund), and the balance by various other governmental funds. The pollution remediation liability will be liquidated approximately 85 percent by the Central Administrative and Regulatory Fund, a nonmajor governmental fund, and the balance by various other governmental funds. Leases, installment contract obligations, and other liabilities will be repaid from various other governmental funds.

Long-term liability activity for business-type activities for the Fiscal Year 2010 (expressed in thousands) is as follows:

Business-Type Activities	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Amounts Due Within One Year
Long-Term Debt:					
GO Bonds Payable:					
General obligation (GO) bonds	$ 40,520	$ -	$ 8,010	$ 32,510	$ 7,355
GO - zero coupon bonds (principal)	28,284	-	901	27,383	841
Subtotal - GO bonds payable	68,804	-	8,911	59,893	8,196
Accreted interest - GO - zero coupon bonds	38,051	3,709	-	41,760	-
Revenue bonds payable	1,073,807	89,714	79,576	1,083,945	40,106
Plus: Unamortized amounts issuance premiums	11,296	2,786	1,140	12,942	-
Less: Deferred amounts for issuance discounts	(1,601)	-	(1,118)	(483)	-
Less: Deferred gain/loss on bond refunding	(7,747)	(2,693)	(1,532)	(8,908)	-
Total Bonds Payable	1,182,610	93,516	86,977	1,189,149	48,302
Other Liabilities:					
Certificates of participation	310,040	58,067	75,217	292,890	74,503
Less: Deferred amounts for issuance discounts	(1,167)	-	(148)	(1,019)	-
Claims and judgments	22,175,347	2,044,518	181,543	24,038,322	2,136,582
Lottery prize annuities payable	309,964	73,354	107,407	275,911	50,127
Tuition benefits payable	1,492,100	447,832	86,528	1,853,404	90,300
Leases	9,670	71	3,650	6,091	2,304
Compensated absences	55,684	27,339	23,823	59,200	26,040
Other postemployment benefits obligation	49,896	30,763	-	80,659	-
Other	105,049	575,435	540,291	140,193	109,581
Total Other Liabilities	24,506,583	3,257,379	1,018,311	26,745,651	2,489,437
Total Long-Term Debt	$ 25,689,193	$ 3,350,895	$ 1,105,288	$ 27,934,800	$ 2,537,739

Note 8
No Commitment Debt

The Washington State Housing Finance Commission, Washington Higher Education Facilities Authority, Washington Health Care Facilities Authority, and Washington Economic Development Finance Authority (financing authorities) were created by the state Legislature. For financial reporting purposes, they are discretely presented as component units. These financing authorities issue bonds for the purpose of making loans to qualified borrowers for capital acquisitions, construction, and related improvements.

These bonds do not constitute either a legal or moral obligation of the state or these financing authorities, nor does the state or these financing authorities pledge their faith and credit for the payment of such bonds.

Debt service on the bonds is payable solely from payments made by the borrowers pursuant to loan agreements. Due to their no commitment nature, the bonds issued by these financing authorities are excluded from the state's financial statements.

The schedule below presents the June 30, 2010, balances for the "No Commitment" debt of the state's financing authorities (expressed in thousands):

Financing Authorities	Principal Balance
Washington State Housing Finance Commission	$ 3,910,818
Washington Higher Education Facilities Authority	689,283
Washington Health Care Facilities Authority	4,800,000
Washington Economic Development Finance Authority	715,678
Total No Commitment Debt	$ 10,115,779

Note 9
Fund Balances Reserved for Other Specific Purposes

The nature and purposes of fund balances reserved for other specific purposes as of June 30, 2010, are listed below (expressed in thousands):

Fund Balances	General	Higher Education Special Revenue	Motor Vehicle Special Revenue	Higer Education Endowment	Nonmajor Governmental Funds	Totals
Reserved for Other Specific Purposes:						
Long-term receivables	$ 61,011	$ 2,921	$ 284	$ -	$ 1,759,682	$ 1,823,898
Long-term investments	-	105,135	-	-	946	106,081
Long-term student loans	-	99,880	-	-	-	99,880
Budget stabilization (Rainy Day)	-	-	-	-	95,050	95,050
Petty cash	599	3,042	569	-	228	4,438
Pollution remediation	-	-	-	-	153,391	153,391
Investments with trustees	683	-	-	-	515	1,198
Total Reserved for Other Specific Purposes	$ 62,293	$ 210,978	$ 853	$ -	$ 2,009,812	$ 2,283,936

Note 10
Deficit Net Assets

Guaranteed Education Tuition

The Guaranteed Education Tuition (GET) program within the Other Activities Fund, an enterprise fund, had deficit net assets of $254.6 million at June 30, 2010.

The Higher Education Coordinating Board administers the GET program which is Washington's Internal Revenue Service Code 529 prepaid college tuition plan. It was established to help make higher education more affordable and accessible to all citizens of the state by offering a savings incentive to protect purchasers and beneficiaries from rising tuition costs.

The Committee on Advance Tuition Payment establishes the policies of the program and sets the price of a tuition unit. Since GET began in 1998, families have opened more than 119,000 accounts.

In recent years, the GET program has experienced losses primarily due to reduced investment earnings and higher than projected tuition increases.

The following schedule details the changes in net assets for the GET program during the fiscal year ended June 30, 2010 (expressed in thousands):

Guaranteed Education Tuition Program	Net Assets (Deficit)
Balance, July 1, 2009	$ (234,322)
Fiscal Year 2010 activity	(20,297)
Balance, June 30, 2010	$ (254,619)

Risk Management Fund

The Risk Management Fund, an internal service fund, had deficit net assets of $616.1 million at June 30, 2010. The Risk Management Fund is used to administer the Self-Insurance Liability Program. This program investigates, processes, and adjudicates all tort and sundry claims filed against Washington state agencies. The Self Insurance Liability Program, initiated in 1990, is intended to provide funds for the payment of all tort claims and defense expenses.

The Risk Management Fund is supported by premium assessments to state agencies. The state is restricted by law from accumulating funds in the Self Insurance Liability Program in excess of 50 percent of total outstanding and actuarially determined claims. As a consequence, when outstanding and incurred but not reported claims are actuarially determined and accrued, the result is deficit net assets.

The following schedule details the changes in net assets for the Risk Management Fund during the fiscal year ended June 30, 2010 (expressed in thousands):

Risk Management Fund	Net Assets (Deficit)
Balance, July 1, 2009	$ (617,748)
Fiscal Year 2010 activity	1,633
Balance, June 30, 2010	$ (616,115)

Health Insurance Fund

The Health Insurance Fund, an internal service fund, had deficit net assets of $41 million at June 30, 2010. The Health Insurance Fund is used to account for premiums and costs associated with employees' insurance benefits.

The state of Washington, through the Public Employees Benefits Board (PEBB) program, provides medical, dental, life, and long-term disability coverage to eligible state employees as a benefit of employment. Coverage is provided through private health insurance plans and self-insured products.

The deficit net assets at June 30, 2010 resulted from higher than expected costs to provide health care benefits.

The following schedule details the changes in net assets for the Health Insurance Fund during the fiscal year ended June 30, 2010 (expressed in thousands):

Health Insurance Fund	Net Assets (Deficit)
Balance, July 1, 2009, as restated	$ 28,830
Fiscal Year 2010 activity	(69,851)
Balance, June 30, 2010	$ (41,021)

Note 11
Retirement Plans

A. GENERAL

The state of Washington, through the Department of Retirement Systems, the Board for Volunteer Fire Fighters, and the Administrative Office of the Courts, administers 13 defined benefit retirement plans, three combination defined benefit/defined contribution retirement plans, and one defined contribution retirement plan covering eligible employees of the state and local governments.

Basis of Accounting

Pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

Investments

Pension plan investments are presented at fair value. Fair values are based on published market prices, quotations from national security exchanges and security pricing services, or by the respective fund managers for securities that are not actively traded. Privately held mortgages are valued at cost, which approximates fair value. Certain pension trust fund investments, including real estate and private equity, are valued based on appraisals or independent advisors. The pension funds have no investments of any commercial or industrial organization whose market value exceeds 5 percent of each plan's net assets. Additional disclosure describing investments is provided in Note 3.

Department of Retirement Systems. As established in chapter 41.50 of the Revised Code of Washington (RCW), the Department of Retirement Systems (DRS) administers eight retirement systems comprising 12 defined benefit pension plans and three combination defined benefit/defined contribution plans as follows:

- Public Employees' Retirement System (PERS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- Teachers' Retirement System (TRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
  - Plan 3 – defined benefit/defined contribution
- School Employees' Retirement System (SERS)
  - Plan 2 - defined benefit
  - Plan 3 - defined benefit/defined contribution
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
- Washington State Patrol Retirement System (WSPRS)
  - Plan 1 - defined benefit
  - Plan 2 - defined benefit
- Public Safety Employees' Retirement System (PSERS)
  - Plan 2 - defined benefit
- Judicial Retirement System (JRS)
  - Defined benefit plan
- Judges' Retirement Fund (Judges)
  - Defined benefit plan

Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, SERS, LEOFF, WSPRS, and PSERS systems and plans was funded by an employer rate of 0.16 percent of employee salaries. Administration of the JRS and Judges plans is funded by means of legislative appropriations.

The Department of Retirement Systems prepares a stand-alone financial report. Copies of the report that include financial statements and required supplementary information may be obtained by writing to Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or by visiting their website at: http:\\www.drs.wa.gov.

Board for Volunteer Fire Fighters. As established in chapter 41.24 RCW, the Washington Board for Volunteer Fire Fighters' administers the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF), a defined benefit plan. Administration of VFFRPF is funded through legislative appropriation.

Administrative Office of the Courts. As established in chapter 2.14 RCW, the Administrative Office of the Courts administers the Judicial Retirement Account (JRA), a defined contribution plan. Administration of JRA is funded through member fees.

Higher Education. In addition to the retirement plans administered by the state of Washington, eligible higher education state employees may participate in privately administered Higher Education Retirement defined contribution plans.

Plan descriptions, funding policies, a table of employer contributions required and paid for defined benefit plans, schedules of funded status and funding progress, defined benefit pension plans valuations, annual pension cost, and three year trend information follow in Note 11.B through G, respectively. Information related to changes in actuarial assumptions and methods, and changes in benefit provisions are provided in Note 11.H and I. For information related to defined contribution plans, refer to Note 11.J. Details on plan net assets and changes in plan net assets of pension plans and other employee benefit funds administered by the state are presented in Note 11.K.

Membership of each state administered plan consisted of the following at June 30, 2009, the date of the latest actuarial valuation for all plans:

Number of Participating Members

Plans Administered by the State	Retirees and Beneficiaries Receiving Benefits	Terminated Members Entitled To But Not Yet Receiving Benefits	Active Plan Members Vested	Active Plan Members Nonvested	Total Members
PERS 1	54,147	2,125	9,630	724	66,626
PERS 2	19,790	22,824	85,965	35,835	164,414
PERS 3	920	3,125	9,744	17,337	31,126
TRS 1	36,032	843	5,129	75	42,079
TRS 2	2,104	2,472	6,153	3,021	13,750
TRS 3	1,791	5,345	29,585	23,425	60,146
SERS 2	2,870	4,644	14,899	5,298	27,711
SERS 3	1,759	4,549	16,590	15,687	38,585
LEOFF 1	8,087	2	356	-	8,445
LEOFF 2	1,367	672	13,007	3,944	18,990
WSPRS 1	834	122	829	1	1,786
WSPRS 2	-	4	101	163	268
PSERS 2	2	-	-	4,340	4,342
JRS	124	-	9	-	133
Judges	13	-	-	-	13
JRA	1	185	11	-	197
VFFRPF	3,612	6,059	4,174	6,584	20,429
Total	133,453	52,971	196,182	116,434	499,040

Following is a summary of the number of government employers participating in state administered retirement plans as of June 30, 2010:

Number of Participating Employers

Plan	State Agencies	School Districts	Counties/ Municipalities	Other Political Subdivisions
PERS 1	146	229	166	193
PERS 2	178	-	270	485
PERS 3	163	-	209	287
TRS 1	54	271	-	-
TRS 2	23	283	-	-
TRS 3	31	302	-	-
SERS 2	-	298	-	-
SERS 3	1	300	-	-
LEOFF 1	-	-	54	15
LEOFF 2	8	-	215	149
WSPRS 1	1	-	-	-
WSPRS 2	1	-	-	-
PSERS 2	10	-	63	-
JRS	2	-	-	-
Judges	-	-	-	-
JRA	3	-	-	-
VFFRPF	-	-	-	671

Employers can participate in multiple systems and/or plans.

B. PLAN DESCRIPTIONS

Public Employees' Retirement System (PERS)

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

The Higher Education Retirement Plans are not administered by DRS. Approximately 52 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in chapters 41.34 and 41.40 RCW and may be amended only by the state Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/ defined contribution plan.

PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by either, February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3.

PERS participants joining the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees, have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill with less than five years to live.

PERS is comprised of and reported as three separate plans: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS.

During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PERS Plan 1 and 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings. Employees in PERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from PERS-covered employment.

PERS Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Benefits are also actuarially reduced when a Plan 1 member chooses a survivor option.

The annual benefit is 2 percent of the average final compensation (AFC) per year of service (AFC is based on the greatest compensation during any 24 eligible consecutive compensation months), capped at 60 percent.

A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount (based on the Consumer Price Index), capped at 3 percent annually. Plan 1 retirees, after being retired one year, will receive the annual COLA adjustment in July if they turn 66 years of age any time in the calendar year in which the COLA is given. Plan 1 members may also elect to receive an additional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is $350 a month, or two-thirds of the monthly AFC, whichever is less.

The benefit is reduced by any worker's compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of membership service is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55.

The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A COLA is granted at age 66 based upon years of service times the COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. To offset the costs of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a COLA is granted (based on the Consumer Price Index), capped at 3 percent annually.

Refunds provided to survivors of PERS Plan 2 members that leave eligible employment after earning ten years of service credit and are subsequently killed in uniformed service to the United States while participating in Operation Enduring Freedom or Persian Gulf, Operation Iraqi Freedom is increased from 100 to 200 percent of the accumulated contributions in the member's account.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component.

The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Effective June 7, 2006, PERS Plan 3 members may be vested either after ten years of service or after five years of service, as long as 12 consecutive months of service were accrued after attainment of age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65. Plan 3 retirements prior to the age of 65 receive reduced benefits.

If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same COLA as Plan 2. Refer to section J of this note for a description of the defined contribution component of PERS Plan 3.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3 the allowance amount is 1 percent of the AFC for each year of service.

Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a COLA is granted (indexed to the Seattle Consumer Price Index) capped at 3 percent annually. PERS members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a PERS Plan 2 or 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

PERS Plan 2 and Plan 3 members can purchase service credit for military service that interrupts employment.

Additionally, PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.
PERS Plan 2 and Plan 3 members can purchase up to 24 months of service credit lost because of an on-the-job injury. PERS Plan 2 and Plan 3 members who apply for

early retirement may, at the time of retirement, purchase up to five years of additional service credit. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally or by a duty related illness, and proximately out of their covered employment, if found eligible by the Director of the Department of Labor and Industries.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Portability of retirement benefits allows for PERS members' compensation that is reportable in all dual members' systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.

Effective after the January 2008 distribution, gain sharing for PERS Plan 1 and Plan 3 members was discontinued.

Additional COLAs were provided to PERS Plan 1 retirees in July 2009 and new alternative early retirement provisions were created for PERS Plan 2 and Plan 3 members.

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006.

Justices or judges in PERS Plans 1 and 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC.

Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75 percent of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e. 1 percent, 2 percent, or 3 percent).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM program.
- Continue to pay contributions at the regular PERS rate.

Newly elected justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM program.

Members required to join the JBM program would:

- Return to prior PERS Plan if membership had previously been established.
- Be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Judges and justices who are members of PERS may purchase prior judicial service credit at a higher multiplier at retirement.

During the period of January 1, 2009 through June 30, 2009, active and inactive PERS members who were not then serving as justices or judges, but who have served as such in the past, may request an increase in their benefit multiplier for past periods of judicial service and pay a cost that is the actuarial equivalent of the increase.

Material changes in PERS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Teachers' Retirement System (TRS)

TRS was legislatively established in 1938. Eligibility for membership requires service as a certificated public school employee in an instructional, administrative or supervisory capacity. TRS is comprised principally of

non-state employees. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the state Legislature.

TRS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan.

TRS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3.

TRS participants joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3.

TRS members hired on or after July 1, 2007 have 90 days to make an irrevocable choice to enroll in either Plan 2 or Plan 3. An employee is reported in Plan 2 until a choice is made.

Employees who fail to choose within 90 days default to TRS Plan 3. Notwithstanding, TRS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

TRS is comprised of and reported as three separate plans: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

TRS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the TRS Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS.

During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in TRS Plan 1 and 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment. TRS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings.

Employees in TRS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from TRS-covered employment.

TRS Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation (AFC) per year of service (AFC is based on the greatest compensation during the highest of any consecutive two compensation contract years), capped at 60 percent.

A COLA is granted at age 66 based upon years of service times the COLA amount, increased by 3 percent annually. Plan 1 retirees will receive the annual COLA adjustment in July if they turn 66 years of age any time in the calendar year in which the COLA is given. Plan 1 members may also elect to receive an additional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

TRS Plan 1 provides death and temporary disability benefits. TRS Plan 1 members receive the following additional lump sum death benefits: retired members-$400 (if retired with ten years of full-time membership), $400 (if inactive with ten years of membership), active members $600 (if employed full-time at time of death).

Members on temporary disability receive a monthly payment of $180 payable for up to two years, for the same occurrence. After five years of service, members on a disability retirement receive an allowance based on their salary and service to date of disability. Members enrolled in TRS prior to April 25, 1973, may elect a benefit based on the formula in effect at that time.

TRS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 retirements prior to the age of 65 receive reduced benefits.

If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a COLA is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Effective June 7, 2006, TRS Plan 3 members may be vested either after ten years of service or after five years of service, as long as 12 consecutive months of service were accrued after attainment of age 44. Plan 3 retirements prior to the age of 65 receive reduced benefits.

If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same COLA as Plan 2. Refer to section J of this note for a description of the defined contribution component of TRS Plan 3.

TRS Plan 2 and Plan 3 members who work for at least five months of a six-month period, from September through August, and earn 630 hours or more within that six-month period receive six months of service credit.

Plan 2 and Plan 3 members need have only two years of service credit in order to be eligible to purchase up to seven years of service credit for public education experience earned in another state or with the federal government.

TRS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3, the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

Beneficiaries of a TRS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

TRS members can purchase service credit for military service that interrupts employment. Additionally, TRS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

TRS members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

TRS members may purchase up to five years of additional service credit once eligible for retirement.

This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

Active TRS Plan 2 and Plan 3 members may also make a one-time purchase of up to seven years of service credit for education experience earned in a state or federal public school outside the state of Washington. Completion of at least five years of service under TRS is required.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a TRS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment or duty related illness, if found eligible by the Director of the Department of Labor and Industries.

Portability of retirement benefits allows for TRS members' compensation that is reportable in all dual members' systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.

Effective after the January 2008 distribution, gain sharing for TRS Plan 1 and Plan 3 members was discontinued. Additional COLAs were provided to TRS Plan 1 retirees in July 2009 and new alternative early retirement provisions were created for TRS Plan 2 and Plan 3 members.

Beginning January 1, 2007 through December 31, 2007, judicial members of TRS were given the choice to participate in the Judicial Benefit Multiplier (JBM) Program enacted in 2006.

Justices or judges in TRS Plan 1 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC.

Members who chose to participate would:

- Accrue service credit at the higher multiplier beginning with the date of their election.
- Be subject to the benefit cap of 75 percent of AFC.
- Stop contributing to the Judicial Retirement Account (JRA).
- Pay higher contributions.
- Be given the option to increase the multiplier on past judicial service.

Members who did not choose to participate would:

- Continue to accrue service credit at the regular multiplier (i.e. 2 percent).
- Continue to participate in JRA, if applicable.
- Never be a participant in the JBM program.
- Continue to pay contributions at the regular TRS rate.

Newly elected justices and judges who chose to become TRS members on or after January 1, 2007, or who had not previously opted into TRS membership, were required to participate in the JBM program. Members required to join the JBM program would:

- Return to prior TRS Plan if membership had previously been established.
- Accrue the higher multiplier for all judicial service.
- Not contribute to JRA.
- Not have the option to increase the multiplier for past judicial service.

Material changes in TRS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

School Employees' Retirement System (SERS)

The Legislature established SERS in 2000. Membership in the system includes all classified employees of school districts or educational service districts. SERS is comprised principally of non-state employees. SERS retirement benefit provisions are established in chapters 41.34 and 41.35 RCW and may be amended only by the state Legislature.

SERS is a cost-sharing multiple-employer retirement system comprised of two separate plans for membership purposes: Plan 2 is a defined benefit plan and Plan 3 is a combination defined benefit/defined contribution plan.

As of September 1, 2000, the membership of classified school employees in PERS Plan 2 was transferred to SERS Plan 2. Those who joined on or after October 1, 1977, and by August 31, 2000, are SERS Plan 2 members unless they exercised an option to transfer their membership to Plan 3.

SERS participants joining the system on or after September 1, 2000, and those who exercised their transfer option, are members of SERS Plan 3.

SERS members hired on or after July 1, 2007 have 90 days to make an irrevocable choice to enroll in either Plan 2 or Plan 3. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to SERS Plan 3. Notwithstanding, SERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

SERS is comprised of and reported as two separate plans: Plan 2/3 and Plan 3. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members.

Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan.

SERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the SERS Plan 2 defined benefit plan accrue interest at a rate specified by DRS. During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly.

Employees in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment. SERS Plan 3 defined contribution benefits are financed from employee contributions and investment earnings.

Employees in SERS Plan 3 can elect to withdraw total employee contributions adjusted by earnings and losses from the investment of those contributions upon separation from SERS-covered employment.

SERS Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the average final compensation (AFC) per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies;

otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a COLA is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (AFC is based on the greatest compensation during any eligible consecutive 60-month period.)

Effective June 7, 2006, SERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after 5 years of service if 12 months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by September 1, 2000. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at the age of 65. SERS Plan 3 members who retire prior to the age of 65 receive reduced benefits.

If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same COLA as Plan 2. Refer to section J of this note for a description of the defined contribution component of SERS Plan 3.

Effective after the January 2008 distribution, gain sharing for SERS Plan 3 members was discontinued and new alternative early retirement provisions were created for SERS Plan 2 and Plan 3 members.

SERS members can purchase service credit for military service that interrupts employment. Additionally, SERS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit.

Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase service credit on behalf of the deceased member. SERS members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

SERS provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the AFC for each year of service. For Plan 3 the allowance amount is 1 percent of the AFC for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option.

Beneficiaries of a SERS member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

SERS members who apply for early retirement may, at the time of retirement, purchase up to five years of additional service credit. The cost of the additional service credit is the actuarial equivalent value of the resulting increase in the member's benefit.

SERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

SERS members who work for at least five months of a six-month period, from September through August, and earn 630 hours or more within that six-month period receive six months of service credit.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a SERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, or duty related illness if found eligible by the Director of the Department of Labor and Industries.

Portability of retirement benefits allows for SERS members' compensation that is reportable in all dual members' systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.

Material changes in SERS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement officers and firefighters, and as of

July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership.

LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included prospectively effective July 27, 2003, being a major exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the state Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977, are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and 2 defined benefit plans accrue interest at a rate specified by DRS.

During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in LEOFF Plan 1 and 2 can elect to withdraw total employee contributions and interest earnings thereon upon separation from LEOFF-covered employment.

LEOFF Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of FAS
20+	2.0%
10-19	1.5%
5-9	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. A COLA is granted (indexed to the Seattle Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at age 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service (FAS is based on the highest consecutive 60 months). Plan 2 members who retire prior to the age of 53 receive reduced benefits.

Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. There is no cap on years of service credit; and a COLA is granted (based on the Consumer Price Index), capped at 3 percent annually.
LEOFF Plan 2 members may purchase up to five years of additional service credit at retirement. LEOFF Plan 2 members can also purchase service credit for military service that interrupts employment.

Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility.

The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option.

If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Plan 2 members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

For Emergency Medical Technicians who joined LEOFF Plan 2 as a result of 2003 and 2005 legislation, the five year waiting period is waived when they retire due to disability or die.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax.

Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of the FAS and 2 percent per year of service beyond five years. The first 10 percent of FAS is not subject to federal income tax.

LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of substantial gainful employment in any capacity in the future, can receive a catastrophic disability benefit from LEOFF Plan 2 equal to 70 percent of their FAS subject to offsets for workers' compensation and Social Security disability benefits received.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

Beneficiaries of a LEOFF Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death.

This provision applied to any member killed in the course of employment, or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

Beginning in 2011, when state General Fund revenues increase by at least 5 percent over the prior biennium's revenues, the State Treasurer will transfer, subject to legislative appropriation, specific amounts into a Local Public Safety Enhancement Account. Half of this transfer will be proportionately distributed to all jurisdictions with LEOFF Plan 2 members. The other half will be transferred to a LEOFF Retirement System Benefits Improvement Account to fund benefit enhancements for LEOFF Plan 2 members.

Eligible survivors of LEOFF Plan 2 members who are killed in the line of duty are reimbursed for the cost of on-going health care insurance coverage.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries sustained in the course of employment or dies from occupational disease or duty-related illness such as an infectious disease or cancer resulting from a job-related exposure, or duty related illness if found eligible by the Director of the Department of Labor and Industries.

Portability of retirement benefits allows for LEOFF Plan 2 members' compensation that is reportable in all dual members' systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.

Active LEOFF members can choose whether or not to obtain and pay for Medicare coverage through a "divided referendum" process.

Material changes in LEOFF benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Washington State Patrol Retirement System (WSPRS)

WSPRS was established by the Legislature in 1947. Any commissioned employee of the Washington State Patrol is eligible to participate. WSPRS benefits are established in chapter 43.43 RCW and may be amended only by the state Legislature.

WSPRS is a single-employer defined benefit retirement system. WSPRS participants who joined the system by December 31, 2002, are Plan 1 members. Those who joined on or after January 1, 2003, are Plan 2 members.

For financial reporting and investment purposes, however, both plans are accounted for in the same pension fund.

WSPRS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to WSPRS accrue interest at a rate specified by DRS.

During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.364 percent annually,

compounded monthly. Employees in WSPRS can elect to withdraw total employee contributions and interest earnings thereon upon separation from WSPRS-covered employment.

WSPRS member contribution rates will be no more than 7 percent of pay plus half the cost of any future benefit improvements. Employers will pay the contribution rate required to cover all system costs that are not covered by the member contribution rate. Also a minimum total contribution rate is established for WSPRS, beginning July 1, 2010.

There is no vesting requirement for active WSPRS members. Inactive WSPRS members are vested after the completion of five years of eligible service. Members are eligible for retirement at the age of 55 with five years of service, or after 25 years of service.

The annual pension is 2 percent of the average final salary (AFS), capped at 75 percent, per year of service. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually. The WSPRS mandatory retirement age is 65, but does not apply to the member serving as chief of the Washington State Patrol.

WSPRS members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

WSPRS benefit provisions include death benefits; however, the system provides no disability benefits. Disability benefits may be available from the Washington State Patrol. If disability benefits are received, the member may be eligible to acquire service credit for the period of disability.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a WSPRS member who dies as a result of injuries sustained in the course of employment or dies from occupational disease or duty-related illness such as an infectious disease or cancer resulting from a job-related exposure, or duty related illness if found eligible by the Director of the Department of Labor and Industries.

The spouse and dependent children of a WSPRS member who is killed in the course of employment will be reimbursed for any payments of medical premiums to the Washington State Health Care Authority.

For WSPRS Plan 1 members, AFS is based on the average of the two highest-paid service credit years and excludes voluntary overtime.

Death benefits for Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the AFS, plus 5 percent of the AFS for each surviving child, with a limitation on the combined allowances of 60 percent of the AFS; or (2) If no eligible spouse, 30 percent of AFS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of AFS.

For WSPRS Plan 2 members, AFS is based on the average of the five consecutive highest-paid service credit years and excludes both voluntary overtime and cash-outs of annual and holiday leave. At retirement, Plan 2 members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits.

Death benefits for active-duty Plan 2 members consist of the following: (1) If the member is single or has less than ten years of service, the return of the member's accumulated contributions; or (2) If the member is married, has an eligible child, or has completed ten years of service, a reduced benefit allowance reflecting a joint and 100 percent survivor option or 150 percent of the member's accumulated contributions, at the survivor's option. WSPRS Plan 2 members can purchase service credit for military service that interrupts employment.

Additionally, WSPRS Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

Beneficiaries of a WSPRS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not of normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

Material changes in WSPRS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Public Safety Employees' Retirement System (PSERS)

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS pension benefit provisions have been established by chapter 41.37 RCW and may be only amended by the state Legislature. PSERS is a cost-

sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS membership includes:

- Full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and,

- Full-time employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A "covered employer" is one that participates in PSERS. Covered employers include:

- State of Washington agencies: Department of Corrections, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board, and Department of Natural Resources;

- Washington state counties; and,

- Washington cities except for Seattle, Tacoma and Spokane.

To be eligible for PSERS, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or

- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or

- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or

- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PSERS defined benefit plans accrue interest at a rate specified by DRS.

During Fiscal Year 2010, the DRS-established rate on employee contributions was 5.5 percent compounded quarterly. Employees in PSERS can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS benefits are vested after an employee completes five years of eligible service. PSERS members may retire at the age 65 with five years of service, or at the age of 60 with at least ten years of PSERS service credit, with an allowance of 2 percent of the average final compensation (AFC) per year of service.

The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

PSERS members can purchase service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible children may purchase credit on behalf of the deceased member.

PSERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement, and cannot be used to qualify for any retirement eligibility or benefit reductions based upon years of service. This credit is to be used exclusively to provide the member with a monthly annuity that is paid in addition to the member's retirement allowance.

PSERS provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2 percent of the average final compensation (AFC) for each year of service.

AFC is based on the member's 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

PSERS members may purchase up to 24 consecutive months of service credit (up from 12 months) for each period of temporary duty disability.

Beneficiaries of a PSERS member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A $150,000 death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of their covered employment, or duty related illness if found eligible by the Director of the Department of Labor and Industries.

Portability of retirement benefits allows for PSERS members' compensation that is reportable in all dual members' systems, except in WSPRS, to be included in the calculation of all dual members' benefits, and removing the "maximum benefit rule" for dual members who have less than 15 years of service in one capped plan and service in one uncapped plan.

Material changes to PSERS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Judicial Retirement System (JRS)

JRS was established by the Legislature in 1971. Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts on or after August 9, 1971. The system was closed to new entrants on July 1, 1988, with new judges joining PERS Plan 2. JRS retirement benefit provisions are established in chapter 2.10 RCW and may be amended only by the state Legislature.

JRS is an agent multiple-employer retirement system comprised of a single defined benefit plan. JRS retirement benefits are financed on a pay-as-you-go basis from a combination of investment earnings, employer contributions, employee contributions, and a special funding situation in which the state pays the remaining contributions.

During Fiscal Year 2010, the DRS established rate on employee contributions was 5.5 percent, compounded quarterly. JRS employees who are vested in the plan may not elect to withdraw their contributions upon termination.

However, any JRS member that left the system before July 1, 1988, or his/her spouse, who was ineligible to receive a benefit at that time, may apply and receive a refund of such contributions from DRS, if said contributions have not been already refunded via a sundry claims appropriation from the state Legislature.

JRS members are eligible for retirement at the age of 60 with 15 years of service, or at the age of 60 after 12 years of service (if the member left office involuntarily) with at least 15 years after beginning judicial service.

The benefit per year of service calculated as a percent of average final compensation (AFC) is the table below. This benefit is capped at 75 percent of AFC, exclusive of cost of living increases.

Term of Service	Percent of AFC
15+	3.5%
10-14	3.0%

Death and disability benefits are also provided. Eligibility for death benefits while on active duty requires ten or more years of service. A monthly spousal benefit is provided which is equal to 50 percent of the benefit a member would have received if retired.

If the member is retired, the surviving spouse receives the greater of 50 percent of the member's retirement benefit or 25 percent of the AFC. For members with ten or more years of service, a disability benefit of 50 percent of AFC is provided.

Material changes in JRS benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Judges' Retirement Fund (Judges)

The Judges' Retirement Fund was created by the Legislature on March 22, 1937 to provide retirement benefits to judges of the Supreme Court, Court of Appeals, or Superior Courts of the state of Washington.

Subsequent legislation required that all judges, first appointed or elected to office on or after August 1, 1971, enter the Judicial Retirement System. Judges' retirement benefit provisions are established in chapter 2.12 RCW and may be amended only by the state Legislature.

The Judges' Retirement Fund is an agent multiple-employer retirement system comprised of a single defined benefit plan. There are currently no active members in this plan.

Retirement benefits were financed on a pay-as-you-go basis from a combination of past employee contributions, past employer contributions, and a special funding situation in which the state paid the remaining contributions. Retirees did not earn interest on their contributions, nor could they elect to withdraw their contributions upon termination.

Judges' members are eligible for retirement at the age of 70 with ten years of service, or at any age with 18 years of service. Members are eligible to receive a partial retirement allowance after 12 years of credited service as a judge. With the exception of a partial retirement allowance, the member receives a benefit equal to one-half of the monthly salary being received as a judge at the time of retirement, or at the end of the term immediately prior to retirement if retirement occurs after the expiration of the member's term in office. A partial retirement allowance is based on the proportion of the member's 12 or more years of service in relation to 18 years of service.

Material changes in benefit provisions for Judges for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF)

The Volunteer Fire Fighters' Relief Act was created by the Legislature in 1935 and the pension portion of the act was added in 1945. Membership in the system requires volunteer firefighter service with a fire department of an electing municipality of Washington State, emergency work as an emergency medical technician with an emergency medical service district, or work as a commissioned reserve law enforcement officer.

Retirement benefits are established in chapter 41.24 RCW and may be amended only by the state Legislature.
VFFRPF is a cost-sharing multiple-employer retirement system that provides death and active duty disability benefits to all members, and optional defined benefit pension plan payments. VFFRPF retirement benefits are financed from a combination of investment earnings, member contributions, municipality contributions, and a special funding situation where the state pays the remaining contributions. Since retirement benefits cover volunteer service, benefits are paid based on years of service not salary. Members are vested after ten years of service. VFFRPF members accrue no interest on contributions and may elect to withdraw their contributions upon termination.

After 25 years of active membership, members having reached the age of 65 and who have paid their annual retirement fee for 25 years are entitled to receive a monthly benefit of $50 plus $10 per year of service. The maximum monthly benefit is $300. Reduced pensions are available for members under the age of 65 or with less than 25 years of service.

Death and active duty disability benefits are provided at no cost to the member. Death benefits in the line of duty consist of a lump sum of $152,000. Funeral and burial expenses are also paid in a lump sum of $2,000 for members on active duty. Members receiving disability benefits at the time of death shall be paid $500.

Members on active duty shall receive disability payments of $2,550 per month for up to six months; thereafter, payments are reduced. Disabled members receive $1,275 per month, their spouse $255, and dependent children $110.

Effective July 22, 2007, vocational rehabilitation may be paid for disabled members who are unable to return to their previous employment. Members that qualify are subject to a $4,000 maximum limit and are required to follow certain conditions established by the board and authorized by chapter 41.24 RCW.

Effective July 1, 2001, the disability income benefits and the maximum survivor benefits under the Relief Plan are increased for increases in the Consumer Price Index.

Material changes in VFFRPF benefit provisions for the fiscal year ended June 30, 2010, are listed in the table at the end of this section.

Material Legislative Changes to Pension Plans
For the Fiscal Year Ended June 30, 2010

System/Plan Affected	Effective Date	Description of the changes
LEOFF 1, PERS, PSERS, SERS, TRS, and WSPRS	7/1/09	The actuarial method of funding the unfunded liability of PERS 1 and TRS 1 is restructured. Changes are also made to the demographic assumptions for, and pension contribution rates of, the state retirement systems/plans (with the exception of LEOFF 2). Additionally, the implementation of minimum contribution rats for WSPRS and the Plans 2 and 3 (except for LEOFF 2) is delayed until the 2011-13 biennium (Chapter 561, Laws of 2009).
LEOFF 2	7/26/09	Eligible service and disability retirements are now classified as Occupational Disability retirements for the purpose of allowing affected retirees to take advantage of favorable tax treatment on their pension befit based on the first 10 percent of the members salary (Chapter 95, Laws of 2009).
PERS 1	7/26/09	The survivor of any PERS 1 member who qualifies for retirement but has not applied, or who has 10 years of service credit, now has the option of either a monthly survivor benefit or the lump sum of contributions plus interest, upon the member's death (Chapter 111, Laws of 2009).
LEOFF 2	7/26/09	Department of Fish and Wildlife Enforcement Officers can transfer service credit earned as an enforcement officer in PERS 2 or 3 to LEOFF 2. Member, employer and state contributions will increase to the extent necessary to fund the difference in the value of the service credit transferred between the plans and the member contributions transferred into LEOFF 2 (Chapter 157, Laws of 2009).
LEOFF 2, PERS 2/3, SERS 2/3, TRS 2/3, and WSPRS	7/26/09	Up to five years of no-cost service credit is available for members who can provide proof to DRS that their public employment was interrupted by military service that occurred during a period of war (as defined in statute), and that they initiated the process for re-employment with the same employer no later than 90 days from the date of their honorable discharge. Members who previously purchased military service credit are eligible to receive a refund of their contributions (Chapter 205, Laws of 2009).
PERS 2 and SERS 2	7/26/09	The automatic transfer of prior PERS 2 service to SERS 2 service when the member becomes employed in an eligible SERS position on or after August 1, 2009 is ended. Current and inactive SERS 2 members who had prior PERS service credit transferred to SERS 2 can request beginning September 1, 2009 through November 30, 2009, that their service credit be moved back to PERS 2 (Chapter 209, Laws of 2009).
LEOFF, PERS, PSERS, SERS, TRS and WSPRS	7/26/09	The eligibility for an unreduced benefit to survivors of members who leave an employer and die while honorably serving in the National Guard or military reserves during a period of war (as defined in statute) is extended (Chapter 226, Laws of 2009).
All Systems and Plans	7/26/09 – 1/1/14	Domestic partners registered with the state will be treated the same as married spouses, to the extent that treatment is not in conflict with federal laws (Chapter 521, Laws of 2009).
WSPRS 2	7/26/09	State-registered domestic partners of WSPRS members are granted the ability to receive the survivor and death benefits available to spouses (Chapter 522, Laws of 2009).
LEOFF 2	7/26/09	Domestic partners of LEOFF 2 members are granted the same rights and options as spouses (Chapter 523, Laws of 2009).
LEOFF 2	3/17/10	The Director of Fire Protection, who was previously a member of LEOFF 2, now has the choice to continue membership in LEOFF 2 while employed in this role. This position is otherwise covered by PERS (Chapter 80, Laws of 2010).
PERS System	6/10/10	Eligible employees of the Higher Education Coordinating Board now have the ability to participate in the Higher Education Retirement Plan instead of the Public Employees' Retirement System (Chapter 21, Laws of 2010).

Material Legislative Changes to Pension Plans (concluded)

For the Fiscal Year Ended June 30, 2010

System/Plan Affected	Effective Date	Description of the changes
LEOFF 2	6/10/10	Shared leave can now be treated as reportable compensation for LEOFF 2 members. Earnings can be used in the calculation of a member's benefit, and service credit will be earned according to the hours reported (Chapter 50, Laws of 2010).
PERS 2/3, SERS 2/3	6/10/10	Half-time service credit is now granted to qualifying members who worked for an educational employer in school years prior to January 1, 1987 (Chapter 103, Laws of 2010).
LEOFF 2 and WSPRS	6/10/10	The payment of medical insurance premiums for qualifying LEOFF 2 and WSPRS members who are catastrophically disabled in the line of duty, and their spouses and dependent children will now be made by the LEOFF 2 pension fund for LEOFF 2 members and by the Washington State Patrol for WSPRS members (Chapter 259, Laws of 2010).
LEOFF 1 and PERS 1	6/10/10	PERS 1 members who retired on or after January 1, 1998, can use any service transferred from LEOFF 1 to qualify for military service credit at no cost (Chapter 260, Laws of 2010).
LEOFF and WSPRS	6/10/10	Additional benefits are provided to survivors of police officers, fire fighters and State Patrol officers killed in the line of duty (Chapter 261, Laws of 2010).
PERS 3, SERS 3, and TRS 3	6/30/10 – 6/30/11	The Employee Retirement Benefits Board is abolished and its former duties are transferred to the DRS Director. Said duties include providing recommendations to the WSIB on self-directed investment options for defined contribution plans, determining the payment options for plan 3 members, ratifying administrative charges assessed to members who participate in self-directed investment options and providing recommendations on investment options for the Deferred Compensation Plan (Chapter 7, Laws of 2010).

C. FUNDING POLICIES

With the exception of LEOFF Plan 2, the Legislature provided for minimum contribution rates for all retirement plans (Chapter 561, Laws of 2009). The LEOFF 2 Board provided for minimum contribution rates for the LEOFF Plan 2. These minimum rates will go into effect beginning with the 2011-13 biennium.

The table at the end of this section provides the required contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of Fiscal Year 2010.

Public Employees' Retirement System (PERS)

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials.

The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion.

The Director of DRS sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employer and employee rates were developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

Teachers' Retirement System (TRS)

Each biennium the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates.

Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local

government unit employees, and at 7.5 percent for state elected officials.

The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature.

Under TRS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion.

The Director of DRS sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.32 and 41.45 RCW.

As a result of the implementation of the Judicial Benefit Multiplier (JBM) Program in January 2007, a second tier of employee rates were developed to fund, along with investment earnings, the increased retirement benefits of those judges that participate in the program.

The required employer contribution rate for a TRS employer of Supreme Court Justices, Court of Appeals Judges and Superior Court Judges equals the TRS contribution rate. The required member contribution rate of TRS 1 Supreme Court Justices, Court of Appeals Judges and Superior Court Judges is the TRS 1 rate of 6 percent plus 3.76 percent of pay. These higher rates, along with investment earnings, are intended to fund the increased retirement benefits of those judges that choose to participate in the JBM program.

School Employees' Retirement System (SERS)

Each biennium the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under SERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion.

The Director of DRS sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age.

The methods used to determine the contribution requirements are established under state statute in chapters 41.35 and 41.45 RCW.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

Beginning July 1, 2000, Plan 1 employers and employees are not required to contribute as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF 2 Board. All employers are required to contribute at the level required by state statute.

The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 1 and Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF 2 Board.

However, this special funding situation is not mandated by the State Constitution and this funding requirement could be returned to the employers by a change of statute. For Fiscal Year 2010, the state contributed $51.4 million to LEOFF Plan 2.

Washington State Patrol Retirement System (WSPRS)

Each biennium, the state Pension Funding Council adopts the employee and the state contribution rates. The employee and the state contribution rates are developed by the Office of the State Actuary to fully fund the plan.

State statute also requires employees to contribute at a rate of at least 2 percent. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 43.43 and 41.45 RCW.

Public Safety Employees' Retirement System (PSERS)

Each biennium the state Pension Funding Council adopts Plan 2 employers and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in chapters 41.37 and 41.45 RCW.

Judicial Retirement System (JRS)

Contributions made are based on rates set in chapter 2.10 RCW. By statute, employees are required to contribute 7.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the

JRS on a pay-as-you-go basis. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2010, the state contributed $ 11.6 million.

Judges' Retirement Fund (Judges)

Contributions made are based on rates set in chapter 2.12 RCW. By statute, employees are required to contribute 6.5 percent with an equal amount contributed by the state. In addition, the state guarantees the solvency of the Judges' Retirement Fund on a pay-as-you-go basis. As of June 30, 2008, there are no active members remaining in the Judges Retirement Fund and member contributions are no longer collected. Each biennium, the Legislature, through biennial appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For Fiscal Year 2010, however, no appropriations or contributions were made.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF)

The retirement provisions of VFFRPF is funded through member contributions of $30 per year, employer contributions of $30 per year, and 40 percent of the Fire Insurance Premium Tax, as per chapter 41.24 RCW.

VFFRPF members earn no interest on contributions and may elect to withdraw their contributions upon termination.

Administrative expenses are funded through fire insurance premium taxes and are maintained in a separate fund. Amounts not needed for administrative expenses are transferred to VFFRPF.

Required contribution rates (expressed as a percentage of current year covered payroll) for all retirement plans at the close of Fiscal Year 2010 were as follows:

Actual Contribution Rates	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
PERS						
Members Not Participating in JBM						
State agencies*	5.31%	5.31%	5.31%**	6.00%	3.90%	***
Local governmental units*	5.31%	5.31%	5.31%	6.00%	3.90%	***
State gov't elected officials*	7.89%	5.31%	5.31%**	7.50%	3.90%	***
Members Participating in JBM						
State agencies*	7.81%	7.81%	7.81%**	9.76%	7.25%	7.50%****
Local governmental units*	5.31%	5.31%	5.31%**	12.26%	9.75%	7.50%****
TRS						
Members Not Participating in JBM						
State agencies*	6.14%	6.14%	6.14%**	6.00%	3.36%	***
Local governmental units*	6.14%	6.14%	6.14%**	6.00%	3.36%	***
State gov't elected officials*	6.14%	6.14%	6.14%**	7.50%	3.36%	***
Members Participating in JBM						
State agencies*	6.14%	n/a	n/a	9.76%	n/a	n/a
SERS						
State agencies*	n/a	5.44%	5.44%**	n/a	3.14%	***
Local governmental units*	n/a	5.44%	5.44%**	n/a	3.14%	***
LEOFF						
Ports and universities*	n/a	8.62%	n/a	n/a	8.46%	n/a
Local governmental units*	0.16%	5.24%	n/a	n/a	8.46%	n/a
State of Washington	n/a	3.38%	n/a	n/a	n/a	n/a
WSPRS						
State agencies*	6.56%	6.56%	n/a	5.08%	5.08%	n/a
PSERS						
State agencies*	n/a	7.85%	n/a	n/a	6.55%	n/a
Local governmental units*	n/a	7.85%	n/a	n/a	6.55%	n/a

* Includes and administrative expense rate of 0.16%.

** Plan 3 defined benefit portion only.

*** Variable from 5% to 15% based on rate selected by the member.

**** Minimum Rate.

D. EMPLOYER CONTRIBUTIONS REQUIRED AND PAID

The following table presents the state of Washington's required contributions in millions of dollars to cost-sharing plans in accordance with the funding policy. All contributions required by the funding method were paid.

	2010	2009	2008
PERS Plan 1	$78.2	$169.0	$115.5
PERS Plan 2/3	160.4	217.6	159.6
TRS Plan 1	5.6	8.0	4.3
TRS Plan 2/3	0.8	0.8	0.5
SERS Plan 2/3	0.0	0.0	0.0
PSERS Plan 2	7.8	7.7	5.9
LEOFF Plan 1	0.0	0.0	0.0
LEOFF Plan 2	52.2	52.0	45.9
VFFRPF	5.7	5.2	5.0

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

E. FUNDED STATUS AND FUNDING PROGRESS

The funded status of each plan as of June 30, 2009, the most recent actuarial valuation date, is as follows (dollars in millions):

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PERS Plan 1	$ 9,775.6	$ 13,984.5	$ 4,208.9	70%	$ 580.0	726%
PERS Plan 2/3*	18,260.4	18,397.9	137.5	99%	8,132.2	2%
TRS Plan 1	8,146.2	10,820.0	2,673.8	75%	388.8	688%
TRS Plan 2/3*	6,160.0	6,048.4	(111.6)	102%	3,957.3	0%
SERS Plan 2/3*	2,503.2	2,493.2	(10.0)	100%	1,466.5	0%
LEOFF Plan 1	5,612.1	4,491.7	(1,120.4)	125%	33.3	0%
LEOFF Plan 2*	5,564.2	4,629.0	(935.2)	120%	1,442.5	0%
WSPRS 1/2*	900.4	789.3	(111.1)	114%	83.0	0%
PSERS 2*	69.2	63.8	(5.4)	108%	223.4	0%
JRS	1.8	89.3	87.5	2%	0.9	9,722%
Judges	3.3	3.4	0.1	97%	N/A	N/A
VFFRPF	165.7	163.0	(2.7)	102%	N/A	N/A

N/A indicates data not applicable

* These plans use the aggregate actuarial cost method which does not identify or separately amortize unfunded actuarial liabilities. For this reason, the information shown above has been prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress of these plans.

Source: Washington State Office of the State Actuary

The Schedules of Funding Progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs (Actuarial Accrued Liability) for benefits. Additional information for the state's defined benefit plans as of the latest valuation date is presented on the following pages.

Defined Benefit Pension Plans Administered by the State

For the Fiscal Year Ended June 30, 2010

The information was determined as part of the actuarial valuations at the dates indicated below. Additional information as of the latest valuation follows.

	PERS Plan 1	PERS Plan 2/3	TRS Plan 1	TRS Plan 2/3
Valuation date	6/30/2009	6/30/2009	6/30/2009	6/30/2009
Actuarial cost method	Entry Age Normal[1]	Aggregate[3]	Entry Age Normal[1]	Aggregate[3]
Amortization method				
Funding	Level %[5]	N/A	Level %[5]	N/A
GASB	Level $	N/A	Level $	N/A
Remaining amortization period (closed)	10-year rolling	N/A	10-year rolling	N/A
Asset valuation method	8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]
Actuarial assumptions				
Investment rate of return[10]	8.00%	8.00%	8.00%	8.00%
Projected salary increases				
Salary inflation at 4.5%, plus the merit increases described below[6]:				
Initial salary merit (grades down to 0%)	6.1%	6.1%	5.8%	5.8%
Merit period (years of service)	17 yrs	17 yrs	26 yrs	26 yrs
Includes inflation at	N/A	3.50%	N/A	3.50%
Cost of living adjustments	Uniform COLA[7]	CPI increase, maximum 3%	Uniform COLA[7]	CPI increase, maximum 3%

N/A indicates data not applicable.

[1] Based on a variation of the Entry Age Normal (EAN) cost method

[2] Based on a variation of the Frozen Initial Liability (FIL) cost method.

[3] The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

[4] Pay-As-You-Go basis for funding.

[5] Level percent of payroll, including system growth.

[6] LEOFF Plan 2 assumes 4.5% of salary inflation

[7] The Uniform COLA - Generally, all retirees over age 66 receive an increase in their monthly benefit at least once a year. The Uniform COLA amount is calculated as the last unrounded Uniform COLA amount increased by 3%, rounded to the nearest penny. These are some historical monthly COLA amounts per year of service:

Date	Uniform COLA
7/1/2003	$1.18
7/1/2004	$1.21
7/1/2005	$1.25
7/1/2006	$1.29
7/1/2007	$1.33
7/1/2008	$1.73
7/1/2009	$1.83
7/1/2010	$1.88

SERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2	VFFRPF[8]
6/30/2009	6/30/2009	6/30/2009	6/30/2009	6/30/2009
Aggregate[3]	Frozen Initial Liability[2]	Aggregate[3]	Aggregate[3]	Entry Age[4]
N/A	Level %[5]	N/A	N/A	Level $
N/A	Level $	N/A	N/A	Level $
N/A	7/01/2008 - 6/30/2024	N/A	N/A	15-year rolling
8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]	8-year graded smoothed fair value[9]	8-year smoothed fair value[9]
8.00%	8.00%	8.00%	8.00%	7.00%
6.9%	11.0%	11.0%	6.1%	N/A
20 yrs	21 yrs	21 yrs	17 yrs	N/A
3.50% CPI increase, maximum 3%	3.50% CPI increase	3.50% CPI increase maximum 3%	3.50% CPI increase, maximum 3%	N/A None

[8] VFFRPF uses the Entry Age Funding Method for pensions, and the Pay-As-You-Go Method for the relief costs.

[9] Asset Valuation Method (8 year smoothed fair value): The actuarial value of assets is calculated under an adjusted market value method by starting with the market value of assets. For subsequent years the actuarial value of assets is determined by adjusting the market value of assets to reflect the difference between the actual investment return and the expected investment return during each of the last 8 years or, if fewer, the completed years since adoption, at the following rates per year (annual recognition). The actuarial value of assets is subject to a 30% market value corridor, so it will lie between 70% and 130% of the market value of assets.

Annual Gain/Loss			Annual Gain/Loss		
Rate of Return	Smoothing Period	Annual Recognition	Rate of Return	Smoothing Period	Annual Recognition
15% and up	8 years	12.50%	6-7%	2 years	50.00%
14-15%	7 years	14.29%	5-6%	3 years	33.33%
13-14%	6 years	16.67%	4-5%	4 years	25.00%
12-13%	5 years	20.00%	3-4%	5 years	20.00%
11-12%	4 years	25.00%	2-3%	6 years	16.67%
10-11%	3 years	33.33%	1-2%	7 years	14.29%
9-10%	2 years	50.00%	1% and lower	8 years	12.50%
7-9%	1 year	100.00%			

[10] With the exception of the VFFRPF, the legislature prescribes the assumed rate of investment return for all plans. The VFFRPF Annual Gain/Loss is set at a 7% assumed rate of return.

F. ANNUAL PENSION COST AND OTHER RELATED INFORMATION

Current year annual pension cost, net pension obligation (NPO) and related information for the current year for the state's single employer and agent multiple-employer defined benefit plans are as follows (dollars in millions):

	WSPRS***	JRS	Judges
Annual Pension Cost and Net Pension Obligation:			
Annual required contribution	$ 6.6	$ 20.4	$ -
Interest on NPO	(1.1)	5.9	(0.1)
Adjustment to annual required contribution	1.6	(17.2)	0.3
Annual pension cost	7.1	9.1	0.2
Less: Contributions made	5.3	11.6	-
Increase (decrease) in NPO	1.8	(2.5)	0.2
NPO at beginning of year	(13.2)	74.3	(1.3)
NPO at end of year	$(11.4)	$71.8	$(1.1)
Actuarial assumptions:			
Valuation date	6/30/09	6/30/09	6/30/09
Actuarial cost method	Aggregate*	Entry age	Entry age
Amortization method	n/a	Level $	Level $
Remaining amortization period (closed)	n/a	5-year rolling	5-year rolling
Asset valuation method	8 year graded smoothed fair value	Market	Market
Investment rate of return****	8%	8%	8%
Projected salary increases	4.0%**	4.0%	N/A
Includes inflation at	3.5%	3.5%	3.5%
Cost-of-living adjustments	CPI increase, maximum 3%	CPI increase, maximum 3%	none

* The aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

** WSPRS also assumes a variable salary merit increase for a merit period of 25 years.

*** Revised NPO at beginning of year for WSPRS (reported at end of prior year at $(13.5).

****The Legislature prescribes the assumed rate of investment return.

G. THREE YEAR HISTORICAL TREND INFORMATION

The following table presents three-year trend information in millions for the plans listed:

	2010	2009	2008
WSPRS			
Annual pension cost	$ 7.1	$ 5.0	$ 7.5
% of APC contributed	74.2	127.4	89.2
NPO	$(11.4)	$(13.4)	$(12.7)
JRS			
Annual pension cost	$ 9.1	$ 9.8	$ 12.2
% of APC contributed	127.5	105.1	79.5
NPO	$ 71.8	$ 74.3	$ 74.8
Judges			
Annual pension cost	$ 0.2	$ 0.2	$ 0.5
% of APC contributed	0.0	0.0	0.0
NPO	$ (1.1)	$ (1.3)	$ (1.5)

There are no long-term contracts for contributions for any of the retirement plans administered by the state.

H. CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

The assumed ratio of survivors selecting annuities was increased to reflect changes accordance with Chapters 521, 522 and 523, Laws of 2009 related to domestic partnership benefits.

New benefits for survivors of PERS Plan 1 inactive deaths were implemented in accordance with Chapter 111, Laws of 2009.

The TRS Plan 1 supplemental death benefits were included in the valuation model. In prior valuations the liability was estimated outside the valuation process.

The TRS general salary increase assumption was changed to include the bonuses received by members who attain national board certification.

The assumed ratio of survivors of WSPRS Plan 2 duty-related deaths selecting annuities was changed to 60 percent, regardless of the member's age at death.

The cost reimbursement of medical premiums for LEOFF Plan 2 and WSPRS survivors of duty-related deaths was removed from the pension plan. This cost will be valued separately and future benefits paid from a 401 (h) account.

The LEOFF Plan 2 early retirement factors and joint and survivor factors were updated based on the results of the 2001-2006 demographic experience study adopted by the LEOFF Plan 2 Retirement Board.

A disability assumption experience study was performed for LEOFF Plan 2 based on recent experience data. Both the disability rates and the percent of disabilities assumed to be catastrophic changed.

The LEOFF Plan 2 inactive death benefit was refined in the model to include the survivor's option to select 150 percent of the member's savings in lieu of a monthly benefit.

I. CHANGES IN BENEFIT PROVISIONS

Legislation as adopted allowing employees of the Higher Education Coordinating Board to participate in the Higher Education Retirement Plan when certain conditions are met (Chapter 21, Laws of 2010).

Half time service credit is granted for members of PERS and SERS Plans 2 and 3 for educational employment prior to January 1, 1987 (Chapter 103, Laws of 2010).

The lump-sum death benefit for members of LEOFF Plan 2 and WSPRS Plan 2 is increased to $214,000 and is automatically adjusted each year by an amount equal to CPI with a 3 percent per year maximum, this applies to all members of LEOFF Plan 2 and WSPRS Plan 2 killed in the course of employment since January 1, 2003 (Chapter 261, Laws of 2010).

The optional lump sum payment payable upon remarriage is increased for LEOFF Plan 2 and PSERS Plan 2 survivors of a member killed in the course of employment from 24 times the monthly allowance that the member was receiving at the time or remarriage to an amount equal to 36 times the monthly allowance (Chapter 261, Laws of 2010).

The disability allowance of a LEOFF Plan 2 member that is totally disabled in the line of duty includes reimbursement for any payments made for employer provided medical insurance after the relevant effective date. This includes medical insurance offered under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and Medicare Parts A and B. For members of WSPRS, the compensation of an officer totally disabled during the line of duty includes reimbursement for any payments of premiums for employer-provided medical insurance. An officer is considered totally disabled for purposes of the reimbursement benefit is he or she is unable to perform any substantial gainful activity due to a condition expected to last at least 12 months. (Chapter 259, Laws of 2010).

LEOFF Plan 1 members who transferred service credit to PERS Plan 1 between July 1, 1997 and July 1, 1998,

are permitted to include the years of transferred service in meeting the 25 years of member service requirement to qualify for up to five years of prior, or non-interruptive, military service (Chapter 260, Laws of 2010).

Employer authorized shared leave received by LEOFF Plan 2 members from a non-state employer, must receive the same treatment in respect to service credit and FAS that a member would normally receive if using accrued annual leave or sick leave. This applies to directly and indirectly transferred leave, such as through a shared leave pool, and includes leave transferred prior to the effective date of the act providing that retirement contributions were made on the shared leave (Chapter 50, Laws of 2010).

The actuarial salary growth assumption used in the PERS, SERS, TRS, PSERS, WSPRS and LEOFF Plan 1 is reduced to 4 percent per year, and contribution rates to cover PERS Plan 1 and TRS Plan 1 UAAL were established to amortize the UAAL over a rolling 10 year period subject to minimum rates (Chapter 561, Laws of 2009).

J. DEFINED CONTRIBUTION PLANS

Public Employees' Retirement System Plan 3 (PERS 3)

The Public Employees' Retirement System (PERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS).

Eligible employees include: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants who joined on or after October 1, 1977, and by either, February 28, 2002, for state and higher education employees, or August 31, 2002, for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3.

PERS participants who joined the system on or after March 1, 2002, for state and higher education employees, or September 1, 2002, for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3.
The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Refer to section B of this note for PERS plan descriptions.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For Fiscal Year 2010, employee contributions required and made were $92.7 million, and plan refunds paid out were $41.7 million.

Teachers' Retirement System Plan 3 (TRS 3)

The Teachers' Retirement System (TRS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS).

Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity. TRS participants who joined on or after October 1, 1977, and by June 30, 1996, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. TRS participants joining the system on or after July 1, 1996, and those who exercised their transfer option, are members of TRS Plan 3. Refer to section B of this note for TRS plan descriptions.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of TRS Plan 3.

TRS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the

investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, TRS Plan 3 investments are made in the same portfolio as that of the TRS 2/3 defined benefit plan.

For Fiscal Year 2010, employee contributions required and made were $254.2 million and plan refunds paid out were $71.7 million.

School Employees' Retirement System Plan 3 (SERS 3)

The School Employees' Retirement System (SERS) Plan 3 is a combination defined benefit/defined contribution plan administered by the state through the Department of Retirement Systems (DRS).

Eligible employees include classified employees of school districts and educational service districts who joined PERS Plan 2 on or after October 1, 1977, and by August 31, 2000, and were transferred to SERS Plan 2 on September 1, 2000.

Members transferred from PERS Plan 2 to SERS Plan 2 may exercise an option to transfer their membership to SERS Plan 3. SERS participants joining the system on or after September 1, 2000, and before July 1, 2007, are also members of SERS Plan 3. SERS members hired on or after July 1, 2007 have 90 days to choose between SERS Plan 2 and SERS Plan 3. Individuals who fail to make a choice will default to SERS Plan 3. Refer to section B of this note for SERS plan descriptions.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance the defined contribution component. As established by chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 to 15 percent of salaries based on member choice. There are currently no requirements for employer contributions to the defined contribution component of SERS Plan 3.

SERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions as authorized by the Employee Retirement Benefits Board. Any expenses incurred in conjunction with self-directed investments are to be paid by members. Absent a member's self-direction, SERS Plan 3 investments are made in the same portfolio as that of the SERS 2/3 defined benefit plan.

For Fiscal Year 2010, employee contributions required and made were $60.3 million and plan refunds paid out were $33.9 million.

Judicial Retirement Account (JRA)

The Judicial Retirement Account Plan was established by the Legislature in 1988 to provide supplemental retirement benefits. It is a defined contribution plan administered by the state Administrative Office of the Courts, under the direction of the Board for Judicial Administration.

Membership includes judges elected or appointed to the Supreme Court, Court of Appeals, and Superior Courts, and who are members of PERS for their services as a judge. Vesting is full and immediate. There are three participating employers in JRA.

Member contributions equal 2.5 percent of covered salary and the state, as employer, matches this amount. Contributions are collected by the Administrative Office of the Courts. The employer and employee obligations to contribute are established per chapter 2.14 RCW. Plan provisions and contribution requirements are established in state statute and may be amended only by the State Legislature.

Beginning January 1, 2007 through December 31, 2007 any judicial members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) eligible to participate in JRA were able to make a one-time irrevocable election to discontinue future contributions to JRA, in lieu of prospective contributions to the Judicial Benefit Multiplier Program (JBM).

Beginning January 1, 2007 any newly elected or appointed Supreme Court justice, Court of Appeals judge or Superior Court judge is no longer able to participate in JRA and is enrolled in the JBM (enacted in 2006). As of June 30, 2008, 189 JRA member judges have elected to enroll in JBM.

Current-year covered payroll for JRA employees was $2.5 million for the Fiscal Year ended June 30, 2010. For Fiscal Year 2010, the contribution requirement for JRA was $86 thousand. Actual employer and employee contributions were $43 and $43 thousand respectively. Plan benefits paid out for Fiscal Year 2010 totaled $0.4 million.

A JRA member who separates from judicial service for any reason is entitled to receive a lump-sum distribution of the accumulated contributions. The administrator of JRA may adopt rules establishing other payment options. If a member dies, the amount of accumulated contributions standing to the member's credit at the time of the member's death shall be paid

to the member's estate, or such person or persons, trust or organization as the member has nominated by written designation.

The Administrator of JRA has entered an agreement with DRS for accounting and reporting services, and the Washington State Investment Board (SIB) for investment services. DRS is responsible for all record keeping, accounting, and reporting of member accounts. As of April 2006, DRS also became responsible for collection of JRA contributions.

The SIB has the full power to establish investment policy, develop participant investment options, and manage the investment funds from the JRA plan, consistent with the provisions of RCW 2.14.080 and RCW 43.84.150.

Higher Education Retirement Plans

The Higher Education Retirement Plans are privately administered defined contribution plans with a supplemental plan component. As authorized by RCW 28B.10, the plans cover higher education faculty and other positions as designated by each institution. The state and regional universities, the state college, and the state community and technical colleges each participate in a plan.

Contributions to the plans are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have, at all times, a 100 percent vested interest in their accumulations.

RCW 28.B.10.400 et. seq. assigns the authority to establish and amend benefit provisions to: the board of regents of the state universities, the boards of trustees of the regional universities and the state college, and the state board for community colleges.

Employee contribution rates, based on age, range from 5 to 10 percent of salary. The employers match the employee contributions. The employer and employee obligations to contribute are established per chapter 28B.10 RCW.

Effective July 29, 2009, domestic partners registered with the state will be treated the same as married spouses, to the extent that treatment is not in conflict with federal laws (Chapter 521, Laws of 2009).

For Fiscal Year 2010, covered payroll was $1.9 billion. Employer and employee contributions were $157.5 and $157.5 million respectively, for a total of $315 million. These contribution amounts represent approximately 8.4 percent each of covered payroll for employers and employees.

The plans have a supplemental payment component which guarantees a minimum retirement benefit based upon a one-time calculation at each employee's retirement date. Institutions make direct payments to qualifying retirees when the retirement benefits provided by the fund sponsors do not meet the benefit goals. The supplemental component is financed on a pay-as-you-go basis.

An actuarial valuation of the supplemental component of the Higher Education Retirement plans was done at the end of Fiscal Year 2009. The previous valuation was performed in 2007.

The Unfunded Actuarial Accrued Liability (UAAL) calculated as of June 30, 2009 and 2007 was $336.5 million and $127.8 million, respectively, and is amortized over a 14.5-year period.

The Annual Required Contribution (ARC) of $43.5 million consists of amortization of the UAL ($25.6 million) and normal cost (or current cost) ($16.8 million).

The UAL and ARC were established using the entry age normal cost method. The actuarial assumptions included an investment rate of return of 6 to 8 percent and projected salary increases ranging from 2 to 4 percent. Approximately $1.8 billion and $1.4 billion of payroll were covered under these plans during 2009 and 2007, respectively.

The following table reflects the activity in the Net Pension Obligation (NPO) for the years ended June 30 (expressed in millions):

	2010	2009	2008
Annual required contribution	$43.5	$43.1	$16.6
Payments to beneficiaries	(3.7)	(1.9)	(1.9)
Increase (decrease) in NPO	39.8	41.2	14.6
NPO at beginning of year	79.8	38.6	24.0
NPO at end of year	$119.6	$79.8	$38.6

K. PLAN NET ASSETS AND CHANGES IN PLAN NET ASSETS

The Combining Statement of Plan Net Assets that follows presents the principal components of receivables, investments, and liabilities. The Combining Statement of Changes in Plan Net Assets presents the additions and deductions to plan net assets.

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds

June 30, 2010

(expressed in thousands)

continued

	PERS Plan 1	PERS Plan 2/3 Defined Benefit	PERS Plan 3 Defined Contribution	TRS Plan 1	TRS Plan 2/3 Defined Benefit	TRS Plan 3 Defined Contribution
ASSETS						
Cash and pooled investments	($ 79,546)	$ 26,662	$ 142	($ 62,219)	$ 20,356	$ 4,534
Receivables:						
Employer accounts receivable	788	1,581	4,260	203	(20,764)	21,842
Member accounts receivable (net of allowance)	734	178	-	449	17	-
Due from other funds	(521)	-	-	(584)	-	-
Due from other pension and other employee benefit funds	521	-	219	583	-	17
Interest and dividends	26	(2,507)	2,514	21	(7,726)	7,729
Investment trades pending	-	(26,782)	26,782	-	(82,342)	82,342
Total Receivables	1,548	(27,530)	33,775	672	(110,815)	111,930
Investments, Noncurrent:						
Public equity	2,660,448	5,691,087	273,348	2,233,284	1,925,537	2,418,949
Fixed income	1,703,105	3,643,190	174,985	1,429,653	1,232,646	537,992
Private equity	1,964,012	4,201,309	201,792	1,648,668	1,421,482	620,409
Real estate	1,083,902	2,318,625	111,365	909,870	784,490	342,392
Security lending	531,207	1,136,330	54,579	445,916	384,469	167,802
Liquidity	141,248	326,283	602,657	120,975	111,289	58,893
Tangible assets	88,407	189,116	9,083	74,212	63,986	27,927
Total Investments, Noncurrent	8,172,329	17,505,940	1,427,809	6,862,578	5,923,899	4,174,364
Total Assets	8,094,331	17,505,072	1,461,726	6,801,031	5,833,440	4,290,828
LIABILITIES						
Obligations under security lending agreements	-	(54,579)	54,579	-	(167,802)	167,802
Accrued liabilities	6,118	(30,956)	32,770	5,728	(97,217)	97,702
Due to other funds	9	(318)	-	-	(607)	-
Due to other pension and other employee benefit funds	-	597	5	-	583	16
Unearned revenues	101	397	-	184	4	-
Total Liabilities	6,228	(84,859)	87,354	5,912	(265,039)	265,520
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 141)	8,088,103	17,589,931	1,374,372	6,795,119	6,098,479	4,025,308
Deferred compensation participants	-	-	-	-	-	-
Total Net Assets	$ 8,088,103	$ 17,589,931	$ 1,374,372	$ 6,795,119	$ 6,098,479	$ 4,025,308

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds

June 30, 2010

(expressed in thousands)

continued

	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	PSERS Plan 2
ASSETS						
Cash and pooled investments	$ 3,610	$ 1,076	($ 27,744)	$ 18,224	($ 1,733)	$ 88,016
Receivables:						
Employer accounts receivable	(4,718)	5,192	-	4,410	-	-
Member accounts receivable (net of allowance)	4	-	46	68	-	-
Due from other funds	-	-	-	-	(1)	761
Due from other pension and other employee benefit funds	277	9	-	-	-	-
Interest and dividends	(2,453)	2,453	9	4	1	-
Investment trades pending	(26,131)	26,131	-	-	-	-
Total Receivables	(33,021)	33,785	55	4,482	-	761
Investments, Noncurrent:						
Public equity	776,602	548,110	1,599,381	1,762,056	266,007	30,763
Fixed income	497,147	170,731	1,023,855	1,127,993	170,287	19,693
Private equity	573,308	196,886	1,180,704	1,300,796	196,374	22,710
Real estate	316,398	108,658	651,609	717,885	108,375	12,533
Security lending	155,063	53,252	319,346	351,827	53,113	6,142
Liquidity	44,552	18,004	86,319	109,868	14,894	4,319
Tangible assets	25,807	8,863	53,147	58,553	8,839	1,022
Total Investments, Noncurrent	2,388,877	1,104,504	4,914,361	5,428,978	817,889	97,182
Total Assets	2,359,466	1,139,365	4,886,672	5,451,684	816,156	185,959
LIABILITIES						
Obligations under security lending agreements	(53,252)	53,252	(351,827)	351,827	-	-
Accrued liabilities	(32,276)	32,550	429	160	201	1,016
Due to other funds	(120)	5	-	9	-	6,045
Due to other pension and other employee benefit funds	115	277	-	-	-	33
Unearned revenues	4	-	-	57	-	-
Total Liabilities	(85,529)	86,084	(351,398)	352,053	201	7,094
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 141)	2,444,995	1,053,281	5,238,070	5,099,631	815,955	178,865
Deferred compensation participants	-	-	-	-	-	-
Total Net Assets	$ 2,444,995	$ 1,053,281	$ 5,238,070	$ 5,099,631	$ 815,955	$ 178,865

Combining Statement of Plan Net Assets
Pension and Other Employee Benefit Funds

June 30, 2010

(expressed in thousands) concluded

	JRS	JRA	Judges	VFFRPF	Deferred Compensation	Total
ASSETS						
Cash and pooled investments	($ 583)	$ 8	$ 2,579	$ 16,291	$ 3,728	$ 13,401
Receivables:						
Employer accounts receivable	-	-	-	-	-	12,794
Member accounts receivable (net of allowance)	5	-	-	-	(231)	1,270
Due from other funds	-	-	-	-	-	(345)
Due from other pension and other employee benefit funds	-	-	-	-	-	1,626
Interest and dividends	2	-	-	-	-	73
Investment trades pending	-	-	-	-	-	-
Total Receivables	7	-	-	-	(231)	15,418
Investments, Noncurrent:						
Public equity	-	11,433	-	42,909	2,446,418	22,686,332
Fixed income	-	-	-	27,468	-	11,758,745
Private equity	-	-	-	31,676	-	13,560,126
Real estate	-	-	-	17,482	-	7,483,584
Security lending	-	-	-	8,568	-	3,667,614
Liquidity	3,568	-	11	2,336	5	1,645,221
Tangible assets	-	-	-	1,426	-	610,388
Total Investments, Noncurrent	3,568	11,433	11	131,865	2,446,423	61,412,010
Total Assets	2,992	11,441	2,590	148,156	2,449,920	61,440,829
LIABILITIES						
Obligations under security lending agreements	-	-	-	-	-	-
Accrued liabilities	28	-	3	(2)	3,121	19,375
Due to other funds	-	-	-	-	-	5,023
Due to other pension and other employee benefit funds	-	-	-	-	-	1,626
Unearned revenues	-	-	-	-	-	747
Total Liabilities	28	-	3	(2)	3,121	26,771
NET ASSETS						
Net assets held in trust for:						
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 141)	2,964	11,441	2,587	148,158	-	58,967,259
Deferred compensation participants	-	-	-	-	2,446,799	2,446,799
Total Net Assets	$ 2,964	$ 11,441	$ 2,587	$ 148,158	$ 2,446,799	$ 61,414,058

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

continued

	PERS Plan 1	PERS Plan 2/3 Defined Benefit	PERS Plan 3 Defined Contribution	TRS Plan 1	TRS Plan 2/3 Defined Benefit	TRS Plan 3 Defined Contribution
ADDITIONS						
Contributions:						
Employers	$ 154,023	$ 327,460	$ -	$ 112,731	$ 164,959	$ -
Members	40,995	271,550	92,665	24,631	21,694	254,197
State	-	-	-	-	-	-
Participants	-	-	-	-	-	-
Total Contributions	195,018	599,010	92,665	137,362	186,653	254,197
Investment Income:						
Net appreciation (depreciation) in fair value	779,778	1,468,001	115,690	646,234	494,914	366,324
Interest and dividends	232,804	467,351	23,316	194,268	157,322	70,415
Less: investment expenses	(32,244)	(67,251)	(3,980)	(27,017)	(22,867)	(11,927)
Net investment income (loss)	980,338	1,868,101	135,026	813,485	629,369	424,812
Transfers from other pension plans	1	11,611	4,926	5	724	598
Other additions	-	-	-	-	-	-
Total Additions	1,175,357	2,478,722	232,617	950,852	816,746	679,607
DEDUCTIONS						
Pension benefits	1,111,386	251,765	79	859,250	55,654	257
Pension refunds	4,946	31,425	41,724	1,505	2,868	71,665
Transfers to other pension plans	1	5,085	4,926	1	198	1,084
Administrative expenses	372	698	-	175	207	-
Distributions to participants	-	-	-	-	-	-
Total Deductions	1,116,705	288,973	46,729	860,931	58,927	73,006
Net Increase (Decrease)	58,652	2,189,749	185,888	89,921	757,819	606,601
Net Assets - Beginning	7,565,222	14,177,268	1,188,484	6,311,869	4,788,905	3,418,707
Net Assets - Ending	$ 7,623,874	$ 16,367,017	$ 1,374,372	$ 6,401,790	$ 5,546,724	$ 4,025,308

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

continued

	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2	WSPRS Plan 1/2	PSERS Plan 2
ADDITIONS						
Contributions:						
Employers	$ 62,090	$ -	$ 49	$ 76,998	$ 5,271	$ 15,237
Members	20,227	60,328	1,676	133,122	5,198	15,214
State	-	-	-	51,376	-	-
Participants	-	-	-	-	-	-
Total Contributions	82,317	60,328	1,725	261,496	10,469	30,451
Investment Income:						
Net appreciation (depreciation) in fair value	200,935	89,503	449,181	445,838	72,119	5,525
Interest and dividends	63,796	22,472	136,935	143,480	22,388	2,178
Less: investment expenses	(9,216)	(3,496)	(19,285)	(20,815)	(3,172)	(345)
Net investment income (loss)	255,515	108,479	566,831	568,503	91,335	7,358
Transfers from other pension plans	431	445	112	1,010	10	32
Other additions	-	-	-	-	-	-
Total Additions	338,263	169,252	568,668	831,009	101,814	37,841
DEDUCTIONS						
Pension benefits	34,449	91	338,231	46,158	36,116	18
Pension refunds	2,125	33,916	14	10,947	126	928
Transfers to other pension plans	8,082	416	-	112	-	-
Administrative expenses	74	-	34	1,078	12	7
Distributions to participants	-	-	-	-	-	-
Total Deductions	44,730	34,423	338,279	58,295	36,254	953
Net Increase (Decrease)	293,533	134,829	230,389	772,714	65,560	36,888
Net Assets - Beginning	1,943,812	918,452	4,354,748	4,308,699	698,492	55,757
Net Assets - Ending	$ 2,237,345	$ 1,053,281	$ 4,585,137	$ 5,081,413	$ 764,052	$ 92,645

Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

concluded

	JRS	JRA	Judges	VFFRPF	Deferred Compensation	Total
ADDITIONS						
Contributions:						
Employers	$ 79	$ 43	$ -	$ 1,103	$ -	$ 920,043
Members	79	43	-	45	-	941,664
State	11,570	-	-	5,685	-	68,631
Participants	-	-	-	-	185,120	185,120
Total Contributions	11,728	86	-	6,833	185,120	2,115,458
Investment Income:						
Net appreciation (depreciation) in fair value	(2)	773	(14)	9,179	162,186	5,306,164
Interest and dividends	17	233	62	3,919	45,408	1,586,364
Less: investment expenses	(4)	(22)	-	(502)	(4,543)	(226,686)
Net investment income (loss)	11	984	48	12,596	203,051	6,665,842
Transfers from other pension plans	-	-	-	-	-	19,905
Other additions	-	3	-	-	1,145	1,148
Total Additions	11,739	1,073	48	19,429	389,316	8,802,353
DEDUCTIONS						
Pension benefits	9,722	389	500	10,104	-	2,754,169
Pension refunds	-	-	-	18	-	202,207
Transfers to other pension plans	-	-	-	-	-	19,905
Administrative expenses	1	-	-	8	-	2,666
Distributions to participants	-	-	-	-	108,578	108,578
Total Deductions	9,723	389	500	10,130	108,578	3,087,525
Net Increase (Decrease)	2,016	684	(452)	9,299	280,738	5,714,828
Net Assets - Beginning	1,822	10,757	3,274	135,082	2,168,139	52,049,489
Net Assets - Ending	$ 3,838	$ 11,441	$ 2,822	$ 144,381	$ 2,448,877	$ 57,764,317

Note 12
Other Postemployment Benefits

Plan Description and Funding Policy

In addition to pension benefits as described in Note 11, the state, through the Health Care Authority (HCA), administers an agent multiple-employer other postemployment benefit plan (OPEB). Per RCW 41.05.065, the Public Employees Benefits Board (PEBB) created within the Health Care Authority, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage, including establishment of eligibility criteria for both active and retired employees. PEBB programs include medical, dental, life and long-term disability.

Employers participating in the PEBB plan include the state (which includes general government agencies and higher education institutions), 57 of the state's K-12 schools and educational service districts (ESDs) and 206 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 244 K-12 schools and ESDs. As of June 2010, membership in the PEBB plan consisted of the following:

	Active Employees	Retirees[1]	Total
State	111,374	26,181	137,555
K-12 schools and ESDs[2]	2,198	27,378	29,576
Political subdivisions	11,554	1,116	12,670
Total	125,126	54,675	179,801

[1]Retirees include retired employees, surviving spouses, and terminated members entitled to a benefit.
[2]In Fiscal Year 2010, there were 99,239 full-time equivalent active employees in the 244 K-12 schools and ESDs that elected to limit participation in PEBB only to their retirees.

For Fiscal Year 2010, the estimated monthly cost for PEBB benefits for active employees (average across all plans and tiers) is as follows:

Required Premium[3]	
Medical	$758
Dental	76
Life	5
Long-term disability	2
Total	$841
Employer contribution	$755
Employee contribution	86
Total	$841

[3]Per 2010 Index Rate Model 3.3.

The relationship between the PEBB OPEB plan and its member employers and their employees and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers and plan members and the historical pattern of practice with regard to the sharing of benefit costs.

The PEBB retiree OPEB plan is available to employees who elect to continue coverage and pay the administratively established premiums at the time they retire under the provisions of the retirement system to which they belong. Retirees' access to PEBB plans depends on the retirement eligibility of their respective retirement system. PEBB members are covered in the following retirement systems: PERS, PSERS, TRS, SERS, WSPRS, and Higher Education.

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's Non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the Non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other Non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. In Calendar Year 2009 the average weighted implicit subsidy was valued at $272 per member per month, and in Calendar Year 2010 the average weighted implicit subsidy is projected to be $273 per member per month.

Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the Health Care Authority administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. In Calendar Year 2009, the explicit subsidy was $183 per member per month, and in Calendar Year 2010 the explicit subsidy is $183 per member per month.

Retirees participating in the PEBB life insurance program received an explicit subsidy of $5 per member per month in Calendar Year 2009. The explicit subsidy is also $5 per member per month in Calendar Year 2010.

Administrative costs as well as implicit and explicit subsidies are funded by required contributions from participating employers. The subsidies provide monetary assistance for medical and life insurance benefits.

Contributions are set each biennium as part of the budget process. In Fiscal Year 2010, the cost of the subsidies was approximately 6.7 percent of the cost of benefits for active employees. The benefits are funded on a pay-as-you-go basis.

Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employers individual plan and actuarial methods and assumptions used.

The PEBB OPEB plan is accounted for as an agency fund on an accrual basis. The plan has no investments or other assets. The PEBB OPEB plan does not issue a publicly available financial report.

For information on the results of an actuarial valuation of the employer provided subsidies associated with the PEBB plan, refer to: http://osa.leg.wa.gov/Actuarial_services/OPEB/OPEB.htm.

Annual OPEB Cost and Net OPEB Obligation

The state's (general government agencies and higher education institutions) annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the state as the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following tables show the components of the state's annual OPEB cost for Fiscal Year 2010, the amount actually contributed to the plan, and changes in the state's Net OPEB Obligation (NOO) (expressed in thousands):

Annual required contribution	$349,326
Interest on Net OPEB Obligation	22,210
Amortization of Net OPEB Obligation	(17,116)
Annual OPEB cost (expense)	354,420
Contributions made	(70,099)
Increase in Net OPEB Obligation	284,321
Net OPEB Obligation - beginning of year	493,551
Net OPEB Obligation - end of year*	$777,872
*estimated	

The state's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for Fiscal Years 2008, 2009 and 2010 were as follows (expressed in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	$354,420	19.78%	$777,872
6/30/09	334,374	25.92%	493,551
6/30/08	313,970	21.69%	245,855

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2009, the latest date for which information is available, was as follows (expressed in thousands):

Actuarial accrued liability (AAL)	$3,786,869
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$3,786,869

Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	$5,678,422
UAAL as a percentage of covered payroll	66.69%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the terms of the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial valuation date	January 1, 2009
Actuarial cost method	Projected Unit Credit (PUC)
Amortization method	Closed, level percentage of projected payroll amortization method
Remaining amortization period	30 years
Asset valuation method	n/a - no assets
Actuarial assumptions:	
Investment rate of return	4.5%
Projected salary increases	4.5%
Health care inflation rate	7.0% initial rate, 5% ultimate rate in 2067
Inflation rate	3.5%

Note 13
Commitments and Contingencies

A. CONSTRUCTION AND OTHER COMMITMENTS

Outstanding commitments related to state infrastructure and facility construction, improvement, and/or renovation totaled $5.3 billion at June 30, 2010.

B. SUMMARY OF SIGNIFICANT LITIGATION

Pending Litigation

The state and its agencies are parties to numerous routine legal proceedings that normally occur in governmental operations. At any given point, there may be numerous lawsuits involving the implementation of specific state programs that could significantly impact expenditures and potentially have future budgetary impact.

The state is the defendant in a number of cases alleging inadequate funding of state programs or services. Claims include: funding inadequacies and inequities in both basic and special education; inadequate funding for care of the disabled and elderly; inadequate funding for the provision of mental health services to children. Collective claims in these programmatic and service cases exceed $350 million. Adverse rulings in these cases could result in significant future costs.

The Department of Revenue routinely has claims for refunds in various stages of administrative and legal review. Claims for refunds are approximately $234 million. In addition, the state is defending cases challenging the constitutionality of certain taxes that fund discrete state programs.

The Washington State Department of Transportation (WSDOT) is a defendant in a number of lawsuits related to environmental clean-up and habitat restoration/enhancement associated with highway construction projects and storm water discharge from state highways. In addition, the Department of Natural Resources is defending contribution claims for clean-up costs connected to runoff from historic mining activity. While estimates are not available for all lawsuits, claims for damages will likely exceed $19 million. If the efforts of the plaintiffs are successful, the financial impact could be significant and would need to be addressed in future budgets.

The state is the defendant in numerous lawsuits by employees accusing the state of various infractions of law or contract. These suits claim back pay and damages in excess of $62 million. Additionally, the state is being sued as a result of the legislative repeal of the gain sharing provision associated with select state pension plans. No reliable estimate of damage is currently available.

The state is contesting these lawsuits and the outcomes are uncertain at this time.

Tobacco Settlement

In November 1998, Washington joined 45 other states in a Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers to provide restitution for monies spent under health care programs for the treatment of smoking-related illnesses.

Washington's share of the settlement was approximately $116.8 million in Fiscal Year 2010 and is subject to various offsets, reductions, and adjustments.

Beginning in 2008, Washington received the first of ten "strategic contribution payments" under the MSA. This payment is subject to the same offsets, reductions, and adjustments as are applicable to the base payment. The 2010 strategic contribution payment was approximately $40.7 million.

In 2006, 2007, 2008, and 2009, determinations were made under a process established by the MSA that disadvantages experienced by manufacturers as a result of participating in the MSA were a significant factor contributing to market share losses by those manufacturers.

These determinations related to sales data for the years 2003, 2004, 2005, and 2006. Washington faces a potential "nonparticipating manufacturer (NPM) adjustment" of between $0 and $130 million for the year 2003, $0 and $137 million for the year 2004, $0 and $131 million for the year 2005, and $0 and $119 million for the year 2006.

Washington and 37 other states each filed court actions seeking a declaration that they had diligently enforced their escrow statutes. In the Consent Decree, the King County Superior Court retained jurisdiction to enforce and interpret the MSA as to Washington.

The participating manufacturers oppose having the diligent enforcement issue decided by numerous state courts. They believe the issue is governed by an arbitration clause in the MSA that they claim requires a panel of arbitrators to decide, in a single national proceeding, whether individual states diligently enforced their own statutes.

The King County Superior Court heard Washington's motion and, in late September 2006, entered an order compelling arbitration and dismissing the state's action. Washington's appeal was dismissed and the trial court's order compelling arbitration is now final. With the exception of Montana, all states will participate in a single national arbitration of the NPM Adjustment dispute.

The dispute will be presented to a three-member panel of retired Article III judges. The panel is in place and some preliminary hearings have been held. Hearings on individual state cases will begin in 2011, but no specific dates for any state hearings have been set.

The arbitration will comprise some presentations made by the states collectively, but each state will also have to respond to claims by the participating manufacturers that the state was not diligent in enforcing its Qualifying Statute and present its individual case for diligence in enforcing its Qualifying Statute. The panel will not issue its decision as to any individual state until the entire arbitration with all states has been completed.

C. FEDERAL ASSISTANCE

The state has received federal financial assistance for specific purposes that are generally subject to review or audit by the grantor agencies.

Entitlement to this assistance is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of assistance for allowable purposes. Any disallowance resulting from a review or audit may become a liability of the state.

The state does estimate and recognize a claims and judgments liability for disallowances when determined by the grantor agency or for probable disallowances based on experience pertaining to these grants; however, these recognized liabilities and any unrecognized disallowances are considered immaterial to the state's overall financial condition.

D. ARBITRAGE REBATE

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue.

The rebatable arbitrage must be paid to the federal government. State agencies and universities responsible for investments from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and therefore limit any state arbitrage liability. The state estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

E. OTHER COMMITMENTS AND CONTINGENCIES

School Bond Guarantee Program

Washington voters passed a constitutional amendment in November 1999, creating the Washington State School Bond Guarantee Program.

The program's purpose is to provide savings to state taxpayers by pledging the full faith and credit of the state of Washington to the full and timely payment of voter-approved school district general obligation bonds

in the event a school district is unable to make a payment.

The issuing school district remains responsible for the repayment of the bonds, including any payment the state makes under the guarantee.

The State Treasurer introduced the School Bond Guarantee Program in March 2000. At the end of Fiscal Year 2010, the state had guaranteed 211 school districts' voter-approved general obligation debt with 193 districts having a total outstanding principal of $7.97 billion. The state estimates that school bond guarantee liability, if any, will be immaterial to its overall financial condition.

Local Option Capital Asset Lending Program

On September 1, 1998, the state lease-purchase program was extended to local governments seeking low cost financing of essential equipment. The Local Option Capital Assets Lending (LOCAL) program allows local governments to pool their financing requests together with Washington State agencies in Certificates of Participation (COPs). Refer to Note 7.B for the state's COP disclosure.

These COPs do not constitute a debt or pledge of the faith and credit of the state; rather, local governments pledge their full faith and credit in a general obligation pledge.

In the event that any local government fails to make any payment, the state is obligated to withhold an amount sufficient to make such payment from the local government's share, if any, of state revenues or other amounts authorized or required by law to be distributed by the state to such local government, if otherwise legally permissible.

Upon failure of any local government to make a payment, the state is further obligated, to the extent of legally available appropriated funds to make such payment on behalf of such local government. The local government remains obligated to make all COP payments and reimburse the state for any conditional payments.

As of June 30, 2010, outstanding certificates of participation notes totaled $83 million for 181 local governments participating in LOCAL. The state estimates that LOCAL program liability, if any, will be immaterial to its overall financial condition.

Office Building Lease

The 2009 Legislature authorized the state to lease-develop an office building in Olympia, Washington. On June 29, 2009, the state entered into a ground lease and a lease agreement with FYI Properties (FYI), a Washington nonprofit corporation. The agreements call for FYI to design and construct an office building and to finance it with tax-exempt obligations that meet the requirements of Revenue Ruling 63-20 and Revenue Procedure 82-26 issued by the Internal Revenue Service. The state is required to make monthly payments that equal the required debt service on the bonds upon substantial completion of the project estimated to be July 2011. Additional amounts may also be due per the terms of the lease agreement. The lease agreements provide the state with options to purchase the building during the term of the lease and transfer ownership of the building to the state at the end of the lease. The office building will be occupied starting in Fiscal Year 2012.

Note 14
Subsequent Events

A. BOND ISSUES

In July 2010, the state issued:

- $347.3 million in various purpose general obligation bonds to fund various state capital projects, including state, institutions of higher education, and public school facilities; multimodal transportation projects; state and local water supply projects; and conservation and outdoor recreation projects.
- $365.6 million to refund various purpose general obligation bonds.
- $118.2 million in taxable bonds to fund certain taxable projects including: low-income housing projects, and local government and economic development infrastructure projects.

In September 2010, the state refunded:

- $401.4 million in general obligation bonds, which were used for various purposes.
- $394 million in motor vehicle fuel tax general obligation bonds.

In October 2010, the University of Washington issued $165 million in general revenue and refunding bonds. This included $20.3 million in tax-exempt revenue and refunding bonds (Series 2010A), and $144.7 million in taxable Build America revenue bonds (Series 2010B). Part of the proceeds from Series 2010A were used to partially refund 2002 housing and dining revenue and refunding bonds. The remaining proceeds from Series 2010A, and all of the proceeds from Series 2010B were used to pay off $35 million in commercial paper and fund a variety of projects including renovation and expansion of education facilities.

In November 2010, Washington Biomedical Research Facilities 3 (a blended component unit of the University of Washington), expects to issue approximately $165 million in revenue bonds. The bond proceeds will fund the construction of a research facility that the University will occupy through a long-term lease arrangement.

In November 2010, Central Washington University issued $34.5 million in revenue bonds for the construction of a residence hall, which included $32 million in taxable Build America revenue bonds.

In December 2010, Washington State University expects to issue $38.8 million in revenue bonds for housing and dining projects.

B. CERTIFICATES OF PARTICIPATION

In August 2010, the state issued $9.3 million to refund Certificates of Participation.

In November 2010, the state issued $50 million in Certificates of Participation to fund various state and local government real estate and equipment purchases.

C. CONVENTION AND TRADE CENTER

The 2010 State Legislature enacted Substitute Senate Bill 6889 which authorized King County to create a public facilities district to acquire, own and operate a convention and trade center. The bill provides for the transfer of the state Convention and Trade Center, an enterprise fund of the state, to the public facilities district created in July 2010 by King County Ordinance 16883.

Section 8 of the Substitute Senate Bill 6889 sets forth a number of conditions that must be met prior to the transfer occurring including the redemption, prepayment or legal defeasance of all outstanding debt of the state related to the state Convention and Trade Center. The public facilities district plans to issue debt during November 2010 and use the proceeds to satisfy outstanding state bonds, certificates of participation and financing contracts related to the state convention and trade center. The bill provides that all conditions of the transfer must occur prior to June 30, 2011.

D. RESOLVED LITIGATION

Jim A. Tobin v. Department of Labor & Industries was settled by the Supreme Court on August 12, 2010 in favor of the plaintiff. This case is primarily about distribution of money recovered from third parties. Chapter 51.24 RCW allows workers injured by non-employer third parties to file personal injury claims against those responsible parties. “Any recovery” in such an action is subject to distribution under a complex statutory formula. The current distribution formula includes third party damages for pain and suffering. The plaintiff of this case argued that pain and suffering damages must be excluded from distribution. Upon notification of the Supreme Court decision in favor of Jim A. Tobin, an increase in the amount of $165.8 million was recorded in claims payable liabilities in the Workers’ Compensation Fund.

E. GENERAL ELECTION

There were measures on the state’s November 2, 2010 general election ballot that addressed state laws related to state operations, state imposed taxes and fees, and the calculation of the state debt limitation. These measures, if passed, could impact the state fiscally. Election results are not final or official until certified. By law December 2, 2010 is the last day for the Office of the Secretary of State to certify General Election returns. Information is posted as available on the Secretary of State’s website at: http://www.sos.wa.gov.

RSI
Required Supplementary Information

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Budgetary Comparison Schedule

General Fund
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	General Fund			
	Original Budget 2009-11 Biennium	Final Budget 2009-11 Biennium	Actual 2009-11 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1	$ 189,310	$ 189,310	$ 189,310	$ -
Resources				
Taxes	29,493,412	28,582,490	13,139,029	(15,443,461)
Licenses, permits, and fees	187,150	179,419	85,637	(93,782)
Other contracts and grants	359,489	421,747	177,250	(244,497)
Timber sales	5,698	6,990	4,855	(2,135)
Federal grants-in-aid	15,487,030	16,821,716	8,306,614	(8,515,102)
Charges for services	132,086	130,431	55,660	(74,771)
Investment income (loss)	10,407	(9,993)	327	10,320
Miscellaneous revenue	213,124	544,311	177,173	(367,138)
Unclaimed property	95,773	91,955	60,171	(31,784)
Transfers from other funds	1,743,577	1,908,951	1,255,073	(653,878)
Total Resources	47,917,056	48,867,327	23,451,099	(25,416,228)
Charges To Appropriations				
General government	3,529,346	3,506,382	1,706,150	1,800,232
Human services	23,393,416	24,569,701	11,955,459	12,614,242
Natural resources and recreation	592,619	682,981	333,844	349,137
Transportation	100,183	98,775	46,424	52,351
Education	18,860,255	18,917,212	9,455,796	9,461,416
Capital outlays	305,525	334,336	86,891	247,445
Transfers to other funds	709,891	538,449	456,702	81,747
Total Charges To Appropriations	47,491,235	48,647,836	24,041,266	24,606,570
Excess Available For Appropriation Over (Under) Charges To Appropriations	425,821	219,491	(590,167)	(809,658)
Reconciling Items				
Changes in reserves (net)	-	-	32,527	32,527
Entity adjustments (net)	-	-	(3,427)	(3,427)
Total Reconciling Items	-	-	29,100	29,100
Budgetary Fund Balance, June 30	$ 425,821	$ 219,491	$ (561,067)	$ (780,558)

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

General Fund
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	General Fund
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	$ 23,451,099
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(1,255,073)
Budgetary fund balance at the beginning of the biennium	(189,310)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,327,020
Unanticipated receipts	14,677
Noncash revenues	(4,610)
Revenues collected for other governments	30,851
Total Revenues (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 23,374,654
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	$ 24,041,266
Differences - budget to GAAP:	
Budgeted expenditure transfers are recorded as expenditures in the budget statement but are recorded as other financing sources (uses) for financial reporting purposes.	(1,177,642)
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Transfers to other funds	(456,702)
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,327,020
Expenditures related to unanticipated receipts	14,677
Certificates of participation and capital lease acquisitions	3,301
Distributions to other governments	30,851
Total Expenditures (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 23,782,771

Budgetary Comparison Schedule

Motor Vehicle Fund
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Motor Vehicle			
	Original Budget 2009-11 Biennium	Final Budget 2009-11 Biennium	Actual 2009-11 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1	$ 314,526	$ 314,526	$ 314,526	$ -
Resources				
Taxes	2,025,279	1,887,778	966,695	(921,083)
Licenses, permits, and fees	778,724	752,123	374,857	(377,266)
Other contracts and grants	5,269	4,675	1,710	(2,965)
Timber sales	-	-	27	27
Federal grants-in-aid	1,061,784	1,256,255	541,398	(714,857)
Charges for services	546,092	556,678	242,283	(314,395)
Investment income (loss)	15,172	6,964	15,571	8,607
Miscellaneous revenue	52,097	56,810	26,110	(30,700)
Transfers from other funds	599,934	327,446	100,031	(227,415)
Total Resources	5,398,877	5,163,255	2,583,208	(2,580,047)
Charges To Appropriations				
General government	20,780	22,077	14,240	7,837
Natural resources and recreation	2,493	2,483	1,053	1,430
Transportation	1,661,389	1,678,156	782,294	895,862
Capital outlays	4,534,611	4,871,043	1,927,355	2,943,688
Transfers to other funds	1,393,562	1,112,515	417,537	694,978
Debt service	-	-	18	(18)
Total Charges To Appropriations	7,612,835	7,686,274	3,142,497	4,543,777
Excess Available For Appropriation Over (Under) Charges To Appropriations	(2,213,958)	(2,523,019)	(559,289)	1,963,730
Reconciling Items				
Bond sale proceeds	2,230,650	2,550,883	2,060,820	(490,063)
Bond issue premiums	-	-	32,569	32,569
Refunding other debt issued	-	-	1,710	1,710
Payments to escrow agents for refunded other debt	-	-	(1,800)	(1,800)
Changes in reserves (net)	-	-	10	10
Entity adjustments (net)	-	-	5,359	5,359
Total Reconciling Items	2,230,650	2,550,883	2,098,668	(452,215)
Budgetary Fund Balance, June 30	$ 16,692	$ 27,864	$ 1,539,379	$ 1,511,515

Budgetary Comparison Schedule – Budget to GAAP Reconciliation

Motor Vehicle Fund
For the Fiscal Year Ended June 30, 2010
(expressed in thousands)

	Motor Vehicle Fund
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	$ 2,583,208
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(100,031)
Budgetary fund balance at the beginning of the biennium	(314,526)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Revenues collected for other governments	237,201
Unanticipated receipts	5,761
Noncash revenues	4,706
Other	653
Total Revenues (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 2,416,972
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	$ 3,142,497
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Transfers to other funds	(417,537)
The following items are not outflows of budgetary resources but are recorded as current expenditures for financial reporting purposes:	
Distributions to other governments	237,201
Expenditures related to unanticipated receipts	5,761
Total Expenditures (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 2,967,922

BUDGETARY INFORMATION
Notes to Required Supplementary Information

GENERAL BUDGETARY POLICIES AND PROCEDURES

The Governor is required to submit a budget to the state Legislature no later than December 20 of the year preceding odd-numbered year sessions of the Legislature.

The budget is a proposal for expenditures in the ensuing biennial period based upon anticipated revenues from the sources and rates existing by law at the time of submission of the budget. The Governor may additionally submit, as an appendix to the budget, a proposal for expenditures in the ensuing biennium from revenue sources derived from proposed changes in existing statutes.

The appropriated budget and any necessary supplemental budgets are legally required to be adopted through the passage of appropriation bills by the Legislature and approved by the Governor. Operating appropriations are generally made at the fund/account and agency level; however, in a few cases, appropriations are made at the fund/account and agency/program level. Operating appropriations cover either the entire biennium or a single fiscal year within the biennium. Capital appropriations are biennial and are generally made at the fund/account, agency, and project level.

The legal level of budgetary control is at the fund/account, agency, and appropriation level, with administrative controls established at lower levels of detail in certain instances. The accompanying budgetary schedules are not presented at the legal level of budgetary control. This is due to the large number of appropriations within individual agencies that would make such a presentation in the accompanying financial schedules extremely cumbersome. Section 2400.121 of the GASB Codification of Governmental Accounting and Financial Reporting Standards provides for the preparation of a separate report in these extreme cases.

For the state of Washington, a separate report has been prepared for the 2009-11 Biennium to illustrate legal budgetary compliance. Appropriated budget versus actual expenditures, and estimated versus actual revenues and other financing sources (uses) for appropriated funds at agency and appropriation level are presented in the Budget-to-Actual Detail Report for governmental funds. A copy of this report is available at the Office of Financial Management, 1110 Capitol Way SE, PO Box 43113, Olympia, Washington 98504-3113.

Legislative appropriations are strict legal limits on expenditures/expenses, and over-expenditures are prohibited. All appropriated and certain nonappropriated funds are further controlled by the executive branch through the allotment process. This process allocates the expenditure/expense plan into monthly allotments by program, source of funds, and object of expenditure. According to statute RCW 43.88.110(2), except under limited circumstances, the original allotments are approved by the Governor and may be revised on a quarterly basis and must be accompanied by an explanation of the reasons for significant changes. Because allotments are not the strict legal limit on expenditures/expenses, the budgetary schedules presented as required supplementary information (RSI) are shown on an appropriation versus actual comparison rather than an allotment versus actual comparison.

Proprietary funds typically earn revenues and incur expenses (i.e., depreciation or budgeted asset purchases) not covered by the allotment process. Budget estimates are generally made outside the allotment process according to prepared business plans. These proprietary fund business plan estimates are adjusted only at the beginning of each fiscal year.

Additional fiscal control is exercised through various means. OFM is authorized to make expenditure/expense allotments based on availability of unanticipated receipts, mainly federal government grant increases made during a fiscal year. State law does not preclude the over-expenditure of allotments, although RCW 43.88.110(3) requires that the Legislature be provided an explanation of major variances.

Operating encumbrances lapse at the end of the applicable appropriation. Capital outlay encumbrances lapse at the end of the biennium unless reappropriated by the Legislature in the ensuing biennium. Encumbrances outstanding against continuing appropriations at fiscal year-end are reported as reservations of fund balance.

Budgetary Reporting vs. GAAP Reporting

Governmental funds are budgeted materially in conformance with GAAP. However, the presentation in the accompanying budgetary schedules is different in certain respects from the corresponding Statements of Revenues, Expenditures, and Changes in Fund Balance (governmental operating statement). In the accompanying budgetary schedules, budget and actual expenditures are reported only for appropriated activities. Expenditures are classified based on whether the appropriation is from the operating or capital budget. Expenditures funded by operating budget appropriations are reported as current expenditures classified by the function of the agency receiving the appropriation. Expenditures funded by capital budget appropriations are reported as capital outlays.

However, in the governmental operating statements, all governmental funds are included and expenditures are classified according to what was actually purchased. Capital outlays are fixed asset acquisitions such as land, buildings, and equipment. Debt service expenditures are principal and interest payments. Current expenditures are all other governmental fund expenditures classified based on the function of the agency making the expenditures.

Additionally, certain governmental activities are excluded from the budgetary schedules because they are not appropriated. These activities include activities designated as nonappropriated by the Legislature, such as the Higher Education Special Revenue Fund, Higher Education Endowment Fund, Tobacco Settlement Securitization Bond Debt Service Fund, federal surplus food commodities, electronic food stamp benefits, capital leases, note proceeds, and resources collected and distributed to other governments.

Further, certain expenditures are appropriated as operating transfers. These transfers are reported as operating transfers on the budgetary schedules and as expenditures on the governmental operating statements. The factors contributing to the differences between the Budgetary Comparison Schedule and the Statement of Revenues, Expenditures, and Changes in Fund Balance are noted in the previous Budget to GAAP reconciliation.

Budgetary Fund Balance includes the following as reported on the Governmental Funds Balance Sheet: Unreserved, undesignated fund balance; and Reserved for encumbrances.

continued

Schedule of Funding Progress
Public Employees' Retirement System - Plan 1
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	9/30/2006	9/30/2005	9/30/2004
Actuarial value of plan assets	$ 9,776	$ 9,853	$ 9,715	$ 9,591	$ 9,707	$ 9,928
Actuarial accrued liability	13,984	13,901	13,740	13,129	13,704	12,855
Unfunded actuarial liability	4,208	4,048	4,025	3,538	3,997	2,927
Percentage funded	70%	71%	71%	73%	71%	77%
Covered payroll	580	638	676	725	786	863
Unfunded actuarial liability as a percentage of covered payroll	726%	634%	595%	488%	509%	339%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Public Employees' Retirement System - Plan 2/3
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 18,260	$ 16,693	$ 14,888	N/A	N/A	N/A
Actuarial accrued liability	18,398	16,508	14,661	N/A	N/A	N/A
Unfunded actuarial liability	138	(185)	(227)	N/A	N/A	N/A
Percentage funded	99%	101%	102%	N/A	N/A	N/A
Covered payroll	8,132	7,869	7,157	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	2%	0%	0%	N/A	N/A	N/A

PERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

 continued

Schedule of Funding Progress
Teachers' Retirement System - Plan 1
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	9/30/2006	9/30/2005	9/30/2004
Actuarial value of plan assets	$ 8,146	$ 8,262	$ 8,302	$ 8,275	$ 8,450	$ 8,728
Actuarial accrued liability	10,820	10,754	10,826	10,359	10,894	10,401
Unfunded actuarial liability	2,674	2,492	2,524	2,084	2,444	1,673
Percentage funded	75%	77%	77%	80%	78%	84%
Covered payroll	389	432	426	478	546	616
Unfunded actuarial liability as a percentage of covered payroll	687%	577%	592%	436%	448%	272%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Teachers' Retirement System - Plan 2/3
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 6,160	$ 5,681	$ 5,277	N/A	N/A	N/A
Actuarial accrued liability	6,048	5,264	4,682	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(112)	(417)	(595)	N/A	N/A	N/A
Percentage funded	102%	108%	113%	N/A	N/A	N/A
Covered payroll	3,957	3,621	3,318	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

TRS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
School Employees' Retirement System - Plan 2/3
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 2,503	$ 2,303	$ 2,133	N/A	N/A	N/A
Actuarial accrued liability	2,493	2,207	1,998	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(10)	(96)	(135)	N/A	N/A	N/A
Percentage funded	100%	104%	107%	N/A	N/A	N/A
Covered payroll	1,467	1,379	1,283	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

SERS Plan 2/3 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	9/30/2006	9/30/2005	9/30/2004
Actuarial value of plan assets	$ 5,612	$ 5,592	$ 5,298	$ 5,018	$ 4,800	$ 4,666
Actuarial accrued liability	4,492	4,368	4,340	4,309	4,243	4,266
Unfunded (assets in excess of) actuarial liability	(1,120)	(1,224)	(958)	(709)	(557)	(400)
Percentage funded	125%	128%	122%	116%	113%	109%
Covered payroll	33	37	43	48	56	64
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 5,564	$ 5,053	$ 4,360	N/A	N/A	N/A
Actuarial accrued liability	4,641	3,998	3,626	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(923)	(1,055)	(734)	N/A	N/A	N/A
Percentage funded	120%	126%	120%	N/A	N/A	N/A
Covered payroll	1,442	1,345	1,234	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

LEOFF Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Washington State Patrol Retirement System - Plan 1/2
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 900	$ 870	$ 800	N/A	N/A	N/A
Actuarial accrued liability	790	745	702	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(110)	(125)	(98)	N/A	N/A	N/A
Percentage funded	114%	117%	114%	N/A	N/A	N/A
Covered payroll	83	79	72	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

WSPRS Plan 1/2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

continued

Schedule of Funding Progress
Public Safety Employees' Retirement System - Plan 2
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	N/A	N/A	N/A
Actuarial value of plan assets	$ 69	$ 39	$ 14	N/A	N/A	N/A
Actuarial accrued liability	64	37	19	N/A	N/A	N/A
Unfunded (assets in excess of) actuarial liability	(5)	(2)	6	N/A	N/A	N/A
Percentage funded	108%	106%	74%	N/A	N/A	N/A
Covered payroll	223	200	134	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	N/A	N/A	N/A

PSERS Plan 2 uses the aggregate actuarial cost method. Effective for reporting year 2007, this Schedule of Funding Progress is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status and funding progress information of this plan as required by GASB Statement No. 50.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Judicial Retirement System
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	9/30/2006	9/30/2005	9/30/2004
Actuarial value of plan assets	$ 2	$ 1	$ 1	$ 0.3	$ 2	$ 4
Actuarial accrued liability	89	92	85	88	89	89
Unfunded actuarial liability	87	91	84	88	87	85
Percentage funded	2%	1%	1%	0%	2%	4%
Covered payroll	0.9	1.3	1.3	1.4	1.7	2.4
Unfunded actuarial liability as a percentage of covered payroll	9667%	7000%	6462%	6286%	5118%	3542%

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedules of Funding Progress

concluded

Schedule of Funding Progress
Judges' Retirement Fund
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	9/30/2006	9/30/2005	9/30/2004
Actuarial value of plan assets	$ 3.3	$ 3.6	$ 4.0	$ 4.1	$ 4.2	$ 4.4
Actuarial accrued liability	3.4	3.5	3.9	4.0	4.5	4.7
Unfunded (assets in excess of) actuarial liability	0.1	(0.1)	(0.1)	(0.1)	0.3	0.3
Percentage funded	97%	103%	103%	103%	93%	94%
Covered payroll	-	-	-	-	-	-
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedule of Funding Progress
Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund
Valuation Years 2009 through 2004
(dollars in millions)

	2009	2008	2007	2006	2005	2004
Actuarial valuation date	6/30/2009	6/30/2008	6/30/2007	12/31/2006	12/31/2005	12/31/2004
Actuarial value of plan assets	$ 166	$ 161	$ 151	$ 140	$ 127	$ 120
Actuarial accrued liability	163	153	141	142	140	115
Unfunded (assets in excess of) actuarial liability	(3)	(8)	(10)	2	13	(5)
Percentage funded	102%	105%	107%	99%	91%	104%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A
Unfunded actuarial liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

* Pension plan liability only - excludes relief benefits.

**Covered Payroll is not presented because it is not applicable since this is a volunteer organization.

N/A indicates data not available.

Source: Washington State Office of the State Actuary. Starting with the 2007 report the valuation date changed to June 30.

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities
For the Fiscal Years Ended June 30, 2010 through 2005
(dollars in millions)

	2010	2009	2008	2007	2006	2005
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 1						
Employers' annual required contribution	$ 627.8	$ 620.2	$ 453.1	$ 397.3	$ 438.5	$ 340.3
Employers' actual contribution	154.0	325.2	221.8	118.7	29.6	22.4
Percentage contributed	25%	52%	49%	30%	7%	7%
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 383.1	$ 369.7	$ 363.3	$ 331.3	$ 307.6	$ 227.7
Employers' actual contribution	327.5	439.7	318.7	242.5	149.6	74.7
Percentage contributed	85%	119%	88%	73%	49%	33%
TEACHERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	$ 406.1	$ 391.0	$ 294.7	$ 249.8	$ 287.5	$ 224.3
Employers' actual contribution	112.7	178.9	113.1	60.5	15.1	8.8
Percentage contributed	28%	46%	38%	24%	5%	4%
TEACHERS' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 221.1	$ 186.9	$ 208.9	$ 167.7	$ 166.4	$ 117.4
Employers' actual contribution	165.0	160.8	109.5	102.2	75.4	33.8
Percentage contributed	75%	86%	52%	61%	45%	29%
SCHOOL EMPLOYEES' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	$ 82.3	$ 71.5	$ 75.8	$ 71.5	$ 81.4	$ 64.0
Employers' actual contribution	62.1	63.5	52.1	45.9	30.4	10.2
Percentage contributed	75%	89%	69%	64%	37%	16%

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

Schedules of Contributions from Employers and Other Contributing Entities (cont'd)

Schedules of Contributions from Employers and Other Contributing Entities
For the Fiscal Years Ended June 30, 2010 through 2005
(dollars in millions)

	2010	2009	2008	2007	2006	2005
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	$ -	$ -	$ -	$ 0.1	$ -	$ -
Employers' actual contribution	-	-	-	0.1	0.1	-
Percentage contributed	N/A	N/A	N/A	100%	N/A	N/A
State annual required contribution	-	-	-	-	-	-
State actual contribution	-	-	-	-	-	-
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 2						
Employers' annual required contribution*	$ 111.1	$ 105.3	$ 61.3	$ 56.9	$ 60.8	$ 48.5
Employers' actual contribution	77.0	77.8	73.4	58.2	48.5	32.8
Percentage contributed	69%	74%	120%	102%	80%	68%
State annual required contribution*	44.4	42.1	40.8	38.0	40.5	32.3
State actual contribution	51.4	51.1	45.9	37.9	31.7	21.3
Percentage contributed	116%	121%	113%	100%	78%	66%
WASHINGTON STATE PATROL RETIREMENT SYSTEM						
Employers' annual required contribution	$ 6.6	$ 5.0	$ 6.8	$ 5.3	$ 6.1	$ 3.4
Employers' actual contribution	5.3	6.4	6.1	3.3	3.1	-
Percentage contributed	80%	128%	90%	62%	51%	0%

N/A indicates data not available.

*The Annual Required Contribution (ARC) for the LEOFF Plan 2 presented is the Office of the State Actuary's recommended figure; the LEOFF Plan 2 Retirement Board has proposed a higher ARC of $113.5 million.

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

Schedules of Contributions from Employers and Other Contributing Entities (concl'd)

Schedules of Contributions from Employers and Other Contributing Entities
For the Fiscal Years Ended June 30, 2010 through 2005
(dollars in millions)

	2010	2009	2008	2007	2006	2005
PUBLIC SAFETY EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2						
Employers' annual required contribution	$ 14.8	$ 14.3	$ 12.4	$ 7.1	N/A	N/A
Employers' actual contribution	15.2	14.5	11.7	6.6	N/A	N/A
Percentage contributed	103%	101%	94%	93%	N/A	N/A
JUDICIAL RETIREMENT SYSTEM						
Employers' annual required contribution	$ 20.4	$ 21.2	$ 26.6	$ 37.3	$ 27.7	$ 21.7
Employers' actual contribution	11.6	10.2	9.6	9.6	6.7	6.2
Percentage contributed	57%	48%	36%	26%	24%	29%
JUDGES' RETIREMENT FUND						
Employers' annual required contribution	$ -	$ -	$ -	$ -	$ 0.1	$ 0.1
Employers' actual contribution	-	-	-	0.3	0.3	0.5
Percentage contributed	N/A	N/A	N/A	N/A	300%	500%
VOLUNTEER FIRE FIGHTERS' AND RESERVE OFFICERS' RELIEF AND PENSION FUND						
Employers' annual required contribution	$ 1.0	$ 1.1	$ 1.0	$ 1.0	$ 1.0	$ 0.7
Employers' actual contribution	1.0	1.0	1.0	1.0	1.0	0.7
Percentage contributed	100%	91%	100%	100%	100%	100%
State annual required contribution	1.8	1.4	0.9	2.0	3.6	1.8
State actual contribution	5.7	5.2	5.0	6.0	4.6	4.4
Percentage contributed	317%	371%	556%	300%	128%	244%

N/A indicates data not available.

The Annual Required Contribution (ARC) changes each year with the experience of the plans. Factors influencing the experience include changes in funding methods, assumptions, plan provisions, and economic and demographic gains and losses. The methods used to derive the ARC for this accounting disclosure are different from that used to derive the actual contributions required by law. These differences include the use of different actuarial valuations (actual contributions may be based on an earlier valuation), and different actuarial cost methods. For these reasons the actual contributions will not match the Annual Required Contributions.

Source: Washington State Office of the State Actuary

OTHER POSTEMPLOYMENT BENEFITS INFORMATION

Schedule of Funding Progress

Schedule of Funding Progress
Other Postemployment Benefits
Valuation Years 2009 through 2007
(dollars in millions)

	2009	2008	2007
Actuarial valuation date	1/1/2009	1/1/2008	1/1/2007
Actuarial value of plan assets	$ -	$ -	$ -
Actuarial accrued liability (AAL)*	3,787	4,014	3,800
Unfunded actuarial accrued liability (UAAL)	3,787	4,014	3,800
Funded ratio	0%	0%	0%
Covered payroll	5,678	5,170	5,427
UAAL as a percentage of covered payroll	66.69%	77.64%	70.01%

* Based on projected unit credit actuarial cost method.

Source: Washington State Office of the State Actuary

INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

CONDITION ASSESSMENT

The state's highway system is divided into three main categories: pavement, bridges, and rest areas. Condition information about each of these areas as well as state managed airports follows.

Pavement Condition

The Washington State Department of Transportation (WSDOT) owns and maintains 20,498 lane miles of highway, including ramps, collectors and special use lanes. Special use lanes include High Occupancy Vehicle (HOV), climbing, chain-up, holding, slow vehicle turnout, two-way turn, weaving/speed change, bicycle, transit, truck climbing shoulder, turn and acceleration lanes. Special use and ramp/collector lane miles make up 1,927 of the total lane miles.

WSDOT has been rating pavement condition since 1969. Pavement rated in *good* condition is smooth and has few defects. Pavement in *poor* condition is characterized by cracking, patching, roughness and rutting. Pavement condition is rated using three factors: Pavement Structural Condition (PSC), International Roughness Index (IRI), and Rutting.

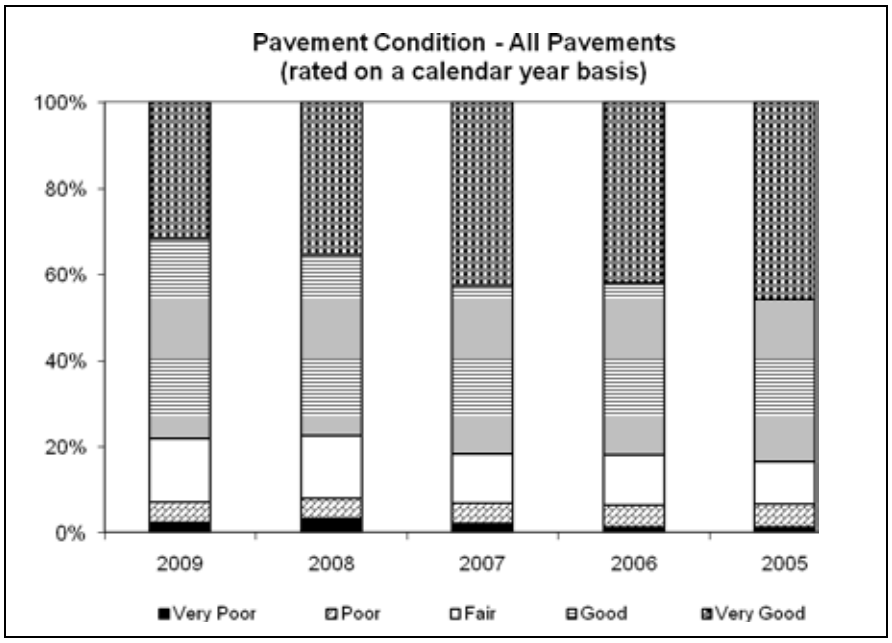
In 1993 the Legislature required WSDOT to rehabilitate pavements at the Lowest Life Cycle Cost (LLCC), which has been determined to occur at a PSC range between 40 and 60, or when triggers for roughness or rutting are met.

The trend over the last five years has shown that the percent of pavements in poor or very poor condition was fairly stable at 7 to 10 percent. WSDOT uses LLCC analysis to manage its pavement preservation program.

The principles behind LLCC are basic – if rehabilitation is done too early, pavement life is wasted; if rehabilitation is done too late, very costly repair work may be required, especially if the underlying structure is compromised. WSDOT continually looks for ways to best strike a balance between these two basic principles.

While the goal for pavements is zero miles in 'poor' condition, marginally good pavements may deteriorate into poor condition during the lag time between assessment and actual rehabilitation. As a result, a small percentage of marginally good pavements will move into the 'poor' condition category for any given assessment period.

WSDOT manages state highways targeting the LLCC per the Pavement Management System due date. While the Department has a long-term goal of no pavements in poor condition (a pavement condition index less than 40, on a 100 point scale), the current policy is to maintain 90 percent of all highway pavement types at a pavement condition index of 40 or better with no more than 10 percent of its highways at a pavement condition below 40. The most recent assessment, conducted in 2009, found that state highways were within the prescribed parameters with only 7 percent of all pavement types with a pavement condition index below 40.



WSDOT uses the following scale for Pavement Structural Condition (PSC):

Category	PSC Range	Description
Very Good	80 – 100	Little or no distress. Example: Flexible pavement with 5 percent of wheel track length having "hairline" severity alligator cracking will have a PSC of 80.
Good	60 – 80	Early stage deterioration. Example: Flexible pavement with 15 percent of wheel track length having "hairline" alligator cracking will have a PSC of 70.
Fair	40 – 60	This is the threshold value for rehabilitation. Example: Flexible pavement with 25 percent of wheel track length having "hairline" alligator cracking will have a PSC of 50.
Poor	20 – 40	Structural deterioration. Example: Flexible pavement with 25 percent of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 30.
Very Poor	0 – 20	Advanced structural deterioration. Example: Flexible pavement with 40 percent of wheel track length having "medium (spalled)" severity alligator cracking will have a PSC of 10. May require extensive repair and thicker overlays.

The PSC is a measure based on distresses such as cracking and patching, which are related to the pavement's ability to carry loads. Pavements develop structural deficiencies due to truck traffic and cold weather. WSDOT attempts to program rehabilitation for pavement segments when they are projected to reach a PSC of 50. A PSC of 50 can occur due to various amounts and severity of distress. For rigid pavements (such as Portland cement concrete), a PSC of 50 represents 50 percent of the concrete slabs exhibiting joint faulting with a severity of 1/8 to 1/4 inch (faulting is the elevation difference at slab joints and results in a rough ride – particularly in large trucks). Further, a PSC of 50 can also be obtained if 25 percent of concrete slabs exhibit two to three cracks per panel.

The International Roughness Index (IRI) uses a scale in inches per mile. WSDOT considers pavements with a ride performance measure of greater than 220 inches per mile to be in poor condition. For example, new asphalt overlays typically have ride values below 75 inches per mile, which is very smooth.

Rutting is measured in inches: a pavement with more than 0.58 inches of rutting is considered in poor condition.

The three indices (PSC, IRI, and Rutting) are combined to rate a section of pavement, which is assigned the lowest category of any of the three ratings.

The following table shows the combined explanatory categories and the ratings for each index.

Category	PSC	IRI	Rutting
Very Good	100 – 80	< 95	< 0.23
Good	80 – 60	95 – 170	0.23 – 0.41
Fair	60 – 40	170 – 220	0.41 – 0.58
Poor	40 – 20	220 – 320	0.58 – 0.74
Very Poor	0 – 20	> 320	> 0.74

Since 1999, WSDOT has used an semi-automated pavement distress survey procedure. In the automated survey, high-resolution video images are collected at highway speed and these video images are then rated on special workstations at 3-6 mph speed. Use of the semi-automated procedure has resulted in a more detailed classification and recording of various distresses that are rated.

In 2009, WSDOT rated pavement condition on 16,966 of the 20,498 lane miles of highway. The following chart shows recent pavement condition ratings for the State Highway System, using the combination of the three indices described on the preceding page.

Percentage of Pavement Lane Miles in Fair or Better Condition*					
	2009	2008	2007	2006	2005
Statewide - Chip seals	95%	95%	91%	91%	91%
Statewide - Asphalt	93%	92%	94%	94%	95%
Statewide - Concrete	90%	87%	93%	93%	91%
Statewide - All Pavements	93%	92%	93%	94%	93%

Percentage of Pavement Lane Miles in Poor or Very Poor Condition*					
	2009	2008	2007	2006	2005
Statewide - Chip seals	5%	5%	9%	9%	9%
Statewide - Asphalt	7%	8%	6%	6%	5%
Statewide - Concrete	10%	13%	7%	7%	9%
Statewide - All Pavements	7%	8%	7%	6%	7%

*Calendar year data. Assessments are typically physically conducted in the summer and fall of each year, and processed during the winter and spring, with final results released in July. Years indicated are when the physical assessment was conducted.

Note: The All Pavements percentages are calculated from total lane miles inspected and are not a statistical average of the three pavement type percentages. IRI or rutting is not used for sections identified as under construction in rating distress.

More information about pavement management at WSDOT may be obtained at:
http://www.wsdot.wa.gov/biz/mats/pavement/.

Bridge Condition

During Fiscal Year 2010, there were 3,184 state-owned vehicular structures over 20 feet in length with a total area of 45,695,870 square feet. In addition to bridges, the 3,184 structures include 97 culverts and 71 ferry terminal vehicle and pedestrian structures. (While ferry terminals are included in a depreciable asset category, they are included here with bridge condition information since they are evaluated by the WSDOT Bridge Office on a periodic basis.)

There was a net increase of 23 bridge and culvert structures in Fiscal Year 2010 due to new construction, additions of culvert structures not previously inventoried, and a sectional approach to inventory and inspection of large bridge structures such as those crossing Puget Sound and Lake Washington. Special emphasis is given to the ongoing inspection and maintenance of major bridges representing a significant public investment due to size, complexity or strategic location. All bridges are inspected every two years and underwater bridge components at least once every five years in accordance with Federal Highway Administration (FHWA) requirements.

Information related to public bridges is maintained in the Washington State Bridge Inventory System (WSBIS). This system is used to develop preservation strategies and comprehensive recommendations for maintenance and construction, and for reporting to the FHWA.

WSDOT's policy is to maintain 95 percent of its bridges at a structural condition of at least fair, meaning that all primary structural elements are sound.

The most recent assessments over the last two years found that state-owned bridges were within the prescribed parameters with 97.9 percent having a condition rating of fair or better and only 2.1 percent of bridges having a condition rating of poor. Bridges rated as poor may have structural deficiencies that restrict the weight and type of traffic allowed. Bridges that are rated as poor are not necessarily unsafe for public travel. Any bridges determined to be unsafe are closed to traffic. There is one bridge currently closed.

WSDOT's Bridge Seismic Retrofit Program prioritizes state bridges for seismic retrofit, and performs these retrofits as funding permits. Retrofit priorities are based on seismic risk of a site, structural detail deficiencies, and route importance.

The Seismic Retrofit Program includes 880 bridges that have been classified as needing retrofitting. WSDOT has fully or partially retrofitted 395 bridges. Of those, 256 are completely retrofitted, 139 are partially retrofitted. There are 13 bridges currently under contract to be retrofitted.

The following condition rating data is based on the structural sufficiency standards established in the FHWA "Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges." This structural rating relates to the evaluation of bridge superstructure, deck, substructure, structural adequacy and waterway adequacy.

Three categories of condition were established in relation to the FHWA criteria as follows:

Category	National Bridge Inventory Code	Description
Good	6, 7, or 8	A range from no problems noted to some minor deterioration of structural elements.
Fair	5	All primary structural elements are sound but may have deficiencies such as minor section loss, deterioration, cracking, spalling or scour.
Poor	4 or less	Advanced deficiencies such as section loss, deterioration, cracking, spalling, scour or seriously affected primary structural components.

Note: Bridges rated in poor condition may be restricted for the weight and type of traffic allowed.

The following charts show the most recent condition rating of Washington State bridges:

Percentage of Bridges in Fair or Better Condition					
Bridge Type	**2010**	**2009**	**2008**	**2007**	**2006**
Reinforced concrete (1,286 bridges in FY 2010)	98.1%	98.0%	98.0%	98.3%	98.6%
Prestressed concrete (1,379 bridges in FY 2010)	99.3%	99.0%	98.9%	99.3%	99.3%
Steel (370 bridges* in FY 2010)	96.6%	95.0%	93.9%	94.7%	94.1%
Timber (81 bridges in FY 2010)	80.2%	80.4%	71.7%	66.3%	68.1%
Statewide - All bridges (3,116 out of 3,184 bridges in FY 2010)	97.9%	97.5%	97.0%	97.4%	97.5%

Percentage of Bridges in Poor Condition					
Bridge Type	**2010**	**2009**	**2008**	**2007**	**2006**
Reinforced concrete (25 bridges in FY 2010)	1.9%	2.0%	2.0%	1.7%	1.4%
Prestressed concrete (10 bridges in FY 2010)	0.7%	1.0%	1.1%	0.7%	0.7%
Steel (13 bridges* in FY 2010)	3.4%	5.0%	6.1%	5.3%	5.9%
Timber (20 bridges in FY 2010)	19.8%	19.6%	28.3%	33.7%	31.9%
Statewide - All bridges (68 out of 3,184 bridges in FY 2010)	2.1%	2.5%	3.0%	2.6%	2.5%

*The steel bridge ratings for Fiscal Year 2010 include 44 ferry terminal structures with 41 rated as fair or better and three ferry terminal structures rated as poor.

Note: Bridges rated as poor may have structural deficiencies that restricted the weight and type of traffic allowed. WSDOT currently has two posted bridges and 141 restricted bridges. Posted bridges have signs posted which inform of legal weight limits. Restricted bridges are those where overweight permits will not be issued for travel by overweight vehicles. This is a decrease of nine posted bridges in 2010 as compared to 2009. The number of restricted bridges decreased by one.

Refer to http://www.wsdot.wa.gov/commercialVehicle/Restrictions/ for more information on overweight restrictions. Any bridges determined to be unsafe are closed to traffic.

Additional information regarding the WSDOT's bridge inspection program may be obtained at:
http://www.wsdot.wa.gov/eesc/bridge/index.cfm.

Safety Rest Area Condition

The WSDOT owns, operates, and maintains 47 developed safety rest area (SRA) facilities. Within these facilities, the Department manages the following assets: 94 buildings, 694 acres, 31 on-site public drinking water systems, 41 on-site sewage pre-treatment/treatment systems, and 20 recreational vehicle sanitary disposal facilities.

WSDOT performs SRA building and site condition assessments in odd-numbered calendar years, to determine the facility deficiencies. This biennial process, which began in 2003, helps prioritize renovation and replacement projects. Sites and buildings are divided into functional components that are assessed with a numerical rating of 1 to 5 based on guideline criteria (1 meets current standards, 5 is poor).

In addition, a weighting multiplier is applied based on the criticality of the individual component. For instance, a safety deficiency adds a weighting multiplier of ten while a department image deficiency has a weighting multiplier of two. The combined total building and site ratings are used to determine each facility's overall condition, and fall into one of five categories.

WSDOT SRA condition assessment rating parameters are not based on other state or national guidelines for safety rest areas. The model used is based on the capital facility program software already in use, with minor modifications to the rating parameters to better match the unique needs of SRA facilities. The SRA program goal is to have no more than 5 percent of the facilities rated poor.

The following charts show the most recent condition rating of Washington State safety rest areas:

Category	2009*	2007	2005
Percentage of facilities in fair or good condition	97.6%	95.2%	95.2%
Percentage of facilities in poor condition	2.4%	4.8%	4.8%

*2009 percentages are based on 43 inspected SRA sites.

Category	Description	Number of Safety Rest Areas in Category		
		2009	2007	2005
Good Condition	Facility is new construction and/or meets current standards.	8	8	11
Fair-High Condition	Facility meets current standards and/or is in adequate condition with minimal component deficiencies.	7	6	2
Fair-Mid Condition	Facility is functional, and in adequate condition with minor component deficiencies.	11	6	9
Fair-Low Condition	Facility has multiple system deficiencies.	16	20	18
Poor	Facility is at or beyond its service life, with multiple major deficiencies.	1	2	2
No Condition Assessment Data	No data in 2009 (Iron Goat, Dodge Junction, Keller Ferry, Dusty)	4	5	0
	Total	47	47	42

State Managed Airport Condition

The WSDOT Aviation Division is authorized by RCW 47.68.100 to acquire, manage and maintain airports.

Under this authority, WSDOT manages 17 airports, eight of which the Department owns. The airports are used primarily for access to small communities and emergency purposes such as fire fighting, search and rescue, and medical evacuation (one airport is used only for helicopter and search and rescue operations). The airports are also used for recreational flying activities. Most are located near or adjacent to state highways and their runways range in character from paved, to gravel or turf.

Three airports are in operational condition 12 months of the year, and the remaining 14 are operational from June to October each year. Opening and closing dates may vary depending on weather conditions. In accordance with WSDOT policy, maintenance is performed on each airport annually and inspections occur a minimum of three times per year. The use of state airports by all persons is solely at the risk of the user. Since these airports are maintained principally for emergency use, the state does not warrant the conditions at any state airport to be suitable for any other use.

The definitions below represent the classification category for state managed airports within the Washington Aviation System Plan (WASP). The system plan was adopted in 2009 as part of the Long-Term Air Transportation Study and represents the state-interest component of the statewide multimodal transportation plan. The system plan fulfills the statewide aviation planning requirements of federal government, coordinates statewide aviation planning, and identifies the program needs for public use of state airports.

Category	Definition
Local service airport	An airport with a paved runway capable of handling aircraft with a maximum gross certificated takeoff weight of 12,500 pounds.
Rural essential airport	An airport with a turf, gravel or sand (unpaved) runway near access to recreational opportunities with capacity for aircraft less than 12,500 pounds.

The following chart shows the most recent condition rating of Washington State managed airports:

Washington Aviation System Plan (1)

Airport Classification	WSDOT Aviation Owned	WSDOT Aviation Managed
Local Airports (2)	2	-
Rural Essential Airports (3)	-	-
Paved runway	-	1
Turf runway	5	3
Gravel runway	-	4
Sand	-	1
Helicopter only	1	-
Total Airports	8	9

	2010	2009	2008	2007	2006
Percentage of airports acceptable for general recreational use or better	94%	94%	88%	88%	88%
Percentage of airports not acceptable for general recreational use or better	6%	6%	12%	12%	12%

(1) Eight airports are owned by WSDOT and nine are managed by WSDOT under various use/operating agreements.
(2) Local airports are acceptable for general use and serve small to medium-sized communities.
(3) Rural essential airports are acceptable for general recreation use and typically serve recreation communities and remote back country locations.

For more information about the airports which are acceptable for general recreational use or better, refer to WSDOT's website at: http://www.wsdot.wa.gov/aviation/Airports/.

Comparison of Planned-to-Actual Preservation and Maintenance

For the Fiscal Years Ended June 30, 2010 through 2006
(expressed in thousands)

	2010			2009		
PAVEMENT	**Planned**	**Actual**	**Variance**	**Planned**	**Actual**	**Variance**
Preservation	$ 147,424	$ 137,952	$ 9,472	$ 125,246	$ 109,279	$ 15,967
Maintenance	20,780	21,489	(709)	19,651	19,170	481
Total	$ 168,204	$ 159,441	$ 8,763	$ 144,897	$ 128,449	$ 16,448
BRIDGES						
Preservation	$ 40,958	$ 30,904	$ 10,054	$ 63,436	$ 16,586	$ 46,850
Maintenance	13,532	13,532	-	13,365	13,406	(41)
Total	$ 54,490	$ 44,436	$ 10,054	$ 76,801	$ 29,992	$ 46,809
REST AREAS						
Preservation	$ 162	$ 144	$ 18	$ 199	$ 193	$ 6
Maintenance	5,653	5,781	(128)	5,808	5,631	177
Total	$ 5,815	$ 5,925	$ (110)	$ 6,007	$ 5,824	$ 183
AIRPORTS						
Preservation & maintenance	$ 183	$ 159	$ 24	$ 146	$ 168	$ (22)

In addition to increasing and improving the state highway system, WSDOT places a high priority on preserving and maintaining the current highway system. WSDOT breaks out preservation and maintenance into two separate functions. Preservation can be described as projects that maintain the structural integrity of the existing highway system including roadway pavements, safety features, bridges, and other structures/facilities. The maintenance function handles the day-to-day needs that occur such as guardrail replacement, patching pot holes, installing signs, and vegetation control.

WSDOT uses outcome based performance measures for evaluating the effectiveness of the maintenance program. The Maintenance Accountability Process (MAP) is a comprehensive planning, measuring and managing process that provides a means for communicating the impacts of policy and budget decisions on program service delivery. WSDOT uses it to identify investment choices and the effects of those choices in communicating with the Legislature and other stakeholders. The MAP measures and communicates the outcomes of 32 distinct highway maintenance activities. Maintenance results are measured via field condition surveys and reported as Level of Service (LOS) ratings, which range from A to F. LOS targets are defined in terms of the condition of various highway features (i.e. percent of guardrail on the highway system that is damaged) and are set commensurate with the level of funding provided for the WSDOT highway maintenance program. More information about MAP may be obtained at: http://www.wsdot.wa.gov/maintenance/accountability/default.htm.

WSDOT's legally authorized budgets are biennial with the even year being the first fiscal year of the biennium. Planned amounts in this schedule are not the legal legislative authorizations but are the planned expenditures for the year within the legal authorizations. Therefore, a negative variance is not an indication of overspending the WSDOT's legal authorization but indicates that more expenditure activity occurred than was initially planned. Actual expenditures may vary from the budgeted or planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate or defer preservation or maintenance activity or reduce planned activity in response to economic forecasts.

2008			2007			2006		
Planned	Actual	Variance	Planned	Actual	Variance	Planned	Actual	Variance
$ 118,886	$ 130,375	$ (11,489)	$ 111,195	$ 99,416	$ 11,779	$ 108,409	$ 130,340	$ (21,931)
18,329	16,994	1,335	19,152	16,255	2,897	19,219	18,586	633
$ 137,215	$ 147,369	$ (10,154)	$ 130,347	$ 115,671	$ 14,676	$ 127,628	$ 148,926	$ (21,298)
$ 11,260	$ 23,407	$ (12,147)	$ 21,055	$ 20,138	$ 917	$ 8,434	$ 20,338	$ (11,904)
12,427	12,601	(174)	11,553	11,051	502	11,552	11,820	(268)
$ 23,687	$ 36,008	$ (12,321)	$ 32,608	$ 31,189	$,1419	$ 19,986	$ 32,158	$ (12,172)
$ 77	$ 77	$ -	$ 188	$ 173	$ 15	$ 188	$ 129	$ 59
5,590	5,778	(188)	5,056	5,359	(303)	5,021	5,187	(166)
$ 5,667	$ 5,855	$ (188)	$ 5,244	$ 5,532	$ (288)	$ 5,209	$ 5,316	$ (107)
$ 146	$ 134	$ 12	$ 83	$ 200	$ (117)	$ 83	$ 67	$ 16

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Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

March 10, 2011

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the State of Washington, as of and for the year ended June 30, 2010, which collectively comprise the state's basic financial statements, and have issued our report thereon dated March 10, 2011. During the year ended June 30, 2010, the State implemented Governmental Accounting Standards Board *Statement No. 51 - Accounting and Financial Reporting for Intangible Assets and Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Department of Retirement Systems, Washington's Lottery, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board, as described in our report on the State of Washington's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Department of Retirement Systems, Washington's Lottery, Local Government Investment Pool, University of Washington, Western Washington University, and the funds managed by the State Investment Board were not audited in accordance with Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the state's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 10-01 that we consider to be significant deficiencies in internal control over financial reporting. 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.

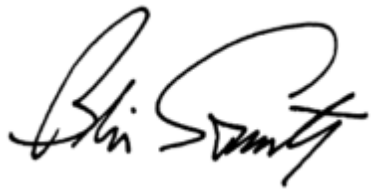
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the state's financial statements are free of material misstatement, we performed tests of the state's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The State's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the State's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the State's management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

Washington State Auditor
Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 10, 2011

The Honorable Christine Gregoire
Governor, State of Washington

Dear Governor Gregoire:

Compliance

We have audited the compliance of the State of Washington with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2010. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 State'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. Our audit does not provide a legal determination on the State's compliance with those requirements.

As described in Findings 10-25 and 10-26, in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with requirements regarding Subrecipient

Monitoring, Allowable Activities, and Cash Mangement that are applicable to the Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness programs. In addition, as described in Findings 10-16, 10-17, and 10-18, the State did not comply with requirements regarding Allowable Activities/Cost Principals, Subrecipient Monitoring, Reporting, and Davis Bacon that are applicable to the State Energy Program. Compliance with such requirements is necessary, in our opinion, for the State to comply with requirements applicable to the programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the State complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Federal Audit Findings and Questioned Costs as Findings 10-2, 10-3, 10-4, 10-5, 10-6, 10-7, 10-8, 10-10, 10-11, 10-12, 10-13, 10-14, 10-15, 10-19, 10-20, 10-21, 10-22, 10-23, 10-24, 10-27, 10-28, 10-29, 10-30, 10-32, 10-33, 10-34, 10-35, 10-37, 10-38, 10-39, 10-41, 10-42, 10-43, 10-50, 10-54, 10-55, 10-56, 10-57

Internal Control Over Compliance

The management of the State is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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

accompanying schedule of findings and questioned costs as Findings 10-6, 10-7, 10-11, 10-13, 10-16, 10-17, 10-18, 10-19, 10-20, 10-21, 10-23, 10-25, 10-27, 10-35, 10-44, 10-57 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 10-9, 10-14, 10-31, 10-32, 10-34, 10-36, 10-38, 10-40, 10-42, 10-45, 10-46, 10-47, 10-48, 10-49, 10-51, 10-52, 10-53, 10-54, 10-55, 10-56 to be significant deficiencies.

The State's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the State's responses and, accordingly, we express no opinion on them.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the State of Washington as of and for the year ended June 30, 2010, and have issued our report thereon dated March 10, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Washington's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the State's management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM

STATE AUDITOR

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Schedule of Findings and Questioned Costs

Summary of Auditor's Results

Financial Statements

An unqualified opinion was issued on the financial statements of the governmental activities, business-type activities, each major fund and the aggregate discretely presented component units and remaining fund information of the state of Washington.

Internal Control over financial reporting:

- *Significant Deficiencies* - We identified one deficiency in the design or operation of internal control over financial reporting that we consider to be a significant deficiency.

- *Material Weaknesses* - We identified no deficiencies that we consider to be material weaknesses.

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

Federal Awards

Internal Control over major programs:

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

- *Material Weaknesses* - We identified deficiencies that we consider to be material weaknesses.

We issued an unqualified opinion on the State's compliance with requirements applicable to its major federal programs, with the exception of the National Bioterrorism Hospital Preparedness, Public Health Emergency Preparedness and the State Energy Programs on which we issued qualified opinions on compliance with applicable requirements.

We reported findings that are required to be reported under Section 510(a) of OMB Circular A-133.

Identification of major programs:

The following were major programs during the period under audit:

CFDA	PROGRAM
Various	Research and Development Cluster
	SNAP Cluster
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
10.561-ARRA	State Administrative Matching Grants for Supplemental Nutrition Assistance Program ARRA
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
	CDBG – State Administered Small Cities Program Cluster
14.228	Community Development Block Grants
14.255	Community Development Block Grants ARRA
16.738	Edward Byrne Memorial Justice Assistance Grant
16.803-ARRA	Edward Byrne Memorial Justice Assistance Grant ARRA
	Employment Services Cluster
17.207	Employment Service/Wagner-Peyser Funded Activities
17.207-ARRA	Employment Service/Wagner-Peyser Funded Activities ARRA
17.801	Disabled Veterans' Outreach Program
17.804	Local Veterans' Employment Representative Program
17.225	Unemployment Insurance
17.225-ARRA	Unemployment Insurance ARRA
	Workforce Investment Act (WIA) Cluster
17.258	WIA Adult Program
17.258-ARRA	WIA Adult Program ARRA
17.259	WIA Youth Activities
17.259-ARRA	WIA Youth Activities ARRA
17.260	WIA Dislocated Workers
17.260-ARRA	WIA Dislocated Workers ARRA

	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction
20.205- ARRA	Highway Planning and Construction ARRA
20.219	Recreational Trails Program
23.003	Appalachian Development Highway System
23.003-ARRA	Appalachian Development Highway System ARRA
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.458- ARRA	Capitalization Grants for Clean Water State Revolving Funds ARRA
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.468-ARRA	Capitalization Grants for Drinking Water State Revolving Funds ARRA
81.041	State Energy Program
81.041-ARRA	State Energy Program ARRA
81.042	Weatherization Assistance for Low-Income Persons
81.042-ARRA	Weatherization Assistance for Low-Income Persons ARRA
	Title I, Part A Cluster
84.010	Title I Grants to Local Educational Agencies Cluster
84.389-ARRA	Title I Grants to Local Educational Agencies Cluster ARRA
	Special Education Cluster
84.027	Special Education – Grants to States (IDEA, Part B)
84.391-ARRA	Special Education – Grants to States (IDEA, Part B) ARRA
84.173	Special Education – Preschool Grants (IDEA Preschool)
84.392-ARRA	Special Education – Preschool Grants (IDEA Preschool) ARRA
	Vocational Rehabilitation Cluster
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.390-ARRA	Rehabilitation Services – Vocational Rehabilitation Grants to States ARRA
84.367	Title II Improving Teacher Quality
	State Fiscal Stabilization Fund Cluster
84.394-ARRA	State Fiscal Stabilization Fund (SFSF) - Education State Grants
84.397-ARRA	State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act
93.069	Public Health Emergency Preparedness

93.268 93.712-ARRA	Immunization Cluster Immunization Grants Immunization Grants ARR
93.558 93.714-ARRA 93.716-ARRA	TANF Cluster Temporary Assistance for Needy Families (TANF) State Programs Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs - ARRA Temporary Assistance for Needy Families (TANF) Supplemental Grants - ARRA
93.563 93.563-ARRA	Child Support Enforcement Child Support Enforcement ARRA
93.569 93.710-ARRA	Community Services Block Grant Cluster Community Services Block Grants Community Services Block Grants ARRA
93.575 93.713-ARRA 93.596	CCDF Cluster Child Care and Development Block Grant Child Care and Development Block Grant ARRA Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658 93.658- ARRA	Foster Care – Title IV-E Foster Care – Title IV-E ARRA
93.659 93.659-ARRA	Adoption Assistance Adoption Assistance ARRA
93.667	Social Services Block Grant
93.767	State Children's Health Insurance Program
93.775 93.776 93.777 93.778 93.778-ARRA	Medicaid Cluster State Medicaid Fraud Control Units Hurricane Katrina Relief Program State Survey and Certification of Health Care Providers and Suppliers Medical Assistance Program (Medicaid) Medical Assistance Program (Medicaid) ARRA
93.889	National Bioterrorism Hospital Preparedness

93.959	Block Grant Substance Abuse

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was $30,000,000.

The State did not qualify as a low-risk auditee under OMB Circular A-133.

Direct Reporting of Questioned Costs Affecting Federal Programs

During the audit period, a number of issues impacting federal awards came to our attention that were outside of the scope of the Single Audit. We reported these issues directly to the federal granting agencies in accordance with Government Auditing Standards and OMB Circular A-133:

- Whistleblower Report No. 1004032
  An employee with the Developmental Disability Division of the Department of Social and Health Services is working simultaneously for a counseling agency.

- Accountability Audit Report No. 1003598
  The Puget Sound Partnership circumvented state contracting laws, exceeded its purchasing authority and made unallowable purchases with public funds.

- Special Report No. 1004595
  Report on the Department of Commerce's investigation on alleged misuse of public funds by a non-profit organization.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Summary of Financial Statement Findings

Finding Number	Finding
10-01	The State's internal controls are inadequate to ensure the Schedule of Expenditures of Federal Awards is accurately prepared, placing the state at risk of incomplete and inaccurate reporting to the federal government. This could affect the amount of federal funding the state receives in the future.

Summary of Federal Findings

Finding Number	Finding
10-02	The Department of Social and Health Services, Economic Services Administration, did not comply with federal regulations regarding support of salaries and wages paid to employees.
10-03	The Department of Social and Health Services did not issue retroactive food assistance payments in accordance with federal law.
10-04	The Recreation and Conservation Office did not comply with federal cash management requirements.
10-05	The Department of Commerce, Local Government and Infrastructure Division, does not have controls to ensure it complies with reporting requirements for the Community Development Block Grant program.
10-06	The Department of Social and Health Services, Division of Behavioral and Health Services, does not ensure Justice Assistance Grant subrecipients are registered in the Central Contractor Registration database as required by federal regulation.
10-07	The Department of Social and Health Services did not provide adequate information to its Justice Assistance Grant subrecipients, nor did it monitor subrecipients' use of those funds.
10-08	The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments.
10-09	The Employment Security Department did not comply with federal cash management requirements.
10-10	The Employment Security Department did not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits.
10-11	The Department of Transportation does not have adequate controls to ensure that information the American Recovery and Reinvestment Act requires to be reported for its Highway Planning and Construction program is accurate.
10-12	The Department of Transportation did not ensure highway construction contractor invoices were supported and approved before payment.
10-13	The Department of Transportation did not support over $759,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas.
10-14	The Department of Ecology does not have adequate internal controls to ensure it complies with suspension and debarment requirements.
10-15	The Department of Health did not comply with time and effort requirements for the Capitalization Grants for Drinking Water State Revolving Fund program.
10-16	The Energy Office of the Department of Commerce does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements.
10-17	The Energy Office at the Department of Commerce does not have controls to ensure it complies with reporting requirements for the State Energy Program.
10-18	The Energy Office at the Department of Commerce did not adequately monitor grantees and loan recipients and paid for unallowable costs under the State Energy Program.

10-19	The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program.
10-20	The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with suspension and debarment requirements for the Weatherization Assistance for Low-Income Persons program.
10-21	The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program.
10-22	The Department of the Services for the Blind is not complying with federal requirements regarding payroll costs charged to the Vocational Rehabilitation Program.
10-23	The Department of Social and Health Services is not complying with federal requirements for suspension and debarment for the federal Vocational Rehabilitation Program.
10-24	The Department of Social and Health Services is not complying with federal requirements for time and effort documentation for the Vocational Rehabilitation Program.
10-25	The Department of Health does not monitor subrecipient expenditures of the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness programs.
10-26	The Department of Health did not support over $448,000 in payroll costs in accordance with federal regulations for the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness Programs.
10-27	The Department of Commerce does not ensure the Temporary Assistance for Needy Families funding it provides to subrecipients is reported and audited in accordance with federal regulations.
10-28	The Department of Social and Health Services requested federal grant funding in excess of its immediate needs.
10-29	The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Community Services Block Grant program.
10-30	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for the Community Services Block Grant program.
10-31	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
10-32	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving adoption assistance payments.
10-33	The Department of Social and Health Services spent approximately $2.7 million of federal Children Health Insurance Program (CHIP) money on unallowable administrative activities.
10-34	The Department of Social and Health Services does not have adequate procedures to ensure compliance with earmarking requirements for the Children's Health Insurance Program.
10-35	The Department of Social and Health Services did not have adequate internal controls to accurately identify and claim all eligible Children's Health Insurance Program expenditures.
10-36	The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed.
10-37	The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens at the time of payment, resulting in $187,557 in questionable costs.
10-38	The Department of Social and Health Services, Medicaid Purchasing Administration, does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable.
10-39	The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure the level of in-home care services for some clients was evaluated at least annually.

10-40	The Department of Social and Health Services, Medicaid Purchasing Administration, does not comply with state law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.
10-41	The Department of Social and Health Services did not ensure all Medicaid providers were eligible to participate in the program.
10-42	The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.
10-43	The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
10-44	The Department of Social and Health Services Medicaid Purchasing Administration's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are based on accurate data.
10-45	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all applicant-owned assets are counted when Medicaid eligibility is determined.
10-46	The Department of Social and Health Services, Economic Services Administration, does not have adequate controls to ensure sufficient action is taken to correct errors identified by the Medical Eligibility Quality Control Unit.
10-47	The Department of Social and Health Services, Medicaid Purchasing Administration, does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible.
10-48	The Department of Social and Health Services' internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported.
10-49	The Department of Social and Health Services did not have adequate controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government in an accurate and timely manner.
10-50	The Department of Social and Health Services paid Medicaid providers for services that were not provided to Medicaid beneficiaries.
10-51	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate procedures to ensure Medicaid is the payer of last resort for pharmacies.
10-52	The Department of Social and Health Services, Medicaid Purchasing Administration, does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.
10-53	The Department of Social and Health Services Medicaid Purchasing Administration does not perform a retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal law.
10-54	The Department of Social and Health Services, Aging and Disability Services Administration, billed approximately $600,000 to the Medicaid program for services provided to ineligible individuals.
10-55	The Department of Social and Health Services, Medicaid Purchasing Administration, did not ensure managed care premium payments were paid only for Medicaid eligible clients, resulting in the loss of approximately $1 million of public funds.
10-56	The Department of Health charged federal grants for expenditures after the grant period had closed.
10-57	The Department of Social and Health Services, Aging and Disability Services Administration, Division of Behavioral Health and Recovery, did not comply with the federal requirement for independent peer reviews for the Substance Abuse Prevention and Treatment Block Grant.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Summary of Questioned Costs

Federal Grantor	State Agency	CFDA No.	Federal Program	Questioned Costs	Finding No.
U.S. Department of Agriculture	Department of Social and Health Services	10.551, 10.561-ARRA	Supplemental Nutrition Assistance Program (SNAP) Cluster	$ 15,000.00	10-03
U.S. Department of Transportation Federal Highway Administration	Department of Transportation	20.205 20.205-ARRA 20.219 23.003 23.003-ARRA	Highway Planning and Construction Cluster	$ 75,147.00	10-12
U.S. Department of Transportation, Federal Transit Administration	Department of Transportation	20.509	Formula Grants for other than Urbanized Areas	$ 759,869.57	10-13
U.S. Department of Energy	Department of Commerce	81.041 81.041-ARRA	State Energy Plan	$ 13,691.00	10-18
U.S. Department of Energy	Department of Commerce	81.042 81.042-ARRA	Weatherization Assistance for Low-Income Persons	$ 38,694.00	10-21
U.S. Department of Education	Department of the Services for the Blind Department of Social and Health Services	84.126 84.390-ARRA	Vocational Rehabilitation Cluster	$ 1,610,372.00	10-22 10-24
U.S. Department of Health and Human Services	Department of Health	93.069	Public Health Emergency Preparedness	$ 253,669.70	10-26
U.S. Department of Health and Human Services	Department of Commerce	93.569 93.710-ARRA	Community Services Block Grant Cluster	$ 55,593.11	10-30
U.S. Department of Health and Human Services	Department of Social and Health Services	93.659 93.659-ARRA	Adoption Assistance	$ 61,918.00	10-32
U.S. Department of Health and Human Services	Department of Social and Health Services	93.767	Children's Health Insurance Program	$ 2,807,381.53	10-33 10-34

U.S. Department of Health and Human Services	Department of Social and Health Services	93.775, 93.776 93.777, 93.778 93.778 - ARRA	Medicaid Cluster	$ 2,183,223.55	10-37 10-38 10-39 10-41 10-42 10-43 10-50 10-54 10-55
U.S. Department of Health and Human Services	Department of Health	93.889	National Bioterrorism Hospital Preparedness Program	$ 349,666.82	10-26 10-56
			TOTAL	$ 8,224,226.28	

Financial Findings Reported Under Government Auditing Standards

10-01 The State's internal controls are inadequate to ensure the Schedule of Expenditures of Federal Awards is accurately prepared, placing the state at risk of incomplete and inaccurate reporting to the federal government. This could affect the amount of federal funding the state receives in the future.

Background

As a condition of receiving federal funding, regulations require the state to prepare an annual Schedule of Expenditure of Federal Awards (SEFA) detailing the value and type of federal assistance received each year. The federal Office of Management and Budget issues instructions on how to prepare this schedule.

In Washington, the Office of Financial Management (OFM) has been delegated responsibility for the preparation of the SEFA. Each state agency receiving federal assistance is required to report the details of that assistance to OFM, which then prepares a single schedule for the state. The SEFA is a required part of the state's annual financial statement reporting package and identifies for the State Auditor's Office programs that are subject to the State of Washington Single Audit each year. Auditors are required to assess the accuracy of the schedule as part of that work.

In fiscal year 2010, the state SEFA reported total federal awards of $18,178,023,667.

Description of Condition

Our audit determined OFM's internal controls are not adequate to ensure the SEFA accurately reports all federal assistance state agencies receive. We found the following deficiencies in internal controls over the SEFA's preparation and reporting that collectively represent a material weakness:

- One employee at OFM has overall responsibility for final preparation of the SEFA. No one reviews this employee's work for accuracy. Our review of the SEFA for fiscal year 2010 found significant reporting errors by agencies and OFM that were not detected until our audit.

- Prior to 2010, OFM compiled much of the SEFA information using a data processing application. When it changed this system in 2010, it did not adequately test or monitor the new system to ensure it was working. The system was to automatically match information reported by agencies to a federal program database. Flaws in the design of this system caused incorrect information matches, creating many of the reporting errors. Because OFM does not reconcile the final SEFA to the information initially submitted by agencies, it did not identify these errors.

- More than 50 agencies report assistance information for hundreds of different federal programs each year. The decentralized nature of this process significantly increases the likelihood of errors. OFM sets requirements for federal accounting in the state accounting manual and provides additional guidance through training that references how to comply with federal guidelines.

Cause of Condition

The Legislature has delegated to OFM the responsibility for preparation of the state's financial statements, including the SEFA. OFM has not put internal controls in place to ensure the SEFA is accurate and complete. It relies on agencies to provide accurate information, but it does not review that information before preparing the SEFA.

Effect of Condition

OFM staff did not detect significant errors in the state's fiscal year 2010 SEFA. We identified reporting errors totaling approximately $1 billion.

The following three errors prevented the State Auditor's Office from correctly identifying federal programs for audit in accordance with federal regulations. This resulted in additional work late in the audit process that will cost the state approximately $14,268. It also puts the state at risk of not meeting the federally mandated audit deadline. Failure to meet the deadline could affect the state's ability to receive federal assistance:

- The Department of Health distributed $82.8 million worth of vaccines through the Immunization Grant program it did not report on the schedule.
- The Department of Health distributed $19.3 million worth of vaccines through the Public Health Emergency Preparedness program it did not report on the schedule.
- The Department of Social and Health Services reported $2.7 million of Medicaid expenditures as Children's Health Insurance Program expenditures.

The auditor also identified the following errors:

- OFM incorrectly identified "clusters" – programs that federal regulations state should be grouped and audited together due to their similarities. We identified 17 programs classified under incorrect clusters, resulting in approximately $922 million in assistance being incorrectly reported. Three significant issues identified are:
    - OFM misreported $820 million in Medicaid funds provided through the American Recovery and Reinvestment Act as Foster Grandparent/Senior Companion program funds. The state received no funding through the Foster Grandparent/Senior Companion program.
    - OFM misreported more than $34 million received through the Schools and Roads Program as Disability Insurance funding. As a result, the Schools and Roads Program was underreported.
    - OFM incorrectly identified multiple federal programs clustered together under the U.S. Department of Homeland Security in the cluster, resulting in it being underreported by $14 million.
- OFM's reporting system did not accurately identify and assign program titles, which resulted in nine programs being incorrectly titled in the SEFA.

The Department of Commerce did not correctly identify approximately $2.6 million in State Energy Program assistance provided through the American Recovery and Reinvestment Act. Federal regulations require any assistance provided through the Act to be clearly identified as such on the schedule.

- The Department of Social and Health Services did not correctly report approximately $1.8 million in Foster Care and Adoption Assistance provided through the Recovery Act.
- The Department of Social and Health Services did not correctly categorize subrecipients of the Medicaid program versus vendors and subsequently over-reported payments to subrecipients by approximately $400 million.
- The Department of Social and Health Services did not correctly identify subrecipients of the Temporary Assistance Needy Families and underreported subrecipient payments by approximately $28 million.

- The Department of Health incorrectly reported $18.7 million received through the Centers for Disease Control as Research and Development cluster grant funds.

- The Office of Superintendent of Public Instruction reported nearly $19 million in assistance received through the Commodity Supplemental Food Program under a non-existent federal award program number.

All the errors identified were provided to OFM for correction prior to it submitting the schedule to the federal government by the deadline of March 30 and releasing it to the public.

Recommendation

We recommend OFM:

- Provide knowledgeable and independent oversight of SEFA preparation and ensure staff responsible for it have the resources needed to do an effective job.
- Test and monitor systems used in SEFA preparation to ensure accurate reporting of federal assistance.
- Perform a detailed reconciliation of the federal assistance reported by the state agencies to the final schedule.
- Establish centralized reporting guidance and assistance to agencies receiving federal assistance to ensure timely, accurate and consistent information and periodically assess the effectiveness of the systems to ensure accurate reporting.

Department's Response

The Office of Financial Management (OFM) concurs that internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA) need to be strengthened. To address the weaknesses noted in the finding, OFM has or will:

- *Corrected the SEFA for the discrepancies noted by the auditors prior to submitting it to the federal government and releasing it to the public.*
- *Implemented new procedures to test and monitor changes to the systems used to prepare the SEFA. The procedures include removal of discontinued CFDA numbers as appropriate.*
- *Designed procedures to ensure the quality and accuracy of the SEFA. The procedures address the assignment of cluster and program titles as well as independent oversight.*
- *Continue to provide training to agencies on federal award accounting and reporting requirements. Year end training for Fiscal Year 2011 will address discrepancies noted in this finding. Additionally, OFM is considering other tools such as a checklist or a Question & Answer document to support proper reporting by agencies.*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

OMB Circular A-133, Section .310(b) states

(b) Schedule of expenditures of Federal awards.
The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

(1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
(4) Include notes that describe the significant accounting policies used in preparing the schedule.
(5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
(6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule.

Title 2, Code of Federal Regulations, Section 176.210, states:

(a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215.21 "Uniform Administrative Requirements for Grants and Agreements" and OMB Circular A–102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds. OMB Circular A–102 is available at *http://www.whitehouse.gov/omb/circulars/a102/a102.html.*

(b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A–133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF–SAC) required by OMB Circular A–133. OMB Circular A–133 is available at *http://www.whitehouse.gov/omb/circulars/a133/a133.html.* This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF–SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF–SAC.

Government Auditing Standards, July 2007 Revision – Section 5.11, requires auditors to report significant deficiencies and material weaknesses in internal control. Statement on Auditing Standards No. 115, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, defines material weakness and significant deficiency as follows:

a. Material weakness:
A material weakness is a deficiency, or 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.

b. Significant deficiency:
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.

10-02 The Department of Social and Health Services, Economic Services Administration, did not comply with federal regulations regarding support of salaries and wages paid to employees.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	10.551,10.561 Supplemental Nutrition Assistance Cluster 10.551,10.561 Supplemental Nutrition Assistance Cluster – American Recovery and Reinvestment Act (ARRA) 93.558 Temporary Assistance for Needy Families (TANF) 93.714 Emergency Contingency Fund for TANF State Program – American Recovery and Reinvestment Act (ARRA) 93.563 Child Support Enforcement 93.563 Child Support Enforcement – American Recovery and Reinvestment Act (ARRA) 93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 93.713 Child Care and Development Block Grant, American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	Multiple
Applicable Compliance Component:	Cost Principles
Questioned Cost Amount:	None

Background

Federal regulations require the Department of Social and Health Services to maintain documentation to support salaries and benefits paid to employees. It must keep a personnel activity report or equivalent documentation in order to meet this requirement. This documentation must show the employee's total activity, reflect an after-the-fact distribution of actual activity and be prepared at least monthly.

Budget estimates or other distribution percentages determined before services are performed do not qualify as support for charges to federal awards. However, budget estimates may be used for interim accounting purposes, provided they are reasonable approximations of activity performed, compared to actual activity and adjusted as needed at least quarterly if the differences are less than 10 percent, and the estimates are revised at least quarterly, if necessary, to reflect changed circumstances.

The Economic Services Administration (ESA) establishes expected time spent on programs and documents this information on Position Action Requests for each employee charging multiple awards. Employees also keep monthly timesheets to document the exact time spent on each federal program. The Department is to compare percentages on Position Action Requests to actual time documented on timesheets quarterly.

Description of Condition

ESA did not complete its comparison of Position Action Requests to timesheets quarterly for employees charging multiple federal awards. The Department's policy regarding time certifications specifies comparisons must be completed semi-annually. Each of the six regions within ESA are required to complete these reviews. We found four of the regions did not have documentation showing they did quarterly reviews.

Cause of Condition

Prior to fiscal year 2010, the Department's policy regarding time certifications for staff charging multiple federal awards directed programs to submit certifications quarterly. At the beginning of fiscal year 2010, Department management changed this policy to a semi-annual basis to reduce workload for employees. They did not understand this did not meet federal requirements.

Effect of Condition

When grantees do not follow federal requirements for documentation on salaries and benefits to multiple programs, grantors cannot ensure charges to federal grants are accurate.

Recommendation

We recommend the Department establish policies and procedures to agree with appropriate federal requirements involving the use of budget estimates for staff charging multiple federal grants.

Department's Response

The Department concurs with the finding.

DSHS Administrative Policy 19.50.01.B (Federal Compliance with Time Certifications for Positions Charged to Multiple Funding Sources or Cost Objectives) does not require a quarterly review of actual time worked compared to the Position Action Request form, so ESA will refer this issue to the DSHS Accounting Policy and Management Board (APMB) for further review and update.

Internally, ESA maintains a Business Center Process Manual for use by Community Services Division (CSD) Business Center staff. The ESA Operation Support Division (OSD) updated this manual in January 2011 to coincide with federal requirements and quarterly reviews are now a requirement. OSD also held a conference call with the CSD Regional Business Managers to reiterate this process change.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR Part 225), states:

> Appendix B, Section 8(h) - Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.
>
> (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
>
> (a) More than one Federal award,

(b) A Federal award and a non-Federal award,
(c) An indirect cost activity and a direct cost activity,
(d) Two or more indirect activities which are allocated using different allocation bases, or
(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:
(a) They must reflect an after-the-fact distribution of the actual activity of each employee,
(b) They must account for the total activity for which each employee is compensated,
(c) They must be prepared at least monthly and must coincide with one or more pay periods, and
(d) They must be signed by the employee.
(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

10-03 The Department of Social and Health Services did not issue retroactive food assistance payments in accordance with federal law.

Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	None
CFDA Number and Title:	10.551,10.561 Supplemental Nutrition Assistance Cluster 10.551,10.561 Supplemental Nutrition Assistance Cluster – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$15,000 (approx.)

Background

The Economic Services Administration at the Department of Social and Health Services administers the Supplemental Nutrition Assistance Program for the state. The program provides food assistance benefits to low-income households. It paid more than $1.3 billion in benefits to eligible households in fiscal year 2010.

Federal law requires the Department to restore benefits to households that were underpaid or denied due to Department error or court action. The client is eligible for restoration of underpaid benefits for any of the 12 months prior to the month the client requests restoration or the month the Department discovers the underpayment. The Department issues a retroactive payment equal to the amount of benefits lost during that time period, regardless of the household's current eligibility status. More than 10,000 retroactive payments totaling about $2.4 million were issued during fiscal year 2010.

During our fiscal year 2008 audit, we determined the Department made $13,995 in retroactive food assistance payments to clients beyond the 12 months allowed by law. In 2009, we identified $4,460 in these inappropriate payments.

Description of Condition

We reviewed a list of all retroactive payments issued during fiscal year 2010 to identify all instances in which the payment issue date was more than 12 months beyond the first corrected month. We identified 179 such instances, and selected the 19 largest payments, representing approximately 53 percent of the total dollars at risk, for additional review. We found that all 19 included payments for time periods in excess of the 12 months allowed by law, representing more than $15,000 in unallowable benefits. Since we did not review 100 percent of the payments at risk, it is likely the total amount of inappropriate payments is higher.

Cause of Condition

Department staff responsible for issuing retroactive food assistance benefits have not been properly trained in the criterion used to calculate and document them. In response to the finding issued in fiscal year 2008, staff completed training in June 2009, and online training is available. However, training has not been required since 2008 and new staff do not complete it.

Effect of Condition and Questioned Costs

Some individuals received food assistance benefits to which they were not entitled. Inappropriate benefit payments related to the files we reviewed totaled approximately $15,000. It was not possible to establish an exact amount of questioned costs as staff did not include underpayment information for each specific month as required by Department policy.

Recommendation

We recommend the Department ensure staff are adequately trained how to calculate and document retroactive food assistance benefit payments. We further recommend the Department review all retroactive payments identified as potentially inappropriate to identify the total unallowed costs.

The Department should consult with its grantor to determine what questioned costs should be repaid.

Department's Response

The Department concurs with this finding.

The Department will retrain field staff on the proper calculation of retroactive payments. Training will focus on when a retroactive payment is indicated and allowed, and the time limitations required by law. This training will also be required for all new field staff who are responsible for issuing benefits.

The Department will review the 179 cases cited in this audit to determine the correct supplement amount for which each client was eligible. For cases where unallowable payments were made, the Department will follow existing rules and policies for establishing overpayments.

The Department will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 7 Code of Federal Regulations Sec. 273.17 states:

> (a) Entitlement.
> (1) The State agency shall restore to households benefits which were lost whenever the loss was caused by an error by the State agency or by an administrative disqualification for intentional Program violation which was subsequently reversed as specified in paragraph (e) of this section, or if there is a statement elsewhere in the regulations specifically stating that the household is entitled to restoration of lost benefits. Furthermore, unless there is a statement elsewhere in the regulations that a household is entitled to lost benefits for a longer period, benefits shall be restored for not more than twelve months prior to whichever of the following occurred first:
> (i) The date the State agency receives a request for restoration from a household; or
> (ii) The date the State agency is notified or otherwise discovers that a loss to a household has occurred.
> (2) The State agency shall restore to households benefits which were found by any judicial action to have been wrongfully withheld. If the judicial action is the first action the recipient has taken to obtain restoration of lost benefits, then benefits shall be restored for a period of not more than twelve months from the date the court action was initiated.

When the judicial action is a review of a State agency action, the benefits shall be restored for a period of not more than twelve months from the first of the following dates:

(i) The date the State agency receives a request for restoration:

(ii) If no request for restoration is received, the date the fair hearing action was initiated; but

(iii) Never more than one year from when the State agency is notified of, or discovers, the loss.

(3) Benefits shall be restored even if the household is currently ineligible.

Washington Administrative Code 388-410-0040 states, in part:

(2) All food assistance benefits underpaid are restored when:

(a) An underpayment was caused by department error;

(b) An administrative disqualification for intentional program violation was reversed;

(c) A rule or instruction specifies restoration of unpaid benefits; or

(d) A court action finds benefits were wrongfully withheld.

(3) A client is eligible for restoration of underpaid benefits for any of the twelve months prior to:

(a) The month the client requests restoration;

(b) The month the department discovers an underpayment;

(c) The date the household makes a fair hearing request when a request for restoration of benefits was not received; or

(d) The date court action was started when the client has taken no other action to obtain restoration of benefits."

10-04 The Recreation and Conservation Office did not comply with federal cash management requirements.

Federal Awarding Agency:	U.S. Department of Commerce
Pass-Through Entity:	Washington State Recreation and Conservation Office
CFDA Number and Title:	11.438 Pacific Coast Salmon Recovery
Federal Award Number:	NA04NMF4380260, NA05NMF4381269, NA06NMF4380091, NA07NMF4380301, NA08NMF4380608, NA09NMF4380363
Applicable Compliance Component:	Cash Management
Questioned Cost Amount:	Unknown

Background

The Recreation and Conservation Office, is a small state agency that manages grant programs to create outdoor recreation opportunities, protect the best of the state's wildlife habitat and farmland, and help return salmon from extinction. The Office received more than $25 million from the U.S. Department of Commerce for salmon recovery efforts during fiscal year 2010. It passed approximately 97 percent of this money on to subrecipients such as cities, towns, counties, state agencies, special-purpose districts, non-profit organizations, Indian tribes and private landowners to fund approved projects.

Grant regulations allow the Office to receive cash advances if it spends the money within 30 days. This ensures the money is immediately put to use and prevents recipients from using it to generate interest income. Federal regulations further require the Office to ensure cash draws by subgrantees conform to similar standards of timing and expenditures. This means the Office must monitor cash advances to subrecipients to ensure they are spending money only to meet immediate needs and in a timely manner.

During our fiscal year 2009 audit, we identified instances in which the Office issued subrecipients cash advances for 90 days worth of expenditures rather than the allowed 30 days. In addition, the Office allowed subrecipients more than 120 days to provide documentation of how these cash advanced funds were spent.

Description of Condition

In response to the 2009 audit finding, the Office revised its policies and practices to restrict cash advances involving federal funds to 30 days. The revisions took effect August 14, 2010, which was not in time for the changes to be in place before the end of the 2010 fiscal year on June 30.

During our fiscal year 2010 audit we identified instances in which subrecipients were allowed more than 90 days to provide supporting documentation to show how they spent cash advances. We reviewed the cash advance lists for November 17, 2009 and June 14, 2010.

Number of Advances	Number of Days Outstanding
36	31-90
14	Over 90

At the end of our fieldwork, one subrecipient had not provided complete documentation to show it spent the money 195 days after it was received.

Cause of Condition

The Office did not complete its policy revision or change its processes prior to the end of the fiscal year due to discussions with the federal grantor regarding cash advance rules.

Effect of Condition

The Office did not ensure federal grant funds were put to immediate use. Funds not immediately used were neither earning interest for the federal government nor were they available for use by others eligible to receive them.

Recommendations

We recommend the Office ensure its policies and procedures substantially conform to the federal government's requirements to limit cash advances to the minimum funds needed for 30 days.

Office's Response

We thank the auditor for their review of the past RCO finding. RCO takes the stewardship of funds seriously. Review of RCO accounting practices by the SAO is just one way we ensure that the agency appropriately uses grant funds.

The ability to provide sponsors with a cash advance is a key component of our salmon recovery grant making process and has been since the beginning of the program. As a result of your draft finding, staff did considerable research into federal laws and policies. We attempted to negotiate a policy with our federal partner that would allow a 90 day advance period but were unsuccessful. RCO has now modified our process so that we are in compliance with rules that allow advances of federal funds to be given only for what is expected to be spent in a 30 day period.

This change was effective August 13, 2010.

Auditor's Concluding Remarks

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

Applicable Laws & Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 400(d) – Pass-through entity responsibilities, states in part:

> A pass-through entity shall perform the following for the Federal awards it makes:
>
> (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
>
> (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.

(3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and those performance goals are achieved.
(4) Ensure that subrecipients expending $300,000 ($500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
(5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
(6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
(7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

Title 15, Code of Federal Regulations, Part 24, Section 20 outlines responsibilities for entities receiving federal funds and states in part:

…(7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

Title 15, Code of Federal Regulations, Part 24, Section 21 outlines responsibilities for entities receiving federal funds and states in part:

…(i)Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to $100 per year for administrative expenses.

United States Department of Commerce, *Financial Assistance Standard Terms and Conditions*, outlines responsibilities for entities receiving federal funds and states in part:

A. Financial Requirements
.02 Award Payments
d. Advances shall be limited to the minimum amounts necessary to meet immediate disbursement needs, but in no case should advances exceed the amount of cash required for a 30-day period. Advanced funds not disbursed in a timely manner and any applicable interest must be promptly returned to DOC.

J. Code of Conduct and Subaward, Contract, and Subcontract Provisions
.02 Applicability of Award Provisions to Subrecipients
a. The recipient shall require all subrecipients, including lower tier subrecipients, under the award to comply with the provisions of the award, including applicable cost principles, administrative, and audit requirements.

10-05 The Department of Commerce, Local Government and Infrastructure Division, does not have controls to ensure it complies with reporting requirements for the Community Development Block Grant program.

Federal Awarding Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	
CFDA Number and Title:	14.228 Community Development Block Grant 14.225 Community Development Block Grant – American Recovery and Reinvestment Act
Federal Award Number:	B-09-DY-53-0001, B-07-DC-53-0001, B-08-DC-53-0001, B-09-DC-53-0001, B-10-DC-53-0001
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Community Development Block Grant program provides money for local governments to use to develop housing and expanded economic opportunities for low- and moderate-income persons.

Since 1982, the state has used this grant to distribute more than $419 million from the U.S. Department of Housing and Urban Development (HUD).

During fiscal year 2010, the Department spent almost $28 million on the Community Development Block Grant program: approximately $1.4 million of which was funded through the American Recovery and Reinvestment Act.

HUD tracks how program funds provide economic opportunities to low- and very low-income persons. It collects this information annually to identify employment and training provided. It also identifies contracts awarded to businesses providing economic opportunities to low- and very low-income persons.

Description of Condition

Staff responsible for preparing the report did not have all the information needed to complete it. The Department included non-federal funds in the report and overstated the amount of funding awarded to businesses by more than $4 million. This created an overstatement of the percentage of funds awarded to businesses elsewhere in the report.

Additionally, the Department did not report the number of jobs created and training provided for low-income persons by subrecipients and contractors.

Cause of Condition

The Department misunderstood the requirements, and believed the grantor wanted all funds reported rather than only the Community Development Block Grant funds.

The Department did not collect information from its subrecipients and contractors because, it stated, the grantor did not provide it a form or other tool to collect the information.

Effect of Condition

Grantors rely on accurate reports to monitor the progress of programs and the use of federal dollars. By not submitting the reports with accurate data, the Department prevented the grantor from adequately monitoring the effects of the program. Grant conditions allow the grantor to penalize the Department for noncompliance, suspending or terminating the award, and withholding future awards.

Recommendation

We recommend the Department collect the necessary information from subrecipients and contractors to accurately and completely fill out the required report. We also recommend it work with the federal grantor for clarification on the required report information.

Department's Response

We concur with the finding. This occurred because instructions from the federal granting agency, the Department of Housing and Urban Development, (HUD), for the Section 3 report were not clear. In June 2010, HUD provided updated instructions clarifying that only the Community Development Program (CDP) portion of funding awarded to Section 3 businesses should be reported. As one of the CDP federal grantee programs, CDBG Section 3 reporting should have been separated as directed.
Commerce is taking several steps to ensure the 2010 Section 3 report due on March 31, 2011 and all future reports are accurate.

1) *We are monitoring our grant recipient's Contractor/Sub Contractor semi-annual reports to ensure only the CDBG portion of funds awarded to Section 3 businesses is reported. The Contractor/Sub Contractor reports are submitted to HUD on a semi-annual basis and are compiled and reported on the Section 3 report.*
2) *Contractor/Sub Contractor reports that include other funding will be corrected to include only the CDBG portion of funding before submitting to HUD and before being included in the annual Section 3 report.*
3) *Commerce is providing technical assistance to current grant recipients to ensure they are reporting only the CDBG portion of awards to Section 3 businesses, hiring and/or training Section 3 persons.*
4) *Commerce is updating the 2011 CDBG Management Handbook to provide clear instructions for completing the Contractor/Sub Contractor reports, documenting hiring and/or training of Section 3 persons. Our staff will provide training to the 2011 CDBG grant recipients at CDBG Management Handbook workshops on the reporting requirements in May and June 2011.*
5) *Commerce staff responsible for compiling the data will review it for completeness and accuracy and work with grant recipients to resolve any discrepancies. Commerce management will review and approve Section 3 reports before submittal to HUD and provide an explanation when any outcomes of hiring and/or training Section 3 persons are not documented in the annual Performance Evaluation Report.*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 24 Code of Federal Regulations, Section 135–Subpart E- Reporting and Recordkeeping, subsection 90 – Reporting states in part:

> Each recipient … shall submit …an annual report … for the purpose of determining the effectiveness of section 3.

Title 24 Code of Federal Regulation Section 135.32 Responsibilities of the recipient.

> Each recipient has the responsibility to comply with section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes but may not be necessarily limited to:
>
> (f) A State or county which distributes funds for section 3 covered assistance to units of local governments, to the greatest extent feasible, must attempt to reach the numerical goals set forth in 135.30 regardless of the number of local governments receiving funds from the section 3 covered assistance which meet the thresholds for applicability set forth at 135.3. The State or county must inform units of local government to whom funds are distributed of the requirements of this part; assist local governments and their contractors in meeting the requirements and objectives of this part; and monitor the performance of local governments with respect to the objectives and requirements of this part.

HUD guidance:

> HUD ECONOMIC STIMULUS FUNDING AND THE CREATION OF JOBS, TRAINING, AND CONTRACTING OPPORTUNITIES states in part:
>
> > Section 3 is one of HUD's tools for ensuring that the expenditure of federal funds in economically distressed communities has a multiplier effect by targeting local low- and very low-income persons and qualified businesses for jobs, training, and contracting opportunities. Compliance with the requirements of Section 3 is critical.
>
> ANNUAL SECTION 3 SUMMARY REPORTING REQUIREMENTS FOR RECIPIENTS OF HUD COMMUNITY PLANNING & DEVELOPMENT FUNDING
> *TECHNICAL ASSISTANCE ON FORM HUD-60002 states in part:
>
> > Recipients that submit Section 3 reports containing all zeros, without a sufficient explanation to justify their submission, are in noncompliance with the requirements of Section 3.
> >
> > Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs...

10-06 The Department of Social and Health Services, Division of Behavioral and Health Services, does not ensure Justice Assistance Grant subrecipients are registered in the Central Contractor Registration database as required by federal regulation.

Federal Awarding Agency:	U.S. Department of Justice
Pass-Through Entity:	None
CFDA Number and Title:	16.738 Edward Byrne Memorial Justice Assistance Grant 16.803 Edward Byrne Memorial Justice Assistance Grant–American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	2009-SU-B9-0028
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Justice Assistance Grant (JAG) provides the state funding to support program areas such as law enforcement, prosecution and court, corrections and community corrections, drug treatment and enforcement, and crime victim and witness initiatives. The state Department of Commerce receives this money and passes a portion of it to other agencies.

The state was awarded approximately $22 million in JAG funds under the American Recovery and Reinvestment Act in 2009. Of that, the Department of Social and Health Services received approximately $2 million for the Division of Behavioral and Health Services Drug Courts. During fiscal year 2010, the Department paid approximately $1.5 million to counties for drug court activities.

The Act requires contractors, including subrecipients such as counties, to register in the Central Contractor Registration (CCR) database before bidding on a contract funded by the Recovery Act. This is to help ensure consistency on what contractors file regarding their financial condition and other data.

Registration also is designed to assist subrecipients in reporting accurate information to the federal government; in obtaining payment certification; and with federal tax collection.

Description of Condition

The Department could not provide documentation to show it communicated this requirement to the subrecipients it provided funding to or that it checked the CCR to ensure all were registered prior to releasing payments.

Cause of Condition

Department staff responsible for this program stated it was using state dollars, and therefore the requirements were not applicable. However the contract prepared by the Department of Commerce and signed by DSHS clearly stated the money was provided through the American Recovery and Reinvestment Act. The contract was signed by a DSHS staff member who later stated the funding was not federal. DSHS management did not place a priority on ensuring grant funds were accurately identified and monitored.

Effect of Condition

If subrecipients and contractors are not registered with the CCR, expenditure data cannot be accurately or completely reported to the federal government as required by Recovery Act regulations. This undermines one of the objectives of the Act – to ensure public transparency of the money it provides.

Recommendation

Department management should ensure all staff responsible for the acceptance, use, and monitoring of federal funds are equipped with the knowledge and resources to adequately perform those duties.

Department's Response

The Department concurs with this finding.

We agree with the analysis by the state auditor.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300 states:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 400 states:

> (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:
>
> (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
>
> (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Title 2 Code of Federal Regulations, Section 176.50

> (c) Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (http://www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (http://www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.

10-07 The Department of Social and Health Services did not provide adequate information to its Justice Assistance Grant subrecipients, nor did it monitor subrecipients' use of those funds.

Federal Awarding Agency:	U.S. Department of Justice
Pass-Through Entity:	
CFDA Number and Title:	16.738 Edward Byrne Memorial Justice Assistance Grant 16.803 Edward Byrne Memorial Justice Assistance Grant– American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	2009-SU-B9-0028
Applicable Compliance Component:	Subrecipient Monitoring; Special Tests and Provisions
Questioned Cost Amount:	None

Background

The Justice Assistance Grant (JAG) provides the state funding to support program areas such as law enforcement, prosecution and courts, corrections and community corrections, drug treatment and enforcement and crime victim and witness initiatives. The state Department of Commerce receives the money and passes a portion of the funds to other agencies within the state.

In 2009, the state was awarded approximately $22 million in JAG funds under the American Recovery and Reinvestment Act.

The Legislature allocated approximately $2 million to the Department of Social and Health Services (DSHS) for the Division of Behavioral and Health Services' Drug Courts, which are administered by counties. During fiscal year 2010, the Department passed approximately $1.5 million of that allocation through to participating counties.

Description of Condition

The Department is required to provide its subrecipients – the counties – all identifying information and compliance requirements applicable to the grant. This includes the grant name, the federal award number, the amount of the award, and how much of that is funded through the Act. The Department did not provide this information. Instead, it used a contract developed for an unrelated grant that does not mention the JAG.

Additionally, the Department cannot show it monitored subrecipients' use of JAG funds.

Cause of Condition

Department staff responsible for this program believed it was using state dollars, and therefore the requirements were not applicable. However the contract prepared by the Department of Commerce and signed by DSHS clearly stated the money was provided through the American Recovery and Reinvestment Act. The contract was signed by a DSHS staff member who later stated the funding was not federal. DSHS management did not place a priority on monitoring the use of these grant funds.

Effect of Condition

Subreceipients were not provided the information needed to ensure proper use of Recovery Act funds.

The Department cannot ensure its subrecipients are meeting performance goals, administrative standards, financial management rules and other grant requirements. Grantors rely on subrecipient monitoring to ensure money is spent appropriately.

In addition, grant conditions allow the grantor to penalize the Department for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation

Department management should ensure all staff responsible for the acceptance, use, and monitoring of federal funds are equipped with the knowledge and resources to adequately perform those duties.

Department's Response

The Department concurs with this finding.

We agree with the analysis by the state auditor.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300 states:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 400 states:

> (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:
>
> (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
>
> (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
>
> (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
>
> (4) Ensure that subrecipients expending $300,000 *($500,000 for fiscal years ending after December 31, 2003)* or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
>
> (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
>
> (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

(7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

U.S. Office of Management and Budget Circular A-133, *Compliance Supplement,* states in part:

Section 3.N.3-

R3- Subrecipient Monitoring

Compliance Requirements- Federal Agencies must require recipients to agree to: (1) separately identify to each subreceipients and document at the time of the subaward and disbursements of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and (2) require their subreceipients to provide similar identification in their SEFA and SF-SAC.

Section 3.M

Compliance Requirements- *During-the-Award Monitoring*- Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Compliance Requirements- *Pass-Through Entity Impact*- Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable Federal regulations.

Title 2, Code of Federal Regulations Part 176.210 states in part

Subpart D- Single Audit Information for Recipients of Recovery Act Funds

(c) Recipients agree to separately identify to each subreceipients, and document at the time of Subaward and the time of disbursement of funds, the Federal Award number, CFDA Number and amount of Recovery Act funds. When a recipient awards funds for an existing program, the information furnished to subreceipients shall distinguish the subawards of incremental Recovery Act funds from regular subwards under the existing program.

(d) Recipients agree to require their subrecipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor subrecipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

10-08 The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments.

Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 Unemployment Insurance 17.225 Unemployment Insurance – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	UI-19616-10-55-A-53 UI-18054-09-55-A-53
Applicable Compliance Component:	Special Tests – UI Benefit Payments
Questioned Cost Amount:	None

Background

The Employment Security Department administers the Unemployment Insurance program that provides benefits to workers for periods of involuntary unemployment. The federal government and employers in Washington State primarily fund the program. In fiscal year 2010, Employment Security paid approximately $2.5 billion in non-federal unemployment benefits and more than $2.2 billion in federal benefits.

Federal regulations require the Department to operate a Benefits Accuracy Measurement (BAM) program to estimate the number and amount of claims properly paid or denied by projecting the results from investigations of small, random samples to all claims.

The U.S. Department of Labor requires Employment Security to draw a weekly sample of payments and denied claims, review the records, and contact claimants, employers and third parties to verify information related to the claim. If a claim was incorrectly paid, the investigator determines the cause and amount of the error. For erroneously denied claims the investigator reports on the potential eligibility of the claimant; the cause of and who was responsible for the error; when the error was detected; and actions taken by the agency and employer prior to the payment or denial decision that were in error.

The Labor Department requires states to try to collect information needed for investigations using all of the following methods: in-person, telephone, facsimile or mail. Employment Security does not have to collect information from the claimant if he or she cannot be contacted or chooses not to respond. When this happens, the case is to be forwarded to a WorkSource office for a job search review to be scheduled.

The Employment Security's procedures manual directs investigators to attempt four telephone contacts with claimants at various times of the day and to follow up with at least two attempts to gather information by mail. If unsuccessful, the investigator may document the attempts and complete the investigation. The investigator is required to verify employer data, job search contacts and third-party information for each case. Federal regulations do not provide any option other than verifying the data directly and specifically states "BAM investigators must exhaust all avenues in obtaining information."

Federal guidelines require the Department to examine 480 paid claims and 450 denied claims each year. The Department received permission from the Labor Department to reduce the number of claims examined to 360 for calendar year 2009 due to increased workload coupled with reduced staffing. For 2009, the Department reported an 84 percent payment accuracy rate for paid claims and an 82 percent accuracy rate for denied claims based on the results of the Benefit Accuracy Measurement program.

We reported a finding for the fiscal year 2009 audit, noting that the Department was not complying with Department of Labor requirements for the Benefit Accuracy Measurement program. Specifically, the Department was not using all required methods to obtain information needed to complete their cases.

Description of Condition

The Department still is not using all required methods to collect data. For our audit we randomly selected 30 claims the Department had investigated and found:

- In seven cases, the investigator did not verify wage data with prior employers. When contact was not made with the employer, the case file stated that previously reported data was being used and assumed to be accurate.
- In two cases, the investigator did not verify reported job searches with potential employers.
- In two cases the investigator identified potential issues but did not perform proper follow up. In the first case, a claimant refused to complete the questionnaire and in the second an employer was contacted for employee wage data but did not provide the information requested.
- Files for seven of the cases did not document enough attempts to contact the claimant.

Cause of Condition

The Department's Corrective Action Plan issued in response to last year's finding included several procedural improvements:

- Improving record-keeping of documented attempts to contact claimant.
- Using "attention" stamps on envelopes of correspondences to encourage responses.
- Increasing the number of attempts to contact the employer from two to four.
- Establishing an internal quality control process within the Benefit Accuracy Measurement unit where the team meets monthly to review cases and give feedback that outlines successes and areas for improvement.
- Using certified mail for the letters of correspondence with claimants and employers.

With the exception of the use of certified mail, we determined these new processes were put in place throughout the audit period. However, they were not effective in reducing noncompliance. In the last audit we identified noncompliance for 43 percent of the claims we examined; this year we identified noncompliance for 40 percent of claims we examined.

Management stated after last year's finding was issued, they discussed re-starting in-person visits but determined that the Benefit Accuracy Measurement unit does not have the staff required to do this. The Department stopped doing in-person contacts in 2003.

We also determined 90 percent of the cases tested were not reviewed by a manager to ensure they were correct, complete, and performed in accordance with state and federal regulations.

Effect of Condition

The program accuracy rates are unreliable and possibly incorrect because the Department does not collect all data needed. Therefore, the Department may not be identifying potential issues with benefit claim approvals. The Department could be paying invalid claims or denying valid claims.

Recommendation

We again recommend the Department ensure all investigations performed as part of the Benefit Accuracy Measurement program include contacting the claimant, prior employers, job search contacts and third parties as required by the Department of Labor. We also recommend the Department ensure supervisory staff review completed cases to ensure proper procedures were followed.

Department's Response

The U.S. Department of Labor (USDOL) allows various methods to verify claim information. The BAM unit attempts to use all methods available to verify the validity and accuracy of audited claims. The exceptions noted by the auditor occurred during a time of significant staff and supervisory turnover in the BAM unit. Staff were learning new processes while the supervisory position was vacant which limited the availability of supervisory review and oversight of cases.

Staff performing BAM functions are now fully trained to perform these audits. The Department has hired a new supervisor with extensive BAM experience and review of the case files will be more frequent with the assistance of the Unemployment Insurance Performance Audit (UIPA) manager.

With respect to the auditor's concern about in-person contacts, these have not been conducted primarily because they are expensive and time-consuming. The Department has received conflicting guidance on in-person contacts from colleagues at the USDOL; oral advice has been inconsistent with the information that appears in written manuals. The plan for the immediate future is to seek authoritative and documented direction from USDOL regarding the requirements and expectations for in-person contacts.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

Title 20, Code of Federal Regulations, Part 602.21 states in part:

§ 602.21 Standard methods and procedures.

Each State shall:

(a) Perform the requirements of this section in accordance with instructions issued by the Department, pursuant to § 602.30(a) of this part, to ensure standardization of methods and procedures in a manner consistent with this part;

(b) Select representative samples for QC study of at least a minimum size specified by the Department to ensure statistical validity (for benefit payments, a minimum of 400 cases of weeks paid per State per year);

(c) Complete prompt and in-depth case investigations to determine the degree of accuracy and timeliness in the administration of the State UI law and Federal programs with respect to benefit determinations, benefit payments, and revenue collections; and conduct other measurements and studies necessary or appropriate for carrying out the purposes of this part; and in conducting investigations each State shall:

(1) Inform claimants in writing that the information obtained from a QC investigation may affect their eligibility for benefits and inform employers in writing that the information obtained from a QC investigation of revenue may affect their tax liability,

(2) Use a questionnaire, prescribed by the Department, which is designed to obtain such data as the Department deems necessary for the operation of the QC program; require completion of the questionnaire by claimants in accordance with the eligibility and reporting authority under State law,

(3) Collect data identified by the Department as necessary for the operation of the QC program; however, the collection of demographic data will be limited to those data which relate to an individual's eligibility for UI benefits and necessary to conduct proportions tests to validate the selection of representative samples (the demographic data elements necessary to conduct proportions tests are claimants' date of birth, sex, and ethnic classification)

10-09 The Employment Security Department did not comply with federal cash management requirements.

Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 Unemployment Insurance
	17.225 Unemployment Insurance – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	UI-19616-10-55-A-53
	UI-18054-09-55-A-53
Applicable Compliance Component:	Cash Management
Questioned Cost Amount:	None

Background

The U.S. Department of Labor granted more than $2.2 billion to the Employment Security Department for Unemployment Insurance activities during fiscal year 2010, approximately $117 million of which was used to pay for administering the unemployment benefits program.

The Department is required to request funds only for reimbursement. In doing so, the Department must follow procedures detailed in a written agreement between the state and the federal government. The agreement states the Department is to request funds on the same day it issues payment or, in the case of warrants, the date the warrant clears the Department's account. This ensures no interest is earned on federal funds.

Description of Condition

The Department is not requesting funding for administrative expenses in accordance with the agreement. The agreement states the Department should request funds the same day warrants for administrative costs, including payroll, clear its account. We found the Department was requesting its administrative funding in advance of the dates the warrants are cleared. Specifically, the Department draws administrative funds to coincide with payroll, generally twice per month, and performs additional draws as needed. When determining the amount of the draw, the Department estimates how much it will need to keep a positive account balance until the next draw. The Office of State Treasurer manages the account in which the funds are deposited. The Treasurer's Office confirmed the account earns interest that is deposited into the state general fund.

Cause of Condition

The Department was not aware that the agreement required UI administrative funds be drawn the same day those costs cleared the state's account.

Effect of Condition

Because the Department has drawn excess federal funds, which are deposited in an interest-bearing account, it may incur an interest liability to the federal government. The state may be required to reimburse the federal government its share of interest it lost due to delays in the use of funds. This condition goes back several years. Because of this, and the fact that other funds are kept in this account, we were unable to determine the amount of interest potentially owed the federal government.

Recommendation

We recommend the Department draw administrative funds in accordance with the agreement or seek to change it.

We also recommend the Department consult with the grantor to determine if the Department owes it money.

Department's Response

The Department partially concurs with the finding. We agree that the Treasury State Agreement's draw method for Unemployment Insurance (UI) administrative funds, was incorrect for UI administrative costs. The Department requested and received federal approval to correct the agreement to reflect a more appropriate draw method. This change is effective for State Fiscal Year 2011 and aligns agency processes with the revised agreement.

The Department does not agree that excess Federal UI administrative funds have been drawn, nor has the agency incurred an interest liability. During State Fiscal Year 2010, the Department experienced a negative cash position with the U.S. Department of Labor (USDOL). This was due to Federal Notice of Obligations not being processed until after the Department's requests for funding. Additionally, if we had been using the corrected draw method, the amounts drawn would have been acceptable because our draws were expended within a day after the federal funds were received. We will coordinate with the USDOL to resolve any outstanding concerns regarding these draws.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

Cash Management Improvement Act Agreement between the State of Washington and the Secretary of the Treasury, United States Department of the Treasury, submitted June 18, 2009, in effect July 1, 2009, until terminated.

> Actual Clearance ZBA Same Day Payment (ZBA-Fedwire UI Admin)
>
> The State shall request funds the same day it issues Electronic Funds Transfer (EFT) payments and Journal Voucher payments for Administrative and Reed Act costs including payroll. The State shall request funds the same day warrants for Administrative and Reed Act Costs including payroll clear the State's account. The State's request shall be made in accordance with the appropriate Federal agency cut-off time specified in EXHIBIT I. A federal agency shall deposit funds in the State account the same day as requested, if the request is made in accordance with the appropriate Federal agency cut-off time specified in EXHIBIT I. The amount of the request shall be the amount of EFT payments and Journal Voucher payments for Administrative and Reed Act costs including payroll that are issued and clear the State's account that day, and the amount of Warrants for Administrative and Reed Act costs including payroll that clear the State's account that day. This funding technique is interest neutral.

10-10 The Employment Security Department did not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits.

Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 Unemployment Insurance 17.225 Unemployment Insurance – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	UI-19616-10-55-A-53 UI-18054-09-55-A-53
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

Washington State employers fund unemployment insurance benefits through payroll taxes. The tax collections are kept in a trust fund administered by the U.S. Department of Labor through the U.S. Department of the Treasury. In fiscal year 2010, the Washington State Employment Security Department paid more than $2.2 billion in federal unemployment benefits.

Federal law provides states flexibility in establishing requirements for job search activity by unemployment insurance claimants. Once a state establishes these requirements, it must abide by them. Washington state law requires the Employment Security Department to have a job search monitoring program to ensure claimants receiving benefits are documenting at least three job search contacts or in-person job search activities each week. Department rules outline job search requirements, including the frequency and types of activities that qualify. Claimants must document the following in order to remain eligible for benefits:

- For job search contacts, the date contact was made; the employer's name, address and telephone number; the type of contact (in-person, telephone, etc.); the name of the person contacted; and the type of work applied for.
- For in-person job search activities at a Department WorkSource office or local reemployment center, the date contact was made; a description of the services received; and/or the activities in which the claimant participated.

State law establishes penalties for claimants who do not comply with job search requirements, including a loss of benefits for those weeks during which the individual was not in compliance. The determination of the penalties applied to an individual case is made by a trained adjudicator. Claimants found to have been out of compliance after benefits had been paid are liable for repayment of those benefits.

During the Washington State Single Audit for 2009, we reported the Department was not adequately reviewing job search logs to ensure unemployment insurance claimants were eligible for benefits. We also determined the Department was applying different standards to online/internet job searches than to more traditional job search methods.

Description of Condition

In response to the 2009 audit finding, the Department developed a corrective action plan that included the following actions: revising regulations to address job search contacts; supervisory review of monthly job search log review activity in WorkSource offices; and quarterly review of job search logs to examine compliance with legal requirements. However, the revisions to the regulations addressing job search contacts did not take effect until June 12, 2010. Because job search logs are examined more than two weeks after the date the job searches occurred, no job search logs created after the new regulations went into effect were examined by the Department during the audit period.

We also found the supervisory review of monthly job search log activity took place in only one of the four WorkSource offices we examined. The rate of noncompliance at the office performing a supervisory review was 10 percent, and averaged 52 percent at the offices that did not perform the review.

We did find the Department is adequately performing the quarterly review of job search logs for compliance with legal requirements and quality in a timely manner.

We again reviewed the Department's job search log review process to determine if it ensured compliance with search requirements. We found several instances of noncompliance. Department staff:

- Continue to approve job search logs that do not meet the criteria for compliance. We found this to be the case at all four WorkSource offices we examined. Thirty of 79 job search logs we examined were missing required information including date of contact, name of employer, and employer contact information.
- Continue to approve Internet job searches that contain only a date of application, an e-mail address, a job listing number and the type of position applied for. Internet job searches are still being held to a different standard than in-person job searches. State law does not differentiate between standard searches and those performed via the Internet.
- Excused two claimants from a one-week review because the appointment notices were returned as undeliverable, and excused one from a review because he stated he had returned to work. In the latter case, the Department did not verify the claimant had returned to work and paid benefits until they ran out. According to state law, the two excused claimants should have been rescheduled for a review of their job search logs related to every week they claimed benefits. Two were not rescheduled at all and one was rescheduled for a one week review only.

Cause of Condition

The Department is not adequately reviewing for job search contact compliance by claimants. It has written guidance, but reviewers rely on use of a "standard of reasonableness" that varies among the reviewers. Supervisors at all four WorkSource offices we examined stated they received no new guidance for online/Internet job searches during the audit period.

Department management stated the supervisory review of monthly job search review activity specified in the corrective action plan was suggested but not made mandatory until after the end of the audit period.

The Department still is accepting job search contacts with less than the seven required components.

Effect of Condition

The Department is paying Unemployment Insurance benefits to claimants who may not meet eligibility requirements. Because Department staff are not identifying non-compliant job logs, the trained adjudicators do not receive the logs to determine whether the claimant should be denied benefits and, if so, to what extent. Without performing the adjudication process, payments to ineligible claimants cannot be recovered.

Recommendation

We again recommend the Department ensure all employees reviewing job search contacts are aware of eligibility requirements. We further recommend the Department consistently apply these requirements to all job search contacts, regardless of the method. The Department should monitor to ensure staff is consistently and accurately reviewing and verifying job search logs.

Department's Response

To address the issues identified in this finding regarding in-person review of job search logs, the Employment and Career Development Division (ECDD) of the Department is initiating actions to enhance and expand communications, specialized training and monitoring for the job search review program. Through these efforts staff and supervisors will be knowledgeable of program requirements, processes, and what constitutes a complete job search log and employer contact documentation. This will be an ongoing effort.

ECDD is increasing the length and frequency of staff training and holding staff accountable for the proper review of job search logs:

- *Basic Job Search Review (JSR) training was expanded from 2 ½ days to 3 days to address weaknesses identified by the auditors including proper documentation of potential issues and scheduling of all weeks reviews.*
- *JSR Refresher Training is required for staff that have not attended training in 2 years. The training will be updated by April 30, 2011 and available for scheduling in May 2011. The curriculum update will incorporate information from the audit findings, legal and program requirements, ramifications of accepting incomplete logs, processes for scheduling and rescheduling reviews, required documentation and job search log reviews, including all weeks reviews.*
- *Interactive electronic Job Search Log Review training will be developed that will focus on the required elements for a complete job search contact. The target audience is the staff performing the JSR function and the program supervisor for JSR. The training will be delivered via WebEx that combines on-line capability to present training materials and teleconferencing concurrently. Training will include agency expectations, Desk Aids and the Reemployment JSR SharePoint site. The sessions will be designed and presented no later than March 18, 2011. Additional sessions will be added as needed.*
- *Supervisory Training will expand the time used to focus on the job search log required elements and desk aids available to assist with monitoring. Modifications to the training will be complete by March 31, 2011 with training available starting in April.*

ECDD is increasing and improving its program monitoring by:

- *Following up on corrective action plans submitted by local offices at the end of November 2010 for results. All plans indicated offices will conduct a weekly review by supervisors of job search logs accepted by staff. To test the effectiveness of the reviews, ECDD UI Reemployment Services staff will conduct an intensive effort to review a sample of job search logs from all WorkSource locations. A report focusing on the completeness of the job search log and contact elements will be sent each Friday to the offices reviewed that week. If errors are found, additional corrective action will be required. Expected end date for this action is no later than May 31, 2011.*
- *Continuing to review 6 offices per quarter. The reviews are in-depth, citing the reasons why logs do not pass, including the appropriate legal references. In addition, documentation is reviewed and resolution codes evaluated for exemptions, all weeks reviews, and potential benefit eligibility issues.*
- *Revising the current JSR staff training record. The training record will be used to ensure staff performing JSR have received the appropriate program training. Offices will be notified if they have staff needing to receive training. Staff requiring training will be scheduled to attend the next available training session. Staff that have not attended training in the last 2 years will be notified. This action item will be completed by January 31, 2011. Staff will be scheduled for JSR refresher training starting in May 2011.*

Communication with staff performing JSR will be improved by:

- *Providing an ECDD SharePoint site to consolidate program information for staff involved in JSR. This site is scheduled to "go live" on January 19, 2011. A notice will be sent to all ESD staff in*

WorkSource locations of its availability. Links to all the required program information including laws, regulations, policies, program standards and desk aids will be posted.

- *Distributing a series of e-mail messages to all levels of ECDD field staff to reinforce expectations for offices to use trained, dedicated staff to perform JSR and reminding staff of JSR requirements.*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

Title 20 Code of Federal Regulations, section 604.5 Application—availability for work

(a) *General application.* A State may consider an individual to be available for work during the week of unemployment claimed under any of the following circumstances:
   (1) The individual is available for any work for all or a portion of the week claimed, provided that any limitation placed by the individual on his or her availability does not constitute a withdrawal from the labor market.
   (2) The individual limits his or her availability to work which is suitable for such individual as determined under the State UC law, provided the State law definition of suitable work does not permit the individual to limit his or her availability in such a way that the individual has withdrawn from the labor market. In determining whether the work is suitable, States may, among other factors, take into consideration the education and training of the individual, the commuting distance from the individual's home to the job, the previous work history of the individual (including salary and fringe benefits), and how long the individual has been unemployed.
   (3) The individual is on temporary lay-off and is available to work only for the employer that has temporarily laid-off the individual.

(b) *Jury service.* If an individual has previously demonstrated his or her availability for work following the most recent separation from employment and is appearing for duty before any court under a lawfully issued summons during the week of unemployment claimed, a State may consider the individual to be available for work. For such an individual, attendance at jury duty may be taken as evidence of continued availability for work. However, if the individual does not appear as required by the summons, the State must determine if the reason for non-attendance indicates that the individual is not able to work or is not available for work.

(c) *Approved training.* A State must not deny UC to an individual for failure to be available for work during a week if, during such week, the individual is in training with the approval of the State agency. However, if the individual fails to attend or otherwise participate in such training, the State must determine if the reason for non-attendance or non-participation indicates that the individual is not able to work or is not available for work.

(d) *Self-employment assistance.* A State must not deny UC to an individual for failure to be available for work during a week if, during such week, the individual is participating in a self-employment assistance program and meets all the eligibility requirements of such self-employment assistance program.

(e) *Short-time compensation.* A State must not deny UC to an individual participating in a short-time compensation (also known as worksharing) program under State UC law for failure to be available for work during a week, but such individual will be required to be available for his or her normal workweek.

(f) *Alien status.* To be considered available for work in the United States for a week, the alien must be legally authorized to work that week in the United States by the appropriate agency of the United States government. In determining whether an alien is legally authorized to work in the United States, the State must follow the requirements of section 1137(d) of the SSA (42 U.S.C. 1320b-7(d)), which relate to verification of and determination of an alien's status.

(g) *Relation to ability to work requirement.* A State may consider an individual available for work if the State finds the individual able to work under §604.4(b) despite illness or injury.

(h) *Work search.* The requirement that an individual be available for work does not require an active work search on the part of the individual. States may, however, require an individual to be actively seeking work to be considered available for work, or States may impose a separate requirement that the individual must actively seek work.

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Revised Code of Washington (RCW) 50.20.010 states, in part:

(1) An unemployed individual shall be eligible to receive waiting period credits or benefits with respect to any week in his or her eligibility period only if the commissioner finds that:

(c) (i) With respect to claims that have an effective date before January 4, 2004, to be available for work an individual must be ready, able, and willing, immediately to accept any suitable work which may be offered to him or her and must be actively seeking work pursuant to customary trade practices and through other methods when so directed by the commissioner or the commissioner's agents.

(ii) With respect to claims that have an effective date on or after January 4, 2004, to be available for work an individual must be ready, able, and willing, immediately to accept any suitable work which may be offered to him or her and must be actively seeking work pursuant to customary trade practices and through other methods when so directed by the commissioner or the commissioner's agents. If a labor agreement or dispatch rules apply, customary trade practices must be in accordance with the applicable agreement or rules;

Revised Code of Washington (RCW) 50.20.240 states, in part:

(1) (a) To ensure that following the initial application for benefits, an individual is actively engaged in searching for work, the employment security department shall implement a job search monitoring program. Effective January 4, 2004, the department shall contract with employment security agencies in other states to ensure that individuals residing in those states and receiving benefits under this title are actively engaged in searching for work in accordance with the requirements of this section. The department may use interactive voice technology and other electronic means to ensure that individuals are subject to comparable job search monitoring, regardless of whether they reside in Washington or elsewhere.

(b) Except for those individuals with employer attachment or union referral, individuals who qualify for unemployment compensation under RCW 50.20.050 (1)(b)(iv) or (2)(b)(iv), as applicable, and individuals in commissioner-approved training, an individual who has received five or more weeks of benefits under this title, regardless of whether the individual resides in Washington or elsewhere, must provide evidence of seeking work, as directed by the commissioner or the commissioner's agents, for each week beyond five in which a claim is filed. With regard to claims with an effective date before January 4, 2004, the evidence must demonstrate contacts with at least three employers per week or documented in-person job search activity at the local reemployment center. With regard to claims

with an effective date on or after January 4, 2004, the evidence must demonstrate contacts with at least three employers per week or documented in-person job search activities at the local reemployment center at least three times per week.

(c) In developing the requirements for the job search monitoring program, the commissioner or the commissioner's agents shall utilize an existing advisory committee having equal representation of employers and workers.

(2) Effective January 4, 2004, an individual who fails to comply fully with the requirements for actively seeking work under RCW 50.20.010 shall lose all benefits for all weeks during which the individual was not in compliance, and the individual shall be liable for repayment of all such benefits under RCW 50.20.190.

Washington Administrative Code 192-180-010 states, in part:

Job search requirements – Directives

(3) What are my weekly job search requirements?

(a) At a minimum, you must:

(i) Make job search contacts with at least three employers each week; or

(ii) Participate in three approved in-person job search activities at the WorkSource office or local employment center, or any combination of employer contacts or in-person job search activities for a total of three.

(b) Based on your individual circumstances, such as your occupation, experience, or labor market area, the department may issue you a directive requiring more than three employer contacts or job search activities each week.

(c) If you are a member of a referral union you must be registered with your union, eligible for and actively seeking dispatch, and comply with your union's dispatch or referral requirements (see WAC 192-210-120). Your benefits may be denied for any weeks in which you fail to meet these requirements and you may be directed to seek work outside of your union.

(4) What is a "job search contact"? A job search contact is a contact with an employer to inquire about or apply for a job. You may use job search methods that are customary for your occupation and labor market area, including in-person, telephone, internet, or telefax contacts. The work applied for must be suitable (see RCW 50.20.100) unless you choose to look for work in a lower skill area. A contact does not count if it is made with an employer whom you know is not hiring, or if the department decides the contact is designed in whole or in part to avoid meeting the job search requirements.

(5) What is an "in-person job search activity"? This is an activity provided through the WorkSource office or local employment center that will assist you in your reemployment efforts. It includes, but is not limited to, job search workshops, training classes, or other facilitated services provided by WorkSource staff and approved by the local WorkSource administrator. For claimants residing in Washington State, an in-person job search activity must be documented in the department's services, knowledge and information exchange system (SKIES) to qualify. For interstate claimants, the activity must be documented in the one-stop system in the state in which you reside.

Washington Administrative Code 192-180-015 states, in part:

Tracking job search activities –RCW 50.20.240

(1) Do I need to keep track of my job search activities? You must keep a record or log of your job search contacts and the in-person job search activities you receive through the WorkSource office or local employment center unless you are:

(a) A member of a full referral union;

(b) Allowed benefits because you left work to protect yourself or a member of your immediate family from domestic violence or stalking as provided in RCW 50.20.050 (2)(b)(iv); or

(c) Exempt from job search requirements under WAC 192-180-010(1).

(2) What information do I need to keep in the log? Your job search log must contain at least the following information:
   (a) For job search contacts, record the date contact was made; the employer's name, address and telephone number; the type of contact (in-person, telephone, etc.); the name of the person you contacted; and the type of work you applied for;
   (b) For in-person job search activities at the WorkSource office or local reemployment center, record the date contact was made; and a description of the services you received or the activities in which you participated.

Washington Administrative Code 192-180-030 - Penalties.

(1) Is there a penalty if I don't look for work or fail to report for the JSR interview as directed? Benefits will be denied if you fail to:
   (a) Meet the minimum job search requirements;
   (b) Provide information about your job search activities and, once you have been paid five weeks of benefits, provide a copy of your job search log upon request;
   (c) Comply with any job search directive issued by the department; or
   (d) Report to a scheduled job search review interview.
(2) How long will my benefits be denied? Benefits will be denied for the specific week or week(s) in which you fail to act as described in subsection (1).
(3) What is the penalty if I don't attend a JSR that has been scheduled to review all weeks claimed? If you fail to appear for a review of your job search logs for all weeks claimed, fail to produce your job search logs for those weeks, or your logs fail to establish that you have met the minimum job search requirements, such failure will be treated as nondisclosure under RCW 50.20.160(3) and your benefits may be denied for any weeks at issue.

10-11 The Department of Transportation does not have adequate controls to ensure that information the American Recovery and Reinvestment Act requires to be reported for its Highway Planning and Construction program is accurate.

Federal Awarding Agency:	U.S. Department of Transportation, Federal Highway Administration
Pass-Through Entity:	None
CFDA Number and Title:	20.205 Highway Planning and Construction 20.205 Highway Planning and Construction – American Recovery and Reinvestment Act (ARRA) 20.219 Recreational Trails Program 20.003 Appalachian Development Highway System 20.003 Appalachian Development Highway System – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	0053948
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The U.S Department of Transportation provides Highway Planning and Construction grants to assist states in planning and developing transportation systems to accommodate interstate commerce and travel; to repair federal highways following disasters; to foster safe highway design; and to replace or rehabilitate bridges.

The State Department of Transportation spent nearly $785 million in federal funding related to this program during fiscal year 2010. Of this, approximately $574 million was spent through contracts with subrecipients. American Recovery and Reinvestment Act Funds accounted for $262 million of the federal spending for fiscal year 2010.

Description of Condition

Section 1512 of the American Recovery and Reinvestment Act (ARRA) requires agencies to file a quarterly report for each ARRA-funded project. The report must include the total amount received and spent. Guidance from the U.S. Department of Transportation states the total amount spent on a project should only include payments for which the Department has or will seek reimbursement.

When we reviewed the Department's March 2010 ARRA reports, we found it was incorrectly reporting the amount budgeted for each project and had combined that information with the amount spent on each project.

Cause of Condition

The Department did not monitor or adequately test the system it put in place to comply with ARRA reporting requirements. Instead of using information directly from the Department's accounting system, staff used revenue and expenditure information obtained from the Recovery Act Data System maintained by the Federal Highway Administration. The information in the Data System is updated either manually by Department staff or by a query that obtains data from several Department systems.

Effect of Condition

We reviewed 10 of the 51 ARRA reports submitted by the Department for January through March 2010. The Department over reported the actual amount spent as of March 31, 2010 on ARRA funded projects by 57% or approximately $98.7 million. Total expenditures for the 10 projects were incorrectly reported as $172.2 million, when the expenditures recorded in the Department's accounting system for the same projects were only $73.5 million.

The grantor relies on accurate reports to monitor the progress of the programs and use of federal ARRA dollars. By submitting inaccurate reports, the grantor is prevented from adequately monitoring and making informed decisions about the Department's ARRA expenditures under the Highway Planning and Construction program.

Recommendation

We recommend the Department assess its reporting process to determine why it is not working as intended, and further correct or change the system as needed. The Department should ensure individuals charged with carrying out specific activities have clear expectations and the information needed to perform those tasks. The Department should establish periodic independent monitoring to ensure that the information is being reported accurately.

Department's Response

The Department appreciates the importance of accurate ARRA reporting and goes to great lengths to identify and comply with requirements that come with ARRA funds, reviewing various changes in federal guidance on a regular basis and continually updating our procedures to ensure compliance. However, we respectfully do not agree with the statement in the audit finding about the Department not having adequate controls over ARRA reporting.

The federal ARRA reporting process was regularly evolving during the time we prepared the report which was under audit. Due to extenuating circumstances surrounding the early ARRA Federal filings and the regular updates to guidance provided on ARRA reporting requirements, misinterpretations of a data field occurred causing the error in the one quarterly reporting cycle reviewed by the State Auditor's Office. Prior to the audit, the Department identified and corrected the error reported as part of the March, 2010 quarterly reporting cycle. Since the reporting process only allowed for cumulative expenditures to be included in this ARRA report, correcting the next quarterly report for April through June 2010 was our only means of correcting the reported expenditures for January through March 2010. The Department properly reported the information in question in the Federal Fiscal Management Information System (FMIS) and Oberstar reporting systems, which are used by the grantor to manage the grant programs and by Congress and staff to monitor delivery performance.

Having stated our position above, the Department appreciates the State Auditor's review of the Department's ARRA filing process, as it has helped the Capital Program and Management Office to further strengthen internal controls to ensure proper reporting associated with the transparency reporting requirements of ARRA. We look forward to the State Auditor's staff reviewing our improvements in controls over ARRA reporting during their next audit.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular, A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
(c) Comply with laws regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget Circular, A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Part 3.L Reporting, American Recovery and Reinvestment Act Reporting, dated June 2010:

> Section 1512 of the Recovery Act requires reporting on the use of Recovery Act funding by recipients no later than the 10th day after the end of each calendar year quarter…Aimed at providing transparency into the use of these funds, the recipient reports are required to include the following detailed information:
>
> Total amount of funds received; and of that the total amount spent on projects and activities.

U.S. Office of Management and Budget also issued M-10-14, *Updated Guidance on the American Recovery and Reinvestment Act (*March 22, 2010), which provides information on the continuous corrections period instituted by the Recovery Accountability and Transparency Board in January 2010 under which recipients can correct reported data for the immediately preceding reporting quarter after that reporting quarter has ended and after the data is published on FederalReporting.gov.

> Total federal amount of ARRA expenditures is defined as:
>
> > Amount of Recovery Act funds received that were expended for projects or activities (federal share of expenditures). The cumulative total for the amount of federally funded expenditures. For reports prepared on the accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services…

U.S. Department of Transportation Federal Highway Administration, FHWA Key 1512 Award Information, Quick Reference Card dated March 16, 2010. (FHWA is providing this document to FHWA ARRA fund recipients in response to section 1.2 of the Memorandum M-10-08, issued by the Office of Management and Budget on December 18, 2009…This document is intended to provide FHWA ARRA fund recipients with a clear definition of how to report OFM defined "key 1512 award information." The document states in part:

> Total Federal Amount of ARRA Expenditure: The cumulative total amount of payments disbursed for which the recipient has or will seek reimbursement with ARRA funds. Report all payments from February 17, 2009 through the end of the latest quarter.

10-12 The Department of Transportation did not ensure highway construction contractor invoices were supported and approved before payment.

Federal Awarding Agency:	U.S. Department of Transportation, Federal Highway Administration
Pass-Through Entity:	None
CFDA Number and Title:	20.205 Highway Planning and Construction 20.205 Highway Planning and Construction – American Recovery and Reinvestment Act (ARRA) 20.219 Recreational Trails Program 20.003 Appalachian Development Highway System 20.003 Appalachian Development Highway System – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	0053948
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$75,147

Background

The U.S Department of Transportation provides Highway Planning and Construction grants to assist states in planning and developing transportation systems to accommodate interstate commerce and travel; to repair federal highways following disasters; to foster safe highway design; and to replace or rehabilitate bridges.

The State Department of Transportation spent nearly $785 million in federal funding related to this program during fiscal year 2010. Of this, approximately $574 million was spent through contracts with subrecipients.

Description of Condition

During our audit, we evaluated how the Department reviews highway construction contractor invoices before processing them for payment. Our review included the Department's Tacoma field office and a high-occupancy vehicle lane project from the Port of Tacoma Road to the King County line. Total contract value of the project, which started in September 2009, was $31.02 million. We selected 30 payments, representing $5.5 million, to determine if the Department reviewed invoices and supporting documentation for appropriateness prior to payment. We selected a variety of payments for review, including ones with high dollar amounts, to determine if the review system in place was working in all situations.

We found the Department paid $449,188 to a contractor on March 18, 2010, before reviewing supporting documentation for the work performed.

Cause of Condition

The Project Engineer stated a large amount of supporting documentation was associated with this invoice. She stated staff did not review this in order to pay the contractor in a timely manner.

Department staff has a role in ensuring only allowable costs are reimbursed and adequate supporting documentation is received prior to processing a request for payment. Department management did not detect that this had not been done.

Effect of Condition and Questioned Costs

After we questioned the payment in May 2010, the Department requested additional supporting documentation from the contractor. The Department determined it overpaid the contractor $75,147 and reduced the next payment to the contractor by that amount. The overpayment included the following:

- $1,691.54 for ineligible costs, such as $553 for steel fittings and $367 for washers and small tools.
- $2,370.35 for costs incurred by the contractor on another highway construction project.
- $34,881.19 for duplicate invoices and costs.
- $36,203.49 for costs claimed by the contractor for which no supporting documentation was provided.

We reviewed all payments to the contractor between May and August of 2010, and did not identify any other unallowable costs.

Recommendation

We recommend the Department ensure all highway construction invoices are adequately reviewed before payment is made.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

The Department appreciates your review and recommendations regarding the construction contract mentioned in the audit finding.

As soon as the Department's project office became aware of the situation described in your finding they conducted a full reconciliation of the force account payments associated with the contract, which at the time had approximately six months remaining on the project and had only been paid approximately fifty percent of the bid amount. Overall, the inconsistencies found on the payment in question appeared to be an isolated incident due to extenuating circumstances surrounding the particular billing request by the contractor. This was confirmed when the State Auditor's extending their testing and found no other payments with similar issues. The Department has already recovered the overbilled amounts by reducing subsequent payments to the contractor. Not only does the project office now ensure that payments are made in accordance with guidance outlined in the Construction Manual, they have also worked with this particular contractor to create an informal invoice submittal process for the force account work.

In addition to the increased awareness from the particular project office involved, the WSDOT Headquarters Construction Office issued a memorandum to all project offices and construction project engineers reminding them of the importance of strong internal controls and related documentation for contractor payments, particularly force account payments. The memo also mentions the upcoming 2011 Construction Office training season, which will include contractor payments as a major topic. The Construction Office is also seeking feedback from all project offices on any suggestions, comments, or best practices related to contractor and force account payments to further improve internal control procedures.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular, A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Section 510:

(a) Audit findings reported. The auditor shall report the following as audit findings in a schedule of findings and questioned costs:

…(3) Known questioned costs which are greater than $10,000 for a type of compliance requirement for a major program. Known questioned costs are those specifically identified by the auditor. In evaluating the effect of questioned costs on the opinion on compliance, the auditor considers the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The auditor shall also report known questioned costs when likely questioned costs are greater than $10,000 for a type of compliance requirement for a major program.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225), states in part:

Attachment A; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
   b. Be allocable to Federal awards under the provisions of 2 CFR part 225.
   c. Be authorized or not prohibited under State or local laws or regulations.
   d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
   e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
   f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
   g. Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.
   h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
   i. Be the net of all applicable credits.
   j. Be adequately documented.

10-13 The Department of Transportation did not support over $759,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas.

Federal Awarding Agency:	U.S. Department of Transportation, Federal Transit Administration
Pass-Through Entity:	None
CFDA Number and Title:	20.509 Formula Grants for Other Than Urbanized Areas 20.509 Formula Grants for Other Than Urbanized Areas – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	WA-18-X024, WA-18-X025, WA-18-X039, WA-18-X043, WA-18-X048, and WA-86-X001
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	$759,869.57

Background

The Public Transportation Division of the State Department of Transportation administers the federal Formula Grants for Other Than Urbanized Areas grant to help pay for public transportation in rural areas. The Department distributes this money to public and private entities that provide these services and retains between 10 percent and 15 percent to pay its administrative costs. The Department spent $10,206,761 in this grant money in fiscal year 2010.

Grant money may be used to pay only for costs that are allowable and related to the grant's purpose. Federal regulations specify the documentation that must be kept to support employee compensation charged to federal grants. If an employee works solely on the grant program and all related payroll costs are charged to that grant, minimal documentation is required: the employee must certify, semi-annually, in writing, that he or she worked solely on that program. Requirements state that for employees who work on multiple programs or whose positions are funded by multiple sources, payroll costs must be supported by personnel activity reports or equivalent documentation, such as timesheets. These reports must:

- Reflect how much time the employee worked on each program.
- Account for the total activity for which the employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.

Payroll estimates are allowable if adjustments to actual costs are made at least quarterly.

In the fiscal year 2009 audit, we reported the Department did not support more than $740,000 in payroll costs charged to the grant in accordance with federal regulations. The Public Transportation Division administers a number of closely related federal and state programs and the work performed by administrative and program staff supports multiple programs. We determined the Division charged a portion of the payroll costs for 14 employees to the grant based on budgeted percentages. The Division did not have documentation to support the charges and they were not reconciled to actual time employees worked on programs. Additionally, we identified two employees who worked solely on the program who did not complete the semi-annual certifications.

Description of Condition

During the current audit period, the Division did not change how it allocates salaries and benefits to the Formula Grants for Other Than Urbanized Areas. The Division continued to charge a portion of the payroll costs for 14 employees to the grant based on budgeted percentages. The Division did not have documentation to support the charges and they were not reconciled to actual time employees worked on

programs. We again identified two employees who charged 100 percent of their time to the grant but did not complete the semi-annual certifications.

Cause of Condition

Public Transportation Division management responsible for allocating payroll costs stated it had not changed the method of allocating payroll costs because they have requested approval of a modified version of its current allocation method. The Division was instructed not to implement the modified allocation method until it has been reviewed and approved. The Department submitted its request to the Federal Transit Administration in June 2010.

Effect of Condition and Questioned Costs

We identified $759,869.57 in direct payroll charges to the Formula Grants for Other Than Urbanized Areas grant that were not supported in accordance with federal requirements, including $88,574.22 funded through the American Recovery and Reinvestment Act. We are questioning those costs as unallowable charges for salaries and benefits. The federal grantor could disallow these charges and require the Department to pay back the money.

Recommendations

We recommend the Department establish policies and procedures to ensure payroll charges are adequately supported until it receives approval from its grantor to use a substitute system in accordance with federal requirements.
The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

The Department appreciates the State Auditor's work regarding the Formula Grants for Other Than Urbanized Areas. At this time, we are awaiting required authorization from the federal grantor to implement our planned correction.

The Department is considered an innovative leader by the Federal Transit Administration (FTA) for its grant administration methods, which include administering a number of closely related grant programs.

After receiving a similar finding in 2009, the Department's Public Transportation Division developed and submitted a formalized direct payroll cost allocation plan, known as a substitute system, to the FTA to meet the federal regulations (OMB Circular A-87). Upon receipt of the plan, the FTA requested that the Department continue to allocate payroll costs under the current FTA approved method until such time as the new plan can be reviewed and approved. The FTA staff conducted fieldwork for their review in January 2011, and we are awaiting their results. The Department will continue to work with the FTA to receive grantor approval of the cost allocation plan. Once approved, the Public Transportation Division will allocate direct payroll costs using the new method and will incorporate the new method into its policies and procedures.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-87 (2 CFR 225), *Cost Principles for State, Local and Indian Tribal Governments,* states:

Attachment B, Section 8(h):

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a reasonable official(s) of the governmental unit.
(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.
(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix unless a statistical sampling system (see subsection 8.h.(6) of this appendix) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
    (a) More than one Federal award
    (b) A Federal award and a non Federal award
    (c) An indirect cost activity and a direct cost activity
    (d) Two or more indirect activities which are allocated using different allocation bases, or
    (e) An unallowable activity and a direct or indirect cost activity
(5) Personnel activity reports or equivalent documentation must meet the following standards:
    (a) They must reflect an after the fact distribution of the actual activity of each employee.
    (b) They must account for the total activity for which each employee is compensated
    (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
    (d) They must be signed by the employee
    (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
        (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
        (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
        (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.
(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.
    (a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection 8.h.(6)(c) of this appendix;
(ii) The entire time period involved must be covered by the sample; and
(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.
(c) Less than full compliance with the statistical sampling standards noted in subsection 8.h.(6)(a) of this appendix may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Attachment B, Section 8(d) of the Circular states in part:

Fringe benefits.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: …….the costs are equitably allocated to all related activities, including Federal awards;…..

10-14 The Department of Ecology does not have adequate internal controls to ensure it complies with suspension and debarment requirements.

Federal Awarding Agency:	U.S. Environmental Protection Agency
Pass-Through Entity:	None
CFDA Number and Title:	66.458 Capitalization Grants for Clean Water State Revolving Fund 66.458 Capitalization Grants for Clean Water State Revolving Fund - American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	2W-96091001-1 (ARRA)
Applicable Compliance Component:	Suspension and Debarment Controls/Compliance
Questioned Cost Amount:	None

Background

The state Department of Ecology administers the Clean Water State Revolving Fund as a permanent funding source for prevention and clean up of water pollution, for technical and financial assistance for water quality projects and other water quality programs.

Federal grantors prohibit recipients of federal awards from contracting with entities that have been suspended or debarred from receiving federal funds.

The Department is responsible for determining the suspension or debarment status of any entity it provides grant funding. It must also inform those entities they are responsible for doing this if they provide funding to any lower tier contractor or subrecipient.

In fiscal year 2010, the Department spent $40 million in federal funds on the Clean Water State Revolving Fund program; approximately $22 million of this was funded through the American Recovery and Reinvestment Act of 2009.

Description of Condition

The Department determined the suspension and debarment status of its subrecipients, however it did not inform them of their responsibility to pass this requirement onto subcontractors. Instead the Department included a generic statement that subrecipients must comply with all laws and regulations.

Cause of Condition

Department staff responsible for ensuring proper language is in the contract thought the statement to subrecipients to comply with all laws and regulations was sufficient notification of the requirement.

Effect of Condition

Without adequate suspension and debarment contract language, there is risk that federal funds could be paid by the Department's subrecipients to ineligble parties. In such a case, the subrecipient would potentially have to pay these unallowable payments back to the Department.

Recommendation

We recommend the Department update its contract document to reflect current federal suspension and debarment regulations.

Department's Response

We respectfully disagree with the finding the Agency does not have adequate internal controls to ensure it complies with suspension and debarment requirements. We do agree we could update and enhance the suspension and debarment language in our contract, grant, and loan documents.

Agency contract, grant, and loan language requires subrecipients and vendors to certify they have not been suspended, debarred, or otherwise excluded from receiving federal funds. Agency contract, grant, and loan agreements also require subrecipients and vendors to ensure all their subgrantees and subcontractors comply with the terms and conditions of the agreements. We believe this language is sufficient in communicating requirements to subrecipients. This is supported by the fact that there have been no substantiated violations in payments to suspended or debarred vendors.
The agency will:

- *Include current federal suspension and debarment language in all new contracts, grants, and loans effective April 1, 2011, or later.*
- *Update all current agreements with end dates beyond June 30, 2011, to include current federal suspension and debarment language.*
- *Update all active agreements funded by American Recovery Reinvestment Act to include current federal suspension and debarment language.*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 2, Code of Federal Regulations, Section180.330 - What requirements must I pass down to persons at lower tiers with whom I intend to do business?

> Before entering into a covered transaction with a participant at the next lower tier, you must require that participant to—
>
> (a) Comply with this subpart as a condition of participation in the transaction. You may do so using any method(s), unless the regulation of the Federal agency responsible for the transaction requires you to use specific methods.
> (b) Pass the requirement to comply with this subpart to each person with whom the participant enters into a covered transaction at the next lower tier.

10-15 The Department of Health did not comply with time and effort requirements for the Capitalization Grants for Drinking Water State Revolving Fund program.

Federal Awarding Agency:	U.S. Environmental Protection Agency
Pass-Through Entity:	None
CFDA Number and Title:	66.468 Capitalization Grants for Drinking Water State Revolving Fund 66.468 Capitalization Grants for Drinking Water State Revolving Fund American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	FS-99083909, FS-99083908, FS99083907, FS-99083906, FS99083905, 2F-96087801 (ARRA)
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

The Department of Health administers the Drinking Water State Revolving Fund program, which provides loans and other types of financial assistance for safe drinking water projects.

In fiscal year 2010, the Department spent $30 million in federal funds on the Drinking Water State Revolving Fund program, approximately $19 million of which was provided by the American Recovery and Reinvestment Act.

Description of Condition

Federal requirements specify how employee salaries and wages charged to federal programs are to be documented. Salaries of employees who charge to multiple funding sources are to be supported by monthly personnel activity reports such as time sheets. Employees who work solely on a single federal award or cost objective must support charges for their salaries and benefits with certifications. These certifications are to be prepared at least semi-annually and signed by the employee or supervisory official having first hand-knowledge of the employee's work.

The Department certifies payroll quarterly. We selected for review time certifications for 16 employees who worked on a single cost objective for the quarters ending December 31, 2009 and June 30, 2010. The Department provided the certifications, however, we later determined the certifications provided for auditor review had been recently created and backdated to appear as if completed at the end of the quarter. The Department stated the certifications we requested had been completed but were subsequently lost, and so it recreated them for our audit.
Subsequently, the Department stated it found the certifications for the second, third and fourth quarters. However, we determined those certifications were created in November of 2010 upon request of the Grants office. They had not been completed at the end of each quarter as required.

Cause of Condition

While controls were in place at the program level, program staff stated new requirements related to the Recovery Act were considered higher priority. Due to lack of resources the certifications were not completed as required.

Effect of Condition

Without adequate time and effort documentation, federal grantors cannot be assured that salaries and benefits charged to programs are accurate and valid. This could jeopardize future federal funding to the state.

Direct payroll charges to the Capitalization Grants for Drinking Water State Revolving Fund were not supported in accordance with federal requirements. However, we were able to gain some assurance those costs were attributable to the grant and therefore are not questioning them.

Recommendation

We recommend the Department:

- Ensure original certifications are completed and retained.
- Ensure individuals charged with carrying out specific activities know what is expected of them and that management monitor to ensure the activities are occurring.

Department's Response

We concur with the State Auditor's office assessment that time and effort records should be completed on a timely basis, but would like to emphasize that all time certifications provided to the auditors during the course of their audit were either signed by the employee or their immediate supervisor per OMB-A87 requirements.

Prior to the audit we had implemented new procedures designed to remind program staff of when their certifications are due, and to centralize the collection of the completed certifications.

We believe that the agency is now compliant with federal time and effort reporting requirements.

We thank the State Auditor's Office for the professional work by their staff.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225):

> Appendix B, Section 8(h):

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.
(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.
(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Department of Health Policy 11.014, Timekeeping for Federal Requirements, Effective Date April 7, 2006, states in part:

Policy Statement:

…In order to promote better fiscal accountability, the agency supports quarterly timekeeping reporting for employees funded from a single federal source.

10-16 The Energy Office of the Department of Commerce does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.041 State Energy Program 81.041 State Energy Program – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-EE0000139
Applicable Compliance Component:	Davis Bacon
Questioned Cost Amount:	None

Background

The federally funded State Energy Program provides financial and technical assistance to states on energy programs, including emerging renewable energy sources and energy efficiency technologies. The Department of Commerce's State Energy Office of the Innovation and Policy Priorities Division administers the program in Washington. Funding for this program has historically been provided based on a predetermined formula, and amounted to less than $500,000 per fiscal year.

In 2009, the U.S. Department of Energy awarded Commerce approximately $60 million in State Energy Program funds under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. Of this, $38.5 million is to be used for loans and grants to public and private entities to encourage the establishment of innovative and sustainable energy industries. The remaining ARRA money is to be used for projects such as building retrofits and program administration.

In fiscal year 2010, the Department spent $3.1 million in State Energy Program money: $2.7 million in ARRA funding and approximately $400,000 in formula grant money. The Department spent approximately $3 million of its total SEP ARRA award from inception through June 30, 2010.

Description of Condition

Construction projects paid for in whole or in part by ARRA dollars are subject to the Davis Bacon Act, a federal law that requires prevailing wages to be paid on federally assisted construction projects that cost more than $2,000. Workers on-site must be paid no less than local prevailing wages and benefits for similar projects. State agencies that pay for construction projects with ARRA dollars are required to collect and review weekly certified payrolls from contractors and subrecipients to ensure prevailing wages are paid.

The Energy Office of the Department of Commerce administers the State Energy Program, and oversees grant awards and loans to subrecipients for energy-related projects. Grantees and loan recipients are required to match a portion of the total project costs with their own funding sources.

If a project includes construction, Division management requires grantees and loan recipients to use their own matching dollars to pay for the construction costs. ARRA money awarded by the Department was to be used only for non-construction costs. Therefore, program management stated, Davis Bacon Act requirements did not apply to the majority of the projects.

This is an inaccurate interpretation of the requirements of the Act. If ARRA dollars are used for any part of a construction project costing more than $2,000, even if those dollars are not spent on direct construction costs, the project is subject to the Act. U.S. Department of Energy staff stated intentionally splitting a single project into construction and non-construction activities in order to avoid Davis Bacon Act requirements is unallowable.

Cause of Condition

Department management did not ensure staff in the State Energy Program possessed the necessary understanding of Davis-Bacon requirements, nor did management have an effective system in place to identify inaccurate and inconsistent understanding and application of the regulations. We found other Department divisions understood Davis-Bacon Act requirements.

Effect of Condition

Program management initially stated no ARRA funding was spent on construction projects during fiscal year 2010. As a result of our inquiries, the Department reviewed its grant and loan files and determined Davis-Bacon requirements applied to some of the funded projects. We reviewed all invoices for the five grantees and loan recipients paid in fiscal year 2010 to determine if the Department paid for construction work without collecting certified payrolls. We found one invoice for excavating work done in June for $262,677, paid by Commerce on July 8, 2010, with ARRA dollars. Department staff confirmed that this was construction work and that certified payrolls were not collected at the time of payment. After the Department realized its error, it requested and was provided certified payrolls for the excavating work showing that prevailing wages had been paid.

The Department's ineffective controls over Davis-Bacon Act requirements in the State Energy Program increases the risk that laborers working on federally funded projects will not be paid the proper wages.

Recommendation

The Department should use the knowledgeable staff it has to establish a Department-wide monitoring system to ensure an accurate and consistent understanding of the Davis-Bacon Act, and that it complies with the Act. The effectiveness of that system should be regularly assessed by someone independent of the process.

Department's Response

We concur with the finding. When the original grants and loans were awarded, the Energy Office had many discussions with US Department of Energy (DOE) about the Davis Bacon Act requirements. Preliminary guidance from DOE indicated project costs could be split and Davis Bacon (prevailing wage) would not be applied if construction funding was not included in the ARRA award. Some of the projects undertaken are quite large and the federal contribution is a small portion of total funding. DOE reviewed each grant or loan and made determinations on which tasks required Davis Bacon compliance. This later guidance from DOE indicated that Davis Bacon would apply whenever construction was part of the project, even when construction was not funded by federal dollars.

The specific incident cited in the finding occurred because of a misunderstanding between the Energy Office Program Manager and the grant recipient regarding what constituted the start of construction. The Program Manager notified the grant recipient as early as November 2009 that Davis Bacon (prevailing wage) requirements applied and that certified payrolls for construction projects must be collected. Prior to approval of the invoice noted in the incident, the Program Manager asked if construction had begun. The grant recipient indicated that construction would begin after a ground-breaking event in July 2009.

On September 13, 2010, Commerce's Contracts Administration Unit (CAU) staff reviewed the invoices in question for Davis Bacon (prevailing wage) compliance. During the review, staff discovered the invoice for work done through June 30, 2010 included site preparation work that had been reimbursed without monitoring for Davis Bacon (prevailing wage) compliance. Commerce immediately requested certified payrolls and found a $1.41 underpayment. This took place before the next reimbursement payment was made and the underpayment was resolved on January 1, 2011.

To ensure greater control over compliance with the Davis Bacon (prevailing wage) requirements, Commerce has implemented changes to our invoice review and payment procedures. The Energy Office

staff person who made payments at that time is no longer employed by the agency. The function of invoice review and verification has been transferred to CAU. Commerce CAU staff have years of experience in processing requests for reimbursement that include Davis Bacon (prevailing wage) requirements. Experienced CAU staff members now review payment requests, collect and verify certified weekly payroll information, and process the payments.

In addition, the Energy Office is now utilizing agency-wide expertise including consultation with the Community Services and Housing Division staff members who regularly work with Davis Bacon Act requirements. In this way, we can ensure a consistent understanding of Davis Bacon requirements throughout the agency and ensure ongoing compliance.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Section 1606 of the American Recovery and Reinvestment Act of 2009, Public Law 111–5:

> Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

10-17 The Energy Office at the Department of Commerce does not have controls to ensure it complies with reporting requirements for the State Energy Program.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.041 State Energy Program 81.041 State Energy Program – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-FJ26-05R021613
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The federally funded State Energy Program provides financial and technical assistance to states on energy programs, including emerging renewable energy sources and energy efficiency technologies. The Department of Commerce's State Energy Office of the Innovation and Policy Priorities Division administers the program in Washington. Funding for this program has historically been provided based on a predetermined formula, and amounted to less than $500,000 per fiscal year.

In 2009, the U.S. Department of Energy awarded Commerce approximately $60 million in State Energy Program funds under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. Of this, $38.5 million is to be used for loans and grants to private entities to encourage the establishment of innovative and sustainable energy industries. The remaining ARRA money is to be used for projects such as building retrofits and program administration.

In fiscal year 2010, the Department spent $3.1 million in State Energy Program money: $2.7 million in ARRA funding and approximately $400,000 in formula grant money. The Department spent approximately $3 million of its total ARRA award through June 30, 2010.

Description of Condition

The grant agreement stated Commerce was to submit a financial status report to the federal grantor within 30 days after the end of each calendar quarter for the non-ARRA funding. For the July through September quarter the report was submitted on time, but did not include $45,278.80 of expenditures.

The Department's internal controls over this reporting requirement were not adequate to ensure compliance. Staff responsible for preparing the financial status report did not have all the information needed to complete it, and staff responsible for reviewing the report for accuracy did not consistently or effectively conduct that review.

Cause of Condition

Commerce did not monitor the control processes it put in place to ensure compliance with federal reporting requirements, and so did not detect that those controls were not working as intended. Similar issues were identified and communicated to Commerce management during our last audit, however it continued to place responsibility for compliance with federal reporting requirements on one individual without monitoring her performance.

Effect of Condition

Commerce did not report $45,278.80 spent during the July-September 2009 quarter on the financial status report. Grantors rely on accurate reports to monitor the progress of programs and the use of federal dollars. By submitting incomplete financial reports, Commerce prevented the grantor from adequately monitoring

the State Energy program. In addition, grant conditions allow the grantor to penalize the Department for noncompliance by withholding payments, suspending or terminating an award, withholding future awards and taking action to preclude future awards.

Recommendation

We recommend Commerce monitor and assess its internal controls to ensure they are working as intended. It should ensure individuals charged with carrying out specific control activities have clear expectations and the information needed to perform those tasks. It should establish periodic monitoring by someone not performing those tasks to ensure the activities are occurring.

Department's Response

We concur with the finding. Commerce State Energy Office submits quarterly financial reports to the US Department of Energy (DOE) electronic system with data received from Commerce's Accounting staff. Communications between program staff and accounting staff was not sufficient at that time to ensure the accounting staff was aware of a new project number for FY11 where expenditures were accumulated. As a result, accounting staff did not include charges accumulated against the new project number in the July to September 2009 quarterly report to DOE. In addition, the report was not adequately verified by the Commerce Energy Office to make sure all expenditures were accurately reflected. As a result, $45,278.80 was not reported.

The expenditure was included in the next October-December 2009 quarterly report. In 2009, no mechanism existed to revise a report once it had been submitted. Corrections had to be made in the subsequent report. With the State Energy Program's new reporting program, future corrections, if needed, can be made to the impacted quarter with a request to DOE.

Commerce has assessed its internal controls and implemented measures to ensure compliance with reporting requirements through clearly defined expectations and access to the appropriate information. Commerce Accounting updated the accounting federal reporting procedures in September 2010, adding steps to ensure all quarterly federal expenditure activity is reported. These procedures have been followed since the procedure update. Additional controls include 1) comparing federal expenditures by project code with federal report project listing; 2) supervisor review of all financial status reports or federal financial reports prior to review by Commerce Energy Office staff; and 3) communication and review with Energy Office staff prior to submitting reports.

Commerce further concurs with the Auditor's recommendation to implement periodic monitoring by personnel not performing the tasks to ensure the above activities are taking place.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 10, Code of Federal Regulations, Part 600

Section 600.121 - Standards for financial management systems.

(b) ...recipients' financial management systems shall provide for the following:

(1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 600.152...

Section 600.152 - Financial reporting.

(a) The following forms or such other forms as may be approved by OMB are authorized for obtaining financial information from recipients.

(1) SF-269 or SF-269A, Financial Status Report ...

State Energy Program Grant Special Terms and Conditions, Part 5a:

Failure to comply with these reporting requirements is considered a material noncompliance with the terms of the award. Noncompliance may result in withholding of future payments, suspension or termination of the current award, and withholding of future awards. A willful failure to perform, a history of failure to perform, or unsatisfactory performance of this and/or other financial assistance awards, may also result in a debarment action to preclude future awards by Federal agencies.

10-18 The Energy Office at the Department of Commerce did not adequately monitor grantees and loan recipients and paid for unallowable costs under the State Energy Program.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.041 State Energy Program 81.041 State Energy Program – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-EE0000139
Applicable Compliance Component:	Activities Allowed/Cost Principles, Subrecipient Monitoring
Questioned Cost Amount:	$13,691

Background

The federally funded State Energy Program provides financial and technical assistance to states on energy programs, including emerging renewable energy sources and energy efficiency technologies. The Department of Commerce's State Energy Office of the Innovation and Policy Priorities Division administers the program in Washington. Funding for this program has historically been provided based on a predetermined formula, and amounted to less than $500,000 per fiscal year.

In 2009, the U.S. Department of Energy awarded Commerce approximately $60 million in State Energy Program (SEP) funds under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. Of this, $38.5 million is to be used for loans and grants to public and private entities to encourage the establishment of innovative and sustainable energy industries. The remaining ARRA money is to be used for projects such as building retrofits and program administration.

In fiscal year 2010, the Department spent $3.1 million in State Energy Program money: $2.7 million in ARRA funding and approximately $400,000 in formula grant money. The Department spent approximately $3 million of its total SEP ARRA award from inception through June 30, 2010.

Description of Condition

Staff in the Department of Commerce's Energy Office and Contracts Administration Unit (CAU) is responsible for monitoring State Energy Program grantees and loan recipients and ensuring all expenditures are supported and allowable under the award contract and federal guidelines.

During a review of an invoice we noted itemized charges from one loan recipient that did not appear to be allowable program expenditures. Concurrently, the Department initiated a review of all payments to that loan recipient. The Department identified $13,691 in unallowable or unsupported costs. We agreed with the Department's results. The Department subsequently disallowed $6,797 in expenditures, which it deducted from the September 2010 reimbursement to the loan recipient. Regarding the other $6,894 in potentially unallowable costs identified, the project manager stated the recipient had "reasonable explanations" for these expenditures. The Department accepted the charges as allowable without obtaining supporting documentation.

The questioned costs included:

- Unallowable travel advances and unsupported travel costs, $3,757
- Gift boxes, coffee, ice cream and alcohol, $186
- Cash payments to company employees, $1,784
- Late charges and payments owed to other vendors, $3,105
- Meals not held for business purposes, $1,697
- Credit card charges, $367

- Cell phone bills, $970
- Tax returns, $1,825

To determine if unallowable costs had been paid to other grantees, we reviewed all invoices for the five grantees and loan recipients paid during fiscal year 2010. We did not find any other invoices with unallowable costs during the fiscal year.

Cause of Condition

Department management placed reliance on an internal control system without monitoring to ensure it was working as intended. Contract staff and program staff each have a role in ensuring only allowable costs are reimbursed and adequate supporting documentation is received prior to processing a grantee's or borrower's request for payment. Contract and program staff did not perform its review for these invoices, and management did not detect the weakness in the control system.

Effect of Condition and Questioned Costs

The Department paid a loan recipient unallowable costs. Although the Department reduced subsequent payments to the loan recipient by $6,797, it is up to the federal grantor to determine if it is satisfied with the resolution of those costs. Additionally, the Department did obtain additional documentation to support the remaining $6,894. However this was done several months after the payments were made, and only in an attempt to reduce the amount we are reporting as questioned costs. Since the payments were originally made without adequate support, we are questioning them. It will be up to the federal grantor to determine if the support obtained is adequate. We are questioning the entire amount identified as unallowable or unsupported of $13,691.

Recommendation

We recommend Department management monitor its control system over State Energy Program payments to ensure that system is working as intended. The monitoring should be done by someone other than staff responsible for carrying out the control activities.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

We concur with the finding. Commerce authorized and paid a grant recipient's invoice for undocumented expenses. This occurred due to an inexperienced program staff member's mistake in the invoice verification and approval process.

To ensure greater control over invoice monitoring, Commerce has increased desk top monitoring. On September 1, 2010, monitoring of invoice payments on Energy ARRA contracts was transferred to Commerce's Contracts Administration Unit (CAU). CAU has experienced staff dedicated to reviewing all grant recipient requests for payments and the supporting documentation before payments are approved.

On September 20, 2010, CAU staff reviewed the grant recipient's contract file and identified $13,691 in questionable costs. Commerce staff contacted the grant recipient and requested clarification of costs and additional supporting documentation. As a result, CAU determined $6,894.41 in allowable costs was supported by the documentation. CAU also determined that $6,796.86 was unallowable. The grant recipient was notified that these costs were unallowable and the amount was deducted from the next invoice. We have received satisfactory documentation from this grant recipient for all other invoices to-date. In addition, Commerce is working with US Department of Energy to satisfy any questions regarding the approved expenses.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 400(d) states in part:

> A pass-through entity shall perform the following for the Federal awards it makes:
>
> (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and those performance goals are achieved.
>
> Section 510:
>
> (a) Audit findings reported. The auditor shall report the following as audit findings in a schedule of findings and questioned costs:
>
> …(3) Known questioned costs which are greater than $10,000 for a type of compliance requirement for a major program. Known questioned costs are those specifically identified by the auditor. In evaluating the effect of questioned costs on the opinion on compliance, the auditor considers the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The auditor shall also report known questioned costs when likely questioned costs are greater than $10,000 for a type of compliance requirement for a major program.

U.S. Office of Management and Budget OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* (2 CFR 225), Appendix A, states:

> C. Basic Guidelines
>
> *1.* Factors affecting allowbility of costs. To be allowable under Federal awards, costs must meet the following general criteria:
>
> d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
>
> j. Be adequately documented.

10-19 The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.042 Weatherization Assistance for Low-Income Persons 81.042 Weatherization Assistance for Low-Income Persons – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-FG26-06R021685; DE-EE0000086
Applicable Compliance Component:	Subrecipient Monitoring Controls/Compliance
Questioned Cost Amount:	None

Background

The federally funded Weatherization Assistance Program provides financial assistance for low-income families making home energy efficiency improvements. The Department of Commerce's Community Services and Housing Division administers the program in Washington. Funding is passed through to 25 local agencies including community action agencies, housing authorities and municipalities that are responsible for determining client eligibility and overseeing work performed by agency crews or contractors who make energy efficiency improvements to the homes. Funding for this program has historically been less than $5 million per fiscal year for the state, determined through a formula.

In 2009, the Department was awarded approximately $60 million in weatherization funding under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. In fiscal year 2010, the Department spent $29 million on the Weatherization Assistance Program: approximately $25 million in ARRA money and $4 million in formula grant money.

The receipt of ARRA funding brought new compliance requirements for the program. In fiscal year 2010, the Department was responsible for notifying its contractors and subrecipients of their responsibility to register in the national Central Contractor Registration (CCR) system. The registration must be kept current and the Department is responsible for periodically checking the CCR to ensure subrecipients are updating their information.

Description of Condition

Program staff in the Community Services and Housing Division could not provide documentation to show this requirement was communicated to the local agencies or that it checked the CCR to ensure all agencies were registered prior to releasing payments. Department staff also could not show that it periodically checked for updates throughout the fiscal year.

Staff began checking each agency's status in the CCR after we informed them of the requirements.

Cause of Condition

Department management did not ensure Community Services and Housing Division staff had complete knowledge and understanding of how to oversee compliance with this ARRA requirement.

Effect of Condition

If subrecipients and contractors are not registered with the CCR, their ARRA expenditure data cannot be accurately or completely reported to the federal government as required by Recovery Act regulations. The Department risks paying contractors and subrecipients whose activity in the Central Contractor Registration

does not meet federal requirements. We verified that all agencies had been registered prior to payment and none had expired registrations during our audit scope, therefore we are not questioning any costs.

Recommendation

The Department should ensure all employees who oversee Central Contractor Registration compliance are trained in how to satisfy these federal requirements and document that they are met. It should monitor staff to ensure this is being done.

Department's Response

We concur with the finding. We acknowledge the oversight and have taken immediate corrective action. Since learning of the oversight, we checked the national Central Contractor Registration (CCR) system for the past quarter, completing and documenting the check on January 10, 2011. Commerce contacted three contractors to correct issues of non-compliance.

In the future, an assigned staff member will review the CCR system (https://www.bpn.gov/CCR/default.aspx) at the end of each quarter (March, June, September, December) for each contractor, noting any comments regarding missing information and documenting the information and date in a spreadsheet.

If the CCR indicates that information is missing or outdated for any contractor, the staff member assigned as liaison with the contractor will contact the contractor, requesting they go to the CCR system to review and update the entry within one week of notification. The assigned staff member will perform a follow up check on the CCR system to verify that the agency has updated or corrected its information and note the date of agency contact and correction in the CCR tracking spreadsheet. This will be implemented beginning March 31, 2011.

Commerce will include the CCR check and documentation in contracting action items or in the steps taken by Housing Improvement and Preservation staff when creating new contracts or grants, or amending existing contracts or grants.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 400, states:

> (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

(2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
(3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Title 2 Code of Federal Regulations, Section 176.50

(c) Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (http://www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (http://www.dnb.com) is one of the requirements for registration in the Central Contractor Registration.

10-20 The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with suspension and debarment requirements for the Weatherization Assistance for Low-Income Persons program.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.042 Weatherization Assistance for Low-Income Persons 81.042 Weatherization Assistance for Low-Income Persons – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-FG26-06R021685; DE-EE0000086
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The federally funded Weatherization Assistance Program provides financial assistance for low-income families making home energy efficiency improvements. The Department of Commerce's Community Services and Housing Division administers the program in Washington. Funding is passed through to 25 local agencies, including community action agencies, housing authorities and municipalities that are responsible for determining client eligibility and overseeing work performed by agency crews or contractors who make energy efficiency improvements to the homes. Funding for the DOE funded program has historically been less than $5 million per fiscal year for the state, as determined by a nationally-adopted formula.

In 2009, the Department was awarded approximately $60 million in weatherization funding under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. In fiscal year 2010, the Department spent $29 million on the Weatherization Assistance Program: approximately $25 million in ARRA money and $4 million in formula grant money.

Grant funds cannot be paid to entities suspended or debarred from participating in federally funded projects. If a contractor or subrecipient certifies in writing to the Department that its organization has not been suspended or debarred, the Department may rely on that certification. The Department also may check for suspended or debarred parties by reviewing the Federal Excluded Parties List (EPLS) or by including a clause in its contract with the subrecipient or vendor.

Description of Condition

In order to meet ARRA production goals, the Department supplemented local agency activity by contracting with four contractors for a total of $3.4 million to perform weatherization work on low-income, multi-family homes around the state.

Staff responsible for complying with the suspension and debarment requirement stated they checked the EPLS to ensure the vendors were not suspended or debarred. However, they did not keep any documentation, such as a screen print from the website showing the vendor was not suspended or debarred, as proof this requirement was met. The vendors did not sign suspension and debarment certifications and no clause was written into the contracts.

Cause of Condition

The Department placed responsibility for ensuring vendors were not suspended or debarred on an employee who was not adequately instructed on how to meet this federal requirement. When we spoke to the staff assigned responsibility for compliance, they informed us they typically do not participate in procurement.

Effect of Condition

The Department cannot show it complied with federal suspension and debarment requirements. However, we were able to verify that the vendors had not been suspended nor debarred and we are not questioning these costs.

Recommendation

The Department should ensure all employees who oversee suspension and debarment compliance are trained in how to meet federal requirements. It should monitor to ensure staff follows these requirements.

Department's Response

We concur with the finding. In order to ensure compliance, we designated one position, the unit contracts manager, to be responsible for ensuring that all appropriate terms are addressed in contracts, including suspension and debarment, before moving any contract forward for signatures. This is part of the contract compliance checklist. The contracts manager or other designee will check the Excluded Parties List System (EPLS) when entering into a contractual agreement with a new vendor, including documenting a print-screen of the EPLS confirmation of vendor standing and placing it in the contract file. The contracts manager will train unit members and new employees on contracting requirements and procedures. These measures will be in place and operational March 1, 2011.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 2, Code of Federal Regulations, Section 180.300

> What must I do before I enter into a covered transaction with another person at the next lower tier?
>
> When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:
>
> (a) Checking the EPLS; or
> (b) Collecting a certification from that person; or
> (c) Adding a clause or condition to the covered transaction with that person.

10-21 The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program.

Federal Awarding Agency:	U.S. Department of Energy
Pass-Through Entity:	None
CFDA Number and Title:	81.042 Weatherization Assistance for Low-Income Persons 81.042 Weatherization Assistance for Low-Income Persons – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	DE-FG26-06R021685; DE-EE0000086
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	$38,694 ARRA

Background

The federally funded Weatherization Assistance Program provides financial assistance for low-income families making home energy efficiency improvements. The Department of Commerce's Community Services and Housing Division administers the program in Washington. Funding is passed through to 25 local agencies including community action agencies, housing authorities and municipalities that are responsible for determining client eligibility and overseeing work performed by agency crews or contractors who make energy efficiency improvements to the homes. Funding for this program has historically been less than $5 million per fiscal year for the state, determined through a formula.

In 2009, the Department was awarded approximately $60 million in weatherization funding under the American Recovery and Reinvestment Act (ARRA) in addition to the smaller formula grant. In fiscal year 2010, the Department spent $29 million on the Weatherization Assistance Program: approximately $25 million in ARRA money and $4 million in formula grant money.

Description of Condition

Federal regulations require the Department to conduct comprehensive monitoring of each agency at least once a calendar year. This must include on-site review of client files and agency records and inspection of at least 5 percent of each agency's Department of Energy-funded completed units. This requirement applies to ARRA and formula funding. The formula grant agreement signed by Commerce states it will visit agencies once a year.

The Monitoring and Inspection Manager informed us the Department did not perform these visits in calendar year 2009. The first comprehensive monitoring visit completed in 2010 was at the end of March. By the end of June 2010, the Department had completed comprehensive reviews at nine agencies. However, it determined the monitoring process was not thorough enough and that the reports did not have enough information to allow assessment of the agencies' performance. As a result, the Department began changing its monitoring to improve the quality of information collected. We examined the reports and determined staff conducting the visits did not provide enough information to show they performed a thorough monitoring of financial and program operations.

We observed two visits in September 2010. The monitors performed only cursory reviews of files and costs with the assistance of an employee from the local agency. The monitors focused on the re-inspections of weatherized units and providing training and instruction for the local agencies, not on reviewing financial records or client files. They asked questions regarding the agency's operations and internal controls, but did not test them or verify what they were told; they relied on what the agency said without ensuring the processes were documented or followed.

In addition, we conducted our own client file reviews at five local agencies in October 2010. At one agency, we found weatherization services provided to six clients who were not eligible, Federal regulations

and Department requirements state eligibility must be re-determined if weatherization work does not begin within 15 months of the original determination date. The clients had initially been determined to be eligible, but the determinations had expired. Two of these clients received visits from Commerce inspectors who are supposed to review the client files for the units they inspect. Inspection reports for these visits did not mention eligibility issues.

Cause of Condition

Department management in the Housing Improvements and Preservation Unit did not place a priority on the financial and programmatic monitoring of the agencies. Comprehensive monitoring visits were postponed in calendar year 2009; instead, Commerce inspectors began quarterly visits to the agencies and focused on reinspecting weatherized homes to ensure work was being completed correctly. These visits did not include a review of agency expenditures or client eligibility. When comprehensive monitoring visits were reinstated in spring 2010, Department management did not have adequate controls in place to ensure these visits were conducted effectively.

Effect of Condition and Questioned Costs

The Department cannot ensure agencies are correctly determining client eligibility, and cannot ensure Weatherization funds are being used appropriately. Over $38,600 in ARRA funding was paid to weatherize the homes of the six clients whose eligibility determination was expired.

Recommendation

We recommend the Department examine and revise its monitoring process to ensure visits are thorough and effective in obtaining information from the agencies and providing guidance for their improvement. We also recommend the Department then complete its comprehensive annual monitoring visits for all subrecipients to ensure they are in compliance with laws, regulations, and the provisions of their grant agreements.

The Department should work with its grantor and subgrantee to resolve the questioned costs.

Department's Response

We concur with the finding. We acknowledge the finding and have taken immediate steps to correct and improve our monitoring and inspection protocol, checklists, consistency, and training. The failure to complete comprehensive monitoring in 2009 was a reflection of cumulative events, including preparing to receive a 10-fold increase in weatherization funding, delays in hiring and training new staff for technical positions during the time of a hiring freeze, the collapse of a community action agency, and providing direct weatherization service for the first time to meet state ARRA weatherization production goals. While these are legitimate reasons that disrupted our local agency monitoring plans, we acknowledge that program monitoring requirements were not fully satisfied.

We have always worked to refine and improve our monitoring and inspection protocol. Historically, Washington has been among a handful of states asked to share and present our monitoring and inspection policies and tools as best practices. In April 2010, we implemented the first PDF-based monitoring tool and database. It was revised in July 2010. After testing and reviewing the results, we determined the tool was not sufficient for comprehensive program monitoring. In October 2010, we implemented a revised Performance Assessment Tool, as part of a completely revised Monitoring Assessment Packet, which included fiscal review questions and a new monitoring report template.

The SAO audit highlighted areas for improvement, gaps to be filled, and internal and external training needed. The lead weatherization monitoring team met in January 2011 and outlined additional revisions to the Program Assessment Tool that consolidated fiscal and administrative monitoring into five key areas. An assigned Lead Weatherization Monitor is working closely with the Fiscal Monitor to re-design the Weatherization Program Fiscal/Admin monitoring checklist. It will be more effective, comprehensive, and

coordinated with other fiscal monitoring activities. Two additional sections of the tool are being revised to evaluate the technical and program management systems of a local agency and are targeted to be complete by the end of February 2011.

For the period July-December 2010, 15 of the 25 weatherization delivery agencies, received comprehensive monitoring, including completion of the fiscal tool checklist. The balance of agencies either did not receive the client file fiscal review or it was incomplete. By July 2011, the remaining 10 agencies will have the weatherization monitoring fiscal tool completed. We are using the state fiscal year to track monitoring schedules and completion dates to align with the program year for the US Department of Energy (DOE) weatherization program instead of the calendar year.

Over the past several months that the SAO has been present at Commerce, we have responded seriously and quickly to observations and concerns shared throughout the process. We acted immediately in October 2010, for example, when we learned that the file checklist was not applied consistently. We changed how questions are phrased to eliminate simple "yes" or "no" responses. We coached monitors and rewrote questions to probe deeper and to ask for documentation and verification. Additional weatherization monitor training is planned during regularly scheduled lead monitor meetings throughout the first quarter of 2011. These trainings will focus on Fiscal/Admin monitoring, proper use of revised evaluation tools, and the application of DOE monitoring guidelines.

We initiated planning for statewide refresher training in May 2011 for all inspectors, including local agencies and Commerce personnel. The purpose is to reaffirm inspection expectations, consistency, and accountability for immediate implementation and long-term application.

The findings attributed to King County Housing Authority (KCHA) for serving clients after their income eligibility period expired are being addressed immediately. A letter was issued to KCHA to formally disallow costs totaling $38,694 and seek refund unless supporting documentation can be provided to verify eligibility.

We issued notification on January 13, 2011 to all local agency executive directors, chief financial officers, and program managers regarding the observations and concerns received from the SAO, DOE and DOE's Inspector General. We encouraged all parties to compare current practices to concerns registered and make immediate corrections if warranted.

We updated our inspection checklist to include checking income eligibility documentation, rather than limit the review to only the in-office monitoring. Training on how to review eligibility and properly document the results is planned for all lead monitors and inspectors in February 2011. We are determining how to manage this element for large multi-family buildings when there isn't individual income verification documented.

To summarize our actions steps and target completion dates:

1. *February 2011 - Issue a finding letter to King County Housing Authority on serving households after term of eligibility;*
2. *March 2011 - Refine program monitoring tools and reinforce consistent procedures to be employed by monitors and inspectors;*
3. *May 2011 - Convene a statewide inspector refresher training;*
4. *July 2011 - Complete the weatherization monitoring fiscal tool on 10 local agencies;*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 400, states:

> (d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:
>
> (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
>
> (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

U.S. Department of Energy Weatherization Program Guidance 10-1 Effective December 18, 2009

> 4.0 GRANTEE PROGRAM OVERSIGHT (Program Monitoring)
>
> A. ROLE: The Grantee must conduct comprehensive monitoring of each subgrantee at least once a year. The comprehensive monitoring must include review of client files and subgrantees records, as well as actual inspection of at least 5 percent of the completed units. Grantees are strongly encouraged to inspect additional "in progress" units in order to assess compliance with safe work practices, adherence to lead safe weatherization protocols, and other factors that are relevant to onsite, in progress reviews. Grantees may make as many program assessment visits as necessary and for which resources are available. By the close of the program year, the Grantee is expected to have completed a comprehensive review of each subgrantee, including review of its latest financial audit. Failure to comply with this requirement is sufficient cause to require special conditions to the grant under 10 CFR 600.212.

Department of Energy Weatherization Notice 10-18

> G. RE-CERTlFICATlON: An applicant who is deemed ineligible based on Income may be re-certified if ineligibility is due to the length of time that expired while the applicant was waiting to receive weatherization services. As a reminder, recertification of eligibility should occur at least every 12 months. The method of determining Re-Certification is to be determined by the Grantee.

Department of Commerce Weatherization Manual For Managing the Low-Income Weatherization Program

> A. Policy
>
> 1. An applicant will remain eligible for weatherization services for 12 months from the date of verified eligibility.
> 2. If weatherization work is expected to begin between 12 and 15 months from the date of verified eligibility, the household must show continued eligibility. A signed declaration of income statement for the previous three months may be used to update application if necessary.
> 3. If weatherization work has not begun after 15 months from the date of application, the household must reapply in full. Weatherization work begins on the date of initial energy audit.

10-22 The Department of the Services for the Blind is not complying with federal requirements regarding payroll costs charged to the Vocational Rehabilitation Program.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants To States
	84.390 Vocational Rehabilitation Grants To States – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	H126A100072 (CFDA 84.126)
Applicable Compliance Component:	Allowable Costs
Questioned Cost Amount:	$947,414

Background

The Department of Services for the Blind is responsible for approximately 15.5 percent of the federal funding received by the state for the Vocational Rehabilitation Program. The program's purposes are to design, assess, plan, develop, and provide vocational rehabilitation services for individuals who are blind or have low vision, so that they may prepare for and become employed. The Department received more than $8.4 million in federal funding for this program in fiscal year 2010.

Federal regulations specify how employee salaries and wages charged to the grant are to be documented. For employees who work on multiple activities or cost objectives, payroll costs charged directly to federal awards are to be supported by monthly personnel activity reports such as time sheets. The time records are to reflect the actual hours employees work on each program and are used as a basis for requesting federal funds.

If an employee works solely on one federal activity, only semi-annual certifications signed by the employee or a supervisor are needed to meet federal requirements.

Description of Condition

Employees who provide direct services to clients complete hourly timesheets or certifications montly to meet federal time and effort requirements.

During the audit, we reviewed a random sample of payroll costs charged to the grant during the year. We reviewed salaries and benefits charged to the grant for 74 employees, 21 of which were administrative staff who did not provide direct services to clients, but who work solely on grant activities. These 21 employees did not complete semi-annual certifications during the year. Related salary and benefit expenditures totaled $947,414.

Cause of Condition

Department staff responsible for collecting semi-annual time certifications did not understand the federal requirements. Department staff incorrectly believed that only employees who provide direct services to clients were required to meet federal time and effort requirements.

Effect of Condition and Questioned Costs

Without adequate time and effort documentation, federal grantors cannot be assured that salaries and benefits charged to programs are accurate and valid. This could jeopardize future federal funding to the state.

We are questioning costs of $947,414, the amount charged to the grant that was not supported in accordance with federal requirements.

Recommendations

We recommend the Department revise its procedures and require all administrative employees who work solely on the Vocational Rehabilitation program to complete a semi-annual certification to meet federal requirements.

Additionally, we recommend the Department consult with the U.S. Department of Education to determine what, if any, costs affected by this compliance issue should be repaid.

Department's Response

The Department of Services for the Blind agrees with the audit finding and recommendations. As of March 1, 2011, a corrective action plan has been completed which included:

- *An Effort Certification form for staff working solely on a single Federal award or cost objective has been adopted into DBS procedures;*
- *Effort Certifications have been conducted on all impacted staff for the latest 6-month period of time;*
- *The Effort Certification process has been added to the agency's due dates calendar in coordination with the Federal fiscal year;*
- *DSB has contacted the US Department of Education, Rehabilitation Services Administration for their review of any costs that are to be repaid as a result of the lack of certifications.*

Auditor's Concluding Remarks

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

Applicable laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

The U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225), states::

> Appendix A, Section C:
> 1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:…
> b. Be allocable to Federal awards under the provisions of 2 CFR 225.
> 3. Allocable costs.
> a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
>
> Appendix B, Section 8(h):
>
> Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation…

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

10-23 The Department of Social and Health Services is not complying with federal requirements for suspension and debarment for the federal Vocational Rehabilitation Program.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants to States 84.390 Vocational Rehabilitation Grants to States - American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	H126A100071 (CFDA 84.126)
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The Department of Social and Health Services, Division of Vocational Rehabilitation, administers the federal Vocational Rehabilitation Programs. The program's purposes are to design, assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities so that such individuals may prepare for and engage in gainful employment. The Department received $54,868,671 in federal funding during fiscal year 2010, $8,872,246 of which was provided through the American Recovery and Reinvestment Act.

Federal regulations prohibit recipients of federal awards from contracting with vendors suspended or debarred from doing business with the federal government. For any purchase contract paid from federal funds that exceeds or is expected to exceed $25,000, the grantee must ensure its vendors and subrecipients are not suspended or debarred from participating in federal programs. Grantees can meet this requirement by:

(a) Checking the federal Excluded Parties List System (EPLS); or
(b) Collecting a certification from the vendor or subrecipient; or
(c) Adding a clause or condition to the covered transaction with the vendor or subrecipient.

Description of Condition

The Division contracts with vendors to provide services to the Division's clients for activities allowed under the program. Some of these are formalized through use of a Department master contract, however many are through a less formal vendor agreement, which is known as an "Authorization For Purchase" (AFP). The Division's client service tracking system automatically creates an AFP when a purchase is authorized.

We identified all vendors paid during the audit period that would be subject to the suspension and debarment requirements. We found the Division did not verify that 132 of these vendors were not suspended or debarred.

Cause of Condition

Department master contracts contain suspension and debarment clauses. However, AFP vendor agreements do not. The Division was not aware it must ensure all vendors receiving more than $25,000 in Vocational Rehabilitation grant funds are not suspended or debarred and does not check the EPLS or collect a separate certification from the vendors.

Effect of Condition

Failure to comply with grant requirements could result in repayment of grant funding or loss of eligibility for future federal awards. We examined the status of the 132 vendors in the EPLS and found none of them were debarred or suspended, therefore we are not questioning any costs.

Recommendations

We recommend the Department ensure all vendors receiving more than $25,000 in Vocational Rehabilitation grant funds have not been suspended or debarred by using one of the methods identified in federal regulations.

Department's Response

The Division of Vocational Rehabilitation (DVR) concurs with this finding.

DVR, in coordination with Central Contract Services and the Attorney General's Office, will examine current purchasing practices and identify the necessary steps to comply with the Suspension and Debarment requirements. This will be completed in conjunction with the FY 10 Accountability finding on Contract Management which noted DVR's payment for client services without contracts.

Auditor's Concluding Remarks

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

Applicable laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, Subpart C, section 300 -- Auditee responsibilities.

> The auditee shall . . .
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs

Title 2, Code of Federal Regulations, Section 180.220 – Are any procurement contracts included as covered transactions?

> (b) Specifically, a contract for goods or services is a covered transaction if any of the following applies:
>
> (1) The contract is awarded by a participant in a non-procurement transaction that is covered under Sec.180.210, and the amount of the contract is expected to equal or exceed $25,000.

Title 2, Code of Federal Regulations, Section 180.300 – What must I do before I enter into a covered transaction with another person at the next lower tier?

> When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:
>
> (a) Checking the EPLS; or
> (b) Collecting a certification from that person ; or
> (c) Adding a clause or condition to the covered transaction with that person.

10-24 The Department of Social and Health Services is not complying with federal requirements for time and effort documentation for the Vocational Rehabilitation Program.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants To States 84.390 Vocational Rehabilitation Grants To States – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	H126A100071 (CFDA 84.126)
Applicable Compliance Component:	Allowable Costs
Questioned Cost Amount:	$662,958

Background

The Department of Social and Health Services, Division of Vocational Rehabilitation, administers the federal Vocational Rehabilitation Program. The program's purposes are to design, assess, plan, develop, and provide vocation rehabilitation services for individuals with disabilities, so that they may prepare for and engage in employment. The Department received $13,468,671 in federal funding for this program in fiscal year 2010, $8,872,246 of which was authorized and provided through the American Recovery and Reinvestment Act.

Federal requirements specify how employee salaries and wages charged to the grant are to be documented. For employees who work on multiple activities or cost objectives, payroll costs charged directly to federal awards are to be supported by monthly personnel activity reports or equivalent documentation, such as time sheets. The time records are to reflect the actual hours employees work on each program and are used as a basis for requesting federal funds. Budget estimates are allowable on an interim basis if adjustments to actual costs are made at least quarterly.
If an employee works solely on one federal activity, only semi-annual certifications signed by the employee or a supervisor are needed to meet federal requirements.

Description of Condition

Semi-annual payroll certifications are created by headquarters staff and verified and signed by Division supervisors to meet federal time and effort requirements.

During this year's audit, we reviewed all of the certifications for the six month period October 1, 2009 through March 31, 2010. We found 35 out of 350 Division employees did not have a certification for this period. Salary and benefit expenditures related to these exceptions totaled $662,958. Division supervisors stated that 33 of these employees worked 100 percent on the grant program; we could not determine the status of the remaining two as they no longer work for the Division.

Cause of Condition

The Division's headquarters office creates the current semi-annual certifications based on the prior certification and any communications received from the field office supervisors concerning additions or deletions of staff. However, the headquarters staff does not reconcile the certifications to accounting and payroll records to ensure semi-annual certifications are created for all employees whose salaries/benefits have been charged to the grant in the accounting records.

Additionally, some field office supervisors did not adequately review the semi-annual certifications as required.

Effect of Condition and Questioned Costs

Without adequate time and effort documentation, federal grantors cannot be assured that salaries and benefits charged to programs are accurate and valid. This could jeopardize future federal funding to the state.

We are questioning costs of $662,958, the amount charged to the grant that was not supported in accordance with federal requirements.

Recommendations

We recommend the Department:

- Revise its procedures and require headquarters staff to use salary and benefit expenditure information when creating the semi-annual certifications, and reconcile the certifications to all payroll costs charged to the grant.
- Ensure supervisors verify all of their staff members are listed on the certifications.

Additionally, we recommend the Department consult with the U.S. Department of Education to determine what, if any, costs affected by this compliance issue should be repaid.

Department's Response

The Division of Vocational Rehabilitation (DVR) partially concurs with this finding.

DVR concurs that the time certifications for the period of October 2009 to March 2010 did not include staff members who left employment any time during the certification period. DVR will revise the certification process to include salary and benefit expenditures during the semiannual certification time period and will reconcile the certifications to all payroll costs charged to the grant during the semiannual certification period. Also, we will provide VR Supervisors training to ensure all required staff members are listed on the certifications.

DVR does not concur with the questioned costs of $662,958 as each staff member can be certified they worked 100% on VR grant activities after the fact.

Auditor's Concluding Remarks

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

Applicable laws and Regulations

The U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225), states::

Appendix A, Section C:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:…
   b. Be allocable to Federal awards under the provisions of 2 CFR 225.
3. Allocable costs.
   b. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.

Appendix B, Section 8(h):

Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation…

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

10-25 The Department of Health does not monitor subrecipient expenditures of the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness programs.

Federal Awarding Agency:	U.S. Department of Health and Social Services
Pass-Through Entity:	None
CFDA Number and Title:	93.069 Public Health Emergency Preparedness 93.889 Hospital Preparedness Program
Federal Award Number:	5UT90TP017010, 1U90TP000144, 1H75TP000369; U3RHS007562-01, U3REP070019-01, U3REP090208-01, U3REP080103-01, U3REP090228-01
Applicable Compliance Component:	Cash Management; Subrecipient Monitoring Controls/Compliance
Questioned Cost Amount:	None

Background

The Washington State Department of Health administers the Public Health Emergency Preparedness Program and the National Bioterrorism Hospital Preparedness Program. These federal grants enhance the ability of hospitals and health care systems to prepare for and respond to biological and other public health emergencies. The Department distributes money to hospitals, outpatient facilities, tribes, health centers, poison control centers, emergency management services and other healthcare partners. These entities oversee training, meetings, purchasing of supplies and equipment, and generate reports on the program. The Department spent $30.7 million in Public Health Emergency Preparedness funds and $11.4 million in Hospital Preparedness Program funds in fiscal year 2010.

Funds provided to subrecipients must be for actual costs incurred or, in the case of cash advances, to actual short- term needs. This prevents recipients from using federal funds to accumulate excess cash reserves, which is prohibited by federal regulation. It also prevents the sub-recipient from earning a profit from its grant arrangement. In all cases, only actual costs may be charged and those costs must be adequately supported.

Description of Condition

The Department of Health does not collect or review any supporting documentation for expenditures reimbursed to sub-recipients for either program. Instead, the recipients invoice the Department for a portion of their grant award each month, regardless of actual costs incurred. We found no documentation included with the invoices supporting the sub-recipient's actual costs. The Department does not request supporting documentation or perform financial reviews.

Cause of Condition

Department management felt its payment process and monitoring of sub-recipient activity were adequate to ensure costs were allowable and supported. Department management relies on finished deliverables based on the scope of work as a basis for supporting costs. However, a finished deliverable is not sufficient to determine if the amount paid to the sub-recipient was necessary, reasonable, allocable, documented, and net of any credits owed to the grantor.

Effect of Condition

The Department cannot be sure it is reimbursing its sub-recipients for allowable costs or actual costs incurred, or that its sub-recipients are not making a profit from federal dollars. The Department also cannot be sure the sub-recipient has no cash on hand and that it is operating on a reimbursement basis.

Recommendation

We recommend the Department ensure payments to sub-recipients are made in accordance with federal requirements, and that costs are adequately supported. The Department should only reimburse for actual costs incurred to avoid sub-recipients having excess cash on hand.

Department's Response

We partially concur with the State Auditor's Office finding.

We wish to emphasize however that the Department does have a regular and sustained subrecipient monitoring effort that includes on-sight monitoring of expenditures and controls for multiple grants at regular intervals.

The State Auditor's Office (SAO) recommendation represents a significant change in our business practice.

Our monitoring effort, which has been reviewed by SAO in previous audits, has here- to- for been reliant on limited testing and assessment of risks as identified through our fiscal monitoring effort. When controls or documentation has been found lacking at specific subrecipients, we typically request back up documentation to support billed expenditures for a specific period of time until we are assured that reporting problems have been resolved.

Up until the conduct of this audit we understood the Department of Health subrecipient monitoring effort to be compliant with OMB A-13.3

We will review the SAO recommendation in light of our available resources and the impact on our Public Health Partners.

We thank the State Auditor's Office for the professional work by their staff.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

Title 2, Code of Federal Regulations, section 215.22 (applicable to non-profits and hospitals), states:

(a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205.

(b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain:

  (1) Written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and

  (2) Financial management systems that meet the standards for fund control and accountability as established in § 215.21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

(c) Whenever possible, advances shall be consolidated to cover anticipated cash needs for all awards made by the Federal awarding agency to the recipient.
(e) Reimbursement is the preferred method when the requirements in § 215.12(b) cannot be met.

Title 45, Code of Federal Regulations, Part 92

Section 92.22 - Allowable costs.

(a) Limitation on use of funds. Grant funds may be used only for:
  (1) The allowable costs of the grantees, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and
  (2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

Section 92.21 - Payment

(b) Basic standard. Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR Part 205.
(c) Advances. Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* (2 CFR 225)

Appendix A, Section C.- Basic Guidelines:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   j. Be adequately documented.

U.S. Office of Management and Budget Circular A-133, *Compliance Supplement*, states:

Section C. Cash Management

Pass-through entities must establish reasonable procedures to ensure receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable the pass-through entities to submit complete and accurate cash transactions reports to the Federal awarding agency or pass-through entity.

Pass-through entities must monitor cash drawdowns by their subrecipients to ensure that subrecipients conform substantially to the same standards of timing and amount as apply to the pass-through entity.

Section M. Subrecipient Monitoring:

A pass-through entity is responsible for:

- During-the-Award Monitoring – Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

10-26 The Department of Health did not support over $448,000 in payroll costs in accordance with federal regulations for the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness Programs.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.069 Public Health Emergency Preparedness 93.889 National Bioterrorism Hospital Preparedness
Federal Award Number:	U3RHS007562-01,U3REP070019-01, U3REP090208-01, U3REP080103-01, U3REP090228-01, 5U90TP017010-10, 1H75TP000369-01, 1U90TP000144-01
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	$448,344.90

Background

The state Department of Health administers the Public Health Emergency Preparedness Program and the National Bioterrorism Hospital Preparedness Program. These federal grants enhance the ability of hospitals and health care systems to prepare for and respond to biological and other public health emergencies. The Department distributes this money to public and private entities that provide these services and retains a portion to pay administrative costs. The Department spent $30.7 million in Public Health Emergency Preparedness funds and $11.4 million in National Bioterrorism Hospital Preparedness funds during fiscal year 2010.

Grant money may be used to pay only for costs that are allowable and related to the grant's purpose. Federal regulations specify the documentation that must be kept to support employee compensation charged to federal grants. If an employee works solely on the grant program and all related payroll costs are charged to that grant, minimal documentation is required: the employee must certify, semi-annually, in writing, that he or she worked solely on that program. Requirements state that for employees who work on multiple programs or whose positions are funded by multiple sources, payroll costs must be supported by personnel activity reports such as timesheets. These reports must:

- Reflect how much time the employee worked on each program.
- Account for the total activity for which the employee is compensated.
- Be prepared at least monthly and coincide with one or more pay periods.
- Be signed by the employee.

Payroll charges based on an estimate are allowable if the estimate of time worked is reconciled to actual work activity at least quarterly.

Description of Condition

During the audit period, the Department charged a portion of the payroll costs for five managers to multiple grants based on budgeted percentages. Although these managers worked on and were charged to multiple programs, they did not maintain timekeeping or other personnel activity reports as required.

Cause of Condition

Department staff misinterpreted federal requirements and believed the personnel activity reports were not required for these managers.

Effect of Condition and Questioned Costs

We identified $253,669.70 in direct payroll charges to the Public Health Emergency Preparedness Program grants and $194,675.20 in direct payroll charges to the National Bioterrorism Hospital Preparedness Program grants that were not supported in accordance with federal requirements. We are questioning those costs as unallowable charges for salaries and benefits. The federal grantor could disallow these charges and require the Department to pay back the money.

Recommendations

We recommend the Department ensure all employee salaries and benefits charged to a federal grant meet the documentation requirements of federal regulations.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

Subsequent to the completion of the State Auditor's Office field work, agency staff located time and effort documentation in the form of time sheets for all but one of the managers whose documentation was reviewed during the audit. All but one of the managers began keeping time sheets in March of 2009 in addition to completing quarterly time certifications.

We will work with the federal grantor to demonstrate how the affected program managers' time was distributed directly among the federal funding sources, and to resolve the questioned costs.

We thank the State Auditor's Office for the professional work by their staff.

Auditor's Concluding Remarks

We thank the Department for its response. We reviewed a sample of the time sheets located by the Department. Although time sheets were completed during the audit period, payroll charges were not charged to the grant based on the hours worked as reported on the time sheets. Rather, we found payroll was charged to the grant based on budgeted percentages within the payroll system and hours were not reconciled to the time sheets.

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

U.S. Office of Management and Budget Circular A-87 (2 CFR 225), *Cost Principles for State, Local and Indian Tribal Governments,* states:

> Appendix B, Section 8(h):
>
> Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation.

(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a reasonable official(s) of the governmental unit.

(2) No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity.

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix unless a statistical sampling system (see subsection 8.h.(6) of this appendix) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award
(b) A Federal award and a non Federal award
(c) An indirect cost activity and a direct cost activity
(d) Two or more indirect activities which are allocated using different allocation bases, or
(e) An unallowable activity and a direct or indirect cost activity

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee.
(b) They must account for the total activity for which each employee is compensated
(c) They must be prepared at least monthly and must coincide with one or more pay periods, and
(d) They must be signed by the employee
(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

(6) Substitute systems for allocating salaries and wages to Federal awards may be used in place of activity reports. These systems are subject to approval if required by the cognizant agency. Such systems may include, but are not limited to, random moment sampling, case counts, or other quantifiable measures of employee effort.

(a) Substitute systems which use sampling methods (primarily for Temporary Assistance to Needy Families (TANF), Medicaid, and other public assistance programs) must meet acceptable statistical sampling standards including:

(i) The sampling universe must include all of the employees whose salaries and wages are to be allocated based on sample results except as provided in subsection 8.h.(6)(c) of this appendix;
(ii) The entire time period involved must be covered by the sample; and
(iii) The results must be statistically valid and applied to the period being sampled.

(b) Allocating charges for the sampled employees' supervisors, clerical and support staffs, based on the results of the sampled employees, will be acceptable.

(c) Less than full compliance with the statistical sampling standards noted in subsection 8.h.(6)(a) of this appendix may be accepted by the cognizant agency if it concludes that the amounts to be allocated to Federal awards will be minimal, or if it concludes that the system proposed by the governmental unit will result in lower costs to Federal awards than a system which complies with the standards.

(7) Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Attachment B, Section 8(d) of the Circular states in part:

Fringe benefits.

(2) The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: …the costs are equitably allocated to all related activities, including Federal awards;….

10-27 The Department of Commerce does not ensure the Temporary Assistance for Needy Families funding it provides to subrecipients is reported and audited in accordance with federal regulations.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.558 Temporary Assistance for Needy Families 93.714 Emergency Contingency Fund for TANF State Program – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	1-910896842-A1
Applicable Compliance Component:	Subrecipient Monitoring Controls/Compliance
Questioned Cost Amount:	None

Background

The Temporary Assistance for Needy Families **(**TANF) program provides time-limited assistance to low-income families with children so that the children can be cared for in their own homes or in the homes of relatives. The program served approximately 41,000 households each month and spent more than $518 million in fiscal year 2010.

The Department of Social and Health Services administers most of the funds. The Department of Commerce uses a smaller portion to provide sub-grants to organizations that help clients with job skills and placement. During fiscal year 2010, Commerce paid more than $28 million to 15 of these organizations.

Federal regulations require Commerce to monitor the grant-funded activities of subrecipients. This includes ensuring the organizations receive an audit of these funds in accordance with the federal Office of Management and Budget Circular A-133. This requirement is fundamental to good subrecipient monitoring activities, and helps ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements. Grant awards are also required to be reported by the subrecipients on a Schedule of Expenditures of Federal Awards. This schedule forms the basis for selecting federal funds to audit pursuant to these requirements. The results of all such audits, along with the schedule, must be submitted to a federal clearing house within nine months of the organizations' fiscal year end. This process is the basis of the monitoring and accountability system for federal grants.

Description of Condition

The Department of Commerce does not ensure subrecipients receive an audit in accordance with federal regulations The Department is not ensuring subrecipients are reporting the TANF funds in their Schedule of Expenditures of Federal Awards as required.

Cause of Condition

The Department stated it has no responsibility to ensure its subrecipients have had an audit in accordance with federal regulations or to ensure federal awards it passes through are properly reported. The Department stated it includes a clause in its award contract that states the subrecipient is to obtain an audit if required, and that having this language in the contract absolves the Department of any further responsibility.

Effect of Condition

Almost half of the TANF funds passed through from Commerce to subrecipient organizations were not audited or reported. Of the 15 subrecipients, we found concerns with five:

- Commerce had no evidence an audit of the federal funds was conducted on three subrecipients. Total TANF funds received were $3,797,482.
- Two subrecipients did not report the TANF grant on their Schedule of Expenditures of Federal Awards. Because of this, even though an audit appears to have been done, it did not include the TANF funds. Total TANF funds received were $6,347,228.

In addition, the audit conducted for one subrecipient appeared to have significant deficiencies based on a cursory review:

- We could find no evidence the audit had been submitted to the federal clearing house; and
- The audit report included misinformation indicating the audit was not conducted in accordance with federal requirements.

We identified $10,144,710 in funds received by subrecipients that were not audited as required by OMB Circular A-133.

Audits are designed to provide transparency to the public about how tax dollars are spent and to ensure federal grantors know that funds are being spent appropriately.

Recommendation

We recommend the Department take appropriate action to ensure its subrecipients receive audits as required. For those subrecipients who did not have an audit or did not report the TANF funds, we recommend the Department take appropriate action, up to and including recovery of the funds provided.

Department's Response

We partially concur with the finding. We agree that not all subrecipients submitted audit reports as required and we did not catch the oversight. Terms and conditions of contracts with the subrecipients identify the requirement that organizations receiving in excess of $500,000 in federal funds must have a Circular A-133 audit. Commerce is satisfied that program funds expended during this period were appropriate and correct through the monthly invoice verification process, the required documentation and on-site monitoring conducted for each subrecipient.

In the future, based on direction from our funding source, we will consider the WorkFirst contractors as vendors, thus negating the requirements for Circular A-133 audit reports.

Commerce does not agree that it is our responsibility to ensure that subrecipient audits are conducted in accordance with Circular A-133. We do not believe we should be required to re-audit an audit report prepared by the auditee's Certified Public Accountant. Generally accepted accounting principles and federal regulations enumerate many financial statement disclosure requirements and to expect us to review the reports for all of those requirements is not possible. That is the responsibility of the auditee and their auditor and we cannot be expected to take on that responsibility. Also, if the State Auditor's Office has concerns about the quality of an audit report, there are procedures for notifying the State Board of Accountancy of those concerns. Commerce does not have the expertise to make those judgments and that is not a responsibility we will assume.

Auditor's Concluding Remarks

We thank the Department for its response. Contrary to the Department's position, federal regulations (cited below) clearly state it is the Department's responsibility to ensure sub-recipients receive audits in accordance with OMB Circular A-133. During our audit, we looked at three criteria to determine if the Department complied with A-133: Did the Department receive an audit report from its sub-recipient; did it look at the report to see if it appeared to include the basic components of an A-133 audit; and did it look at the report to ensure the TANF funds provided were accurately reported. The Department did none of these.

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133. *Audits of States, Local Governments, and Non-Profit Organizations*, Section .400, states in part:

(d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

(4) Ensure that subrecipients expending $300,000 *($500,000 for fiscal years ending after December 31, 2003)* or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

(5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.

(6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

10-28 The Department of Social and Health Services requested federal grant funding in excess of its immediate needs.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.563 Child Support Enforcement 93.563 Child Support Enforcement – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	G-1004WA4004
Applicable Compliance Component:	Cash Management
Questioned Cost Amount:	N/A

Background

Federal regulations require agencies to minimize the time elapsing between receipt and payment of federal grant funds to prevent interest from accruing on unspent money. Rules governing the transfer of funds from the U.S. Treasury Department to the state for the Child Support Enforcement grant are spelled out in the Cash Management Improvement Act agreement, which allows the Department of Social and Health Services to request reimbursement for program expenditures only after they have been incurred. Requesting funds in advance could result in the Department incurring interest that it would have to pay to the federal government.

Program staff track eligible expenditures and the Department's Office of Accounting Services requests the reimbursement from the grantor. During fiscal year 2010, the Department requested more than $112 million in reimbursement for expenditures related to the Division of Child Support.

Description of Condition

The Department claimed $112 million for federal reimbursement for the Child Support Enforcement Grant, but had only incurred $80 million in eligible expenditures. The Department requested and was reimbursed $32 million for expenditures it had not yet incurred.

Cause of Condition

The Division of Child Support used incorrect account coding when it adjusted expenditure and revenue records during fiscal year 2010. Because of this, the Department did not correctly identify expenditures eligible for reimbursement, resulting in the Department requesting reimbursement for the same expenditures multiple times. The Department does not reconcile expenditures to revenue to ensure it draws the appropriate amount. The Department only identified the error when it was denied reimbursement because it had overdrawn the grant funds for the period.

Effect of Condition

The Department requested reimbursement of more than $32 million in Child Support Enforcement expenses it had not incurred. The state may owe interest to the federal government for this amount.

The Department identified the overdrawn funds and returned them to the federal government during fiscal year 2011.

Recommendation

We recommend the Department strengthen controls over the recording and tracking of expenditure and revenue accounts to ensure it requests money based on accurate accounting information. We further

recommend the Department consult with its grantor and the state Office of Financial Management to determine if any interest is owed to the federal government.

Department's Response

The Department concurs with the finding.

The errors occurred as a result of ARRA funds adjustments which caused inadvertent "draw downs" of federal funds over a four quarter period. The draw downs were not immediately identified because the DSHS Grants Management System (GMS) does not interface with the federal Payment Management System (PMS). ESA fiscal staff do not have access to the PMS. By obtaining quarterly PMS reports from the DSHS Office of Accounting Services (OAS) a reconciliation process will be implemented.

The errors were corrected and all inappropriately received federal funds were returned, in October of *2010.*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 31, Code of Federal Regulations, Section 205.1.

> What Federal assistance programs are covered by this part?
>
> (a) This part prescribes rules for transferring funds between the Federal government and States for Federal assistance programs. This part applies to:
> (1) All States as defined in § 205.2; and
> (2) All Federal program agencies, except the Tennessee Valley Authority (TVA) and its Federal assistance programs.
> (b) Only programs listed in the Catalog of Federal Domestic Assistance, as established by Chapter 61 of Title 31, United States Code (U.S.C) are covered by this part.
> (c) This part does not apply to:
> (1) Payments made to States acting as vendors on Federal contracts, which are subject to the Prompt Payment Act of 1982, as amended, 31 U.S.C. 3901 et seq., 5 CFR part 1315, and 48 CFR part 32; or
> (2) Direct loans from the Federal government to States.

Title 31, Code of Federal Regulations, Section 205.10

> How do you document funding techniques?
>
> The Treasury-State agreement must include a concise description for each funding technique that a State will use. The description must include the following:
> (a) What constitutes a timely request for funds;
> (b) How the State determines the amount of funds to request;

(c) What procedures are used to project or reconcile estimates with actual and immediate cash needs;
(d) What constitutes the timely receipt of funds; and
(e) Whether a State or Federal interest liability accrues when the funding technique, including any associated procedure for projection or reconciliation, is properly applied.

Cash Management Improvement Act Agreement between The State of Washington and The Secretary of the Treasury, United States Department of the Treasury, states:

6.2.1 The following are terms under which standard funding techniques shall be implemented for all transfers of funds to which the funding technique is applied in section 6.3 of this agreement.

Modified Payment Schedule – Bi-Weekly (Semi-Monthly Drawdown on Payday)
These are negotiated drawdowns scheduled to be received by the State on the day after payday. These drawdowns represent payroll costs, other administrative costs, or direct benefit/program costs incurred by the State. The request shall be made in accordance with the appropriate Federal agency cut-off time specified in EXHIBIT I. The amount of the request shall be the sum of the payments paid for benefits, payroll, and administrative costs accumulated since the last draw. This funding technique is interest neutral.

6.3.2 Programs

93.563 Child Support Enforcement
Recipient: 300 --- Department of Social & Health Services----------DSHS
% of Funds Agency Receives: 100
Component: Administrative and Payroll Costs
Technique: Modified Payment Schedule – Bi-Weekly (Semi-Monthly Drawdown on Payday)
Clearance Pattern: 0 days

10-29 The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Community Services Block Grant program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	
CFDA Number and Title:	93.569 Community Services Block Grant 93.710 Community Services Block Grant – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	08B1WACOSR, 09B1WACOSR, 10B1WACOSR, 0901WACOS2
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Community Services Block Grant program assists community-based organizations in providing programs and services to low-income communities, individuals and families. These include 26 non-profits and four local government agencies.

During fiscal year 2010, the Department spent almost $15.3 million on the Community Services Block Grant Program, approximately half of which was provided through the American Recovery and Reinvestment Act (ARRA) of 2009.

Description of Condition

Federal regulations require the Department monitor each organization it provides funding, including onsite reviews at least once every three years to determine conformity with performance goals, administrative standards, financial management rules, and other requirements. The Department performed the required onsite reviews for 28 of the organizations within the three years. It did not review two of the organizations onsite for at least five years. These two organizations received more than $1.2 million in block grant funding during fiscal year 2010.

Cause of Condition

The Department assigned two employees to monitoring the 30 organizations. It did not review the tracking schedule to ensure they performed all required onsite visits.

In July 2009, the Department reassigned the monitoring. The new staff updated the tracking schedule and discovered the two onsite reviews had not been done. Because they already established a monitoring schedule, the reviews of those two took place 10 and 16 months after the discovery.

Effect of Condition

The Department cannot ensure organizations are meeting performance goals, administrative standards, financial management rules and other grant requirements. Grantors rely on subrecipient monitoring to ensure money is spent appropriately.
In addition, grant conditions allow the grantor to penalize the Department for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation

We recommend the Department follow the monitoring schedule and ensure all onsite visits are performed timely and the organizations are in compliance with laws, regulations, and the provisions of the grant agreements.

We recommend the Department ensure individuals charged with carrying out specific activities know what is expected of them and that management monitor to ensure the activities are occurring.

Department's Response

We concur with the finding. When a staff member assumed program management responsibilities for the Community Service Block Grant (CSBG) in July 2009, she noted that two subrecipients had not received onsite monitoring within the required three year period. In the summer and fall of 2009, the upcoming monitoring schedule was updated, but since the schedule was already set for 2009, the two subrecipients were not added to the schedule. With only two employees monitoring approximately 10 subrecipients per year, and the addition of American Reinvestment and Recovery Act funding awards in the spring of 2009, it was difficult to add the two subrecipients to the monitoring schedule for 2009. The entire grant process—from application to award, from tracking expenditures to assessing risk, from additional fiscal monitoring to state and federal reporting—had to be ramped up under significantly constrained staffing conditions. Monitoring visits are typically scheduled March or April through October, to a) avoid hazardous driving conditions in the winter, and b) because the annual application and reporting processes consume most of staff's time from October through March.

Both subrecipients were contacted on March 11, 2010 when the 2010 monitoring schedule was being prepared for that year. Monitor dates were arranged for May and November 2010.

At present, the monitoring schedule has been adjusted so that 10 subrecipients will be monitored on-site each year, to ensure that all 30 subrecipients are monitored on-site every three years. Any additional on-site monitor visits triggered by a risk assessment, request by the subrecipient, or poor performance will be added to the normal three-year rotation schedule.

In addition to on-site monitoring, other monitoring activities are performed by Commerce staff that yield information about the performance of the subrecipients:

- *Annual application process—includes review of their annual plan, community needs assessment, strategic planning documents, and budget*
- *Monthly review and processing of requests for reimbursement—yields a picture of their spend-down of the grant, and adherence to expenditures based on their stated plan*
- *Periodic phone calls—includes technical assistance*
- *Desk monitoring—fiscal documents for ARRA grants mailed to Commerce by grant subrecipients were reviewed at Commerce*
- *Twice-yearly reporting—subrecipients send mid-year and yearly data to Commerce for review (Aug. 15th and Feb. 15th). Reports indicate whether they are following their plan for spending resources in planned areas and obtaining expected outcomes, with explanations of variances from outcome targets*

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

> The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Section 400:

(d) Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:
  (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
  (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

United States Code, Title 42, Section 9914, states:

a) In general
In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:
(1) A full onsite review of each such entity at least once during each 3-year period

10-30 The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for the Community Services Block Grant program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	
CFDA Number and Title:	93.569 Community Services Block Grant 93.710 Community Services Block Grant – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	08B1WACOSR
Applicable Compliance Component:	Period of Availability
Questioned Cost Amount:	$55,593.11 non-ARRA

Background

The Community Services Block Grant program assists organizations in providing programs and services to low-income communities, individuals and families. These organizations include 26 non-profits and four local government agencies.

During fiscal year 2010, the Department spent almost $15.3 million on the Program, approximately half of which was provided through the American Recovery and Reinvestment Act (ARRA) of 2009.

Description of Condition

Federal regulations allow the Department two years from the time of award to spend the block grant money. Funds awarded for the 2008 grant had to be spent by September 30, 2009. We identified five expenditures totaling $55,593.11 in October 2009 that were charged to the 2008 grant.

Cause of Condition

Department fiscal staff did not properly review costs transferred from one grant year to another grant year to ensure they were within the proper period of availability. Fiscal staff did not consult program staff when transferring costs between grant years.

Effect of Condition and Questioned Costs

The Department charged $55,593.11 in costs to the grant after the grant's period of availability ended, resulting in federal questioned costs.
When the Department does not adequately monitor expenditures to ensure only expenditures within the period of availability are paid for, grant conditions allow the grantor to penalize the Department for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation

We recommend the Department properly review costs transferred between grants to ensure only expenditures made during the proper period of availability are charged to grants. We further recommend that fiscal staff consult program staff when transferring costs between grants.

The Department should work with its grantor to determine what, if any, of the questioned costs should be repaid**.**

Department's Response

We concur with the finding. Commerce did not properly review costs transferred from one grant year to another grant year to ensure costs were within the proper period of availability. Fiscal staff did not clarify nor consult with program staff when program staff requested cost transfers between grant years. Fiscal staff reviewing the work of newly hired staff did not properly verify backup documentation for the transfer. As a result, $55,593.11 transferred was not properly identified within the period of availability.

In January 2011, fiscal and program staff reviewed and corrected the original October 2009 $55,593.11 costs transfer between grant years. Appropriate costs within the period of availability were identified and transferred.

Commerce concurs with the Auditors recommendation that fiscal staff consult with program staff when transferring costs between grant years. Commerce has assessed its internal controls and implemented the following measures to ensure proper review of costs transfer through clearly defined expectations and responsibilities. Program and Fiscal staff have updated the transfer / correction request form to include identification of specific items to transfer and provided training to fiscal and program staff. Fiscal has reiterated document review and approval expectations with supervisors and lead works.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

United States Department of Health and Human Services, Community Services Block Grant Terms and Conditions outlines responsibilities for entities receiving federal funds and states in part:

13) If the grantee is on an accrual accounting system, services must be provided on or before September 30, 2009; and liquidated on or before December 29, 2009;
14) Grantees shall adhere to a provision of law under the Consolidated Appropriations Act of 2005 which requires that to the extent FY 2008 CSBG funds are distributed by a State to an eligible entity, and have not been expended by such eligible entity, they shall remain with such eligible entity for carryover and expenditure into the next fiscal year. If FY 2008 funds are carried forward by such eligible entity into FY 2009, those funds must be fully expended and services provided on or before September 30, 2009.

10-31 The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.575 Child Care and Development Block Grant 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund 93.713 Child Care and Development Block Grant, American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	G-1101 WACCDF
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	None

Background

The state Department of Early Learning (DEL) administers the federal Child Care and Development program to assist eligible working families in paying for child care. In fiscal year 2010, the Department paid approximately $261 million to child care centers and providers through the Working Connections Child Care Program.

The Department of Social and Health Services (DSHS) performs many functions related to the grant under an agreement with DEL, including processing payments to child care providers.

Our audits of fiscal years 2005-2009 reported the Departments did not adequately monitor direct payments made to child care providers. Payments are made through the Social Services Payment System (SSPS) maintained by DSHS. Monitoring is critical to ensure payments are allowable.

Description of Condition

In response to the 2009 audit finding, the Departments expanded its review of child care payments, selecting a sample to reconcile to provider attendance records to determine if payments were supported by documentation. In addition, the Departments trained providers on proper billing procedures. The Departments documented their own responsibilities in a Service Level Agreement.

Each month, DSHS randomly selects payment files for licensed child care centers and licensed family homes. DEL sends a written request to the providers for attendance records and provides them to DSHS to reconcile with the payment. If a provider fails to provide attendance records or a discrepancy is found, DSHS follows DEL policy and records it as an overpayment.

We found DSHS requested attendance records and reconciled them to child care payments. The Department performed reconciliations for 54 children during the months of July 2009 through April 2010; three from three centers from each of its six regions. When overpayments were identified for a child at one center, the Department did an expanded review to determine if that provider had additional unsupported payments. However, additional review is difficult as the provider is permitted to edit the attendance sheet and block out information on other possible overpayments. DSHS stopped performing reconciliations in May 2010, even though they were required by the service level agreement.

We reviewed documentation that showed the Department reviewed $365,305.60 in payments for child care for fiscal year 2010, less than .14 percent of the total payments. The Department found variances in 77 percent of the payments it reviewed, totaling $188,866.25. The variances were for such reasons as invalid parent signatures, no attendance records, incorrect number of children claimed, etc.

The number of attendance records reviewed by the Department was inadequate to address the risk of inappropriate claims. The inadequate monitoring of direct payments, specifically the lack of reconciliation between attendance records and payment requests submitted by providers, has not been resolved.

Cause of Condition

Although the Departments reached an agreement regarding their roles and responsibilities as they relate to child care payment reconciliations, they did not define what would constitute adequate reconciliation of direct payments, resulting in minimal efforts to identify and collect overpayments.

In addition, DSHS stopped performing reconciliations, stating that available staff was assigned to work on the Improper Payment Information Act audit. DSHS stated it does not have adequate staff to do both.

DEL stated the monthly reconciliations are a separate requirement that DSHS should be performing according to the service level agreement. The Improper Payment Act is related to a federal audit of child care payments that is performed every three years.

Effect of Condition

The lack of controls results in a high risk that providers will be overpaid and those overpayments will not be identified or recovered. The Departments are aware of overpayments and that providers are claiming more than authorized amounts.

While we recognize the improvements both Departments have made over the monitoring of child care payments, noted above under the description, the inadequacy of the system for reconciling payments to source documentation is a significant weakness that leaves the program vulnerable to abuse.

Recommendation

We recommend the Departments establish and follow detailed monitoring procedures for provider payments to include adequate reconciliation of provider attendance records to payments made to ensure expenditures are allowable. When exceptions are found, the Departments should expand their review to determine if additional costs could be recovered.

Departments' Response

The Departments does not concur with this finding. In July 2008, the Department of Early Learning and the Department of Social and Health Services implemented a process to reconcile child care payment to attendance records to determine if the payments were supported by appropriate documentation.

On a monthly basis, payment files are randomly selected from child care center and family child care homes by DSHS. The attendance records are requested from the providers and received by DSHS to monitor for correct payments. Overpayments and underpayments are written by DSHS if found during the monitoring.

This reconciliation occurred through the State Fiscal Year 2010 audit period. Because of the lag between service month and payment period, the last month of service was May which would have corresponding payments records in June or later.

When DSHS audits attendance records, if they find issues with a provider, they expand their review to determine if there are more overpayments or underpayments.

During State Fiscal Year 2010 approximately 64,000 children receive subsidized child care through WCCC from approximately 11,300 licensed providers. The Department of Social and Health Services audit reviewed:

- *483 providers*
- *786 cases*
- *$365,305 payments (including expanded audits)*

DSHS also conducted expanded reviews on 11 providers that provided care for 32 children, with corresponding payments of $36,890.

The audit work completed represented 1.2% of all children who received subsidized care and 4.3% of all licensed providers who billed for care.

Auditor's Concluding Remarks

We thank the Department for its response. This response was the first indication that the Department did not agree with our finding. Neither the Chief Financial Officer nor the Child Care Administrator disputed the findings when we discussed it with them previously.

Providers are to submit subsidized care claims to the Department monthly. Auditing one monthly claim for one child is not sufficient for the Department to assert it audited all payments on behalf of that child. Similarly, auditing one monthly claim at one provider is not sufficient for the Department to make a conclusion about the accuracy of all claims submitted by that provider. Using the Department's numbers, 11,300 providers would have submitted approximately 135,000 monthly claims. Auditing 483 provider claims equates to approximately 0.35 percent of these claims. Monthly attendance for 64,000 children equates to approximately 768,000 months of child care. Auditing 786 monthly child care subsidies equates to approximately 0.1 percent. The percentage of audit coverage we identify in our finding relates to dollars – not children or providers. The Department paid out over $261 million for subsidized child care, and audited only 0.14 percent of those dollars.

Additionally, staff at DSHS responsible for conducting the audits were the ones who informed us that no reconciliations occurred for any period after May of 2010 due to staffing restrictions. We informed the Department's Chief Financial Officer when we learned of this.

We affirm our finding.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments.*

> Attachment A, Section C, <u>Basic Guidelines</u>, states in part:
>
> 1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria: …
>
> j. Be adequately documented.

Washington Administrative Code 170-295-7030 states in part:

(3) Attendance records and invoices for state paid children must be kept on the premises for at least five years after the child leaves your care.

Washington Administrative Code 170-296-0520 states in part:

(3) Daily attendance records, listing the dates and hours of attendance of each child must be kept up-to- date and maintained in the licensed space of the family home child care for five years.
(4) When a child is no longer enrolled, the date of the child's withdrawal must be recorded in the child's file. You must maintain the child's file for at least five years from the child's last date of attendance. After five years the file may be destroyed or returned to the parent. The child's file must be made available for review by the child's parents and us during this period.

Service Level Agreement (Interagency Agreement No. 0661-00799)

Attendance reconciliation:
"In addition to this work, additional reviews will be performed to reconcile provider payments. This work will involve QA pulling a random sample of Working Connections Child Care cases to compare child care authorizations to attendance records and the payments issued. ESA staff correct errors when identified and establish an overpayment when warranted. DEL will provide policy interpretation to DSHS if issues arise."

10-32 The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving adoption assistance payments.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.659 Adoption Assistance 93.659 Adoption Assistance - American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	N/A
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	$61,918 (Actual); $537,457 (Projected)

Background

The federal Adoption Assistance program provides money to states for parents who adopt children with special needs. The Children's Administration of the Department of Social and Health Services administers the state program from six regional offices with staffing from an adoption support program specialist. The Department paid approximately $97.5 million in adoption assistance in fiscal year 2010 for support of almost 12,000 children.

In our audits of fiscal years 2008 and 2009, we reported the Department was not following control processes designed to ensure the eligibility of clients receiving adoption assistance payments. In response, the Department stated it would train all adoption support staff on how to determine eligibility.

Description of Condition

To follow up on the concerns noted in prior audits, we randomly selected 40 payments made during fiscal year 2010 from one regional office for the support of children over 18 years of age. To be eligible, adopted children over 18 must be in school. Our prior audit found exceptions in these cases, particularly when associated with one region. We identified the adoptee related to each payment selected and reviewed the case files to determine if they contained evidence that eligibility requirements were met and that payments were properly supported. Eight of forty did not include support showing the adopted children were still in school and entitled to receive adoption support assistance. Payments associated with these selections totaled $12,835.

In addition, we randomly selected 40 payments from all adoption support payments made during the fiscal year for review. We again reviewed case files to determine if they contained evidence to support the adoptees' eligibility. For these 40 payments, case files showed eligibility requirements were met and all payments were properly supported.

State law prohibits support payments for any adoptee once they reach age 21. We reviewed all adoption payments for fiscal year 2010 to determine if any were made for adoptees over the age of 21. We identified 18 adoptees over 21 who received a total of 71 payments during the year, totaling $49,083.

Cause of Condition

The Department stated the region with the high error rate experienced significant employee turnover in July of 2006. The Department since has instituted quarterly spot checks of adoption payments by regional managers, however the frequency of monitoring payments and updating case files has not improved.

Regarding payments to recipients over the age of 21, the Department does not have an automated process to ensure that no payments to recipients over the age of 21 occur, and relies on manual identification of adoptees aging out of the program.

Effect of Condition and Questioned Costs

We identified $537,457 in assistance payments that were unsupported or unallowable, and question that amount. In our review of children over the age of 18 served out of one particular region, we used a sampling method that allows us to project our results to the entire population of children over 18 served out of that region. Projected questioned costs are $488,374. Unallowable payments made for adoptees over age 21 totaled $49,083.

Recommendation

We recommend the Department:

- Follow established internal controls for monitoring case files to ensure eligibility is met and payments are fully supported, for recipients between the ages of 18 and 21.
- Communicate with the federal grantor to determine whether questioned costs need to be repaid.

Department's Response

The Department concurs with this finding.

Control procedures are in place to avoid payments for adopted children over ages 18 and 21, but are based on manual processes that generate reports. These reports must be reviewed to identify cases to be addressed. This process works very well in most regions across the state. The Department will evaluate why the process has not worked in the region where exceptions were found.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Revised Code of Washington (RCW) 74.13.031 Duties of department — Child welfare services — Children's services advisory committee (as amended by 2009 c 235). (Effective until October 1, 2010.)

> The department shall have the duty to provide child welfare services and shall:
>
> (11) Within amounts appropriated for this specific purpose, have authority to provide continued foster care or group care and necessary support and transition services to youth ages eighteen to twenty-one years who are enrolled and participating in a posthigh school academic or vocational program. A youth who remains eligible for such placement and services pursuant to department rules may continue in foster care or group care until the youth reaches his or her twenty-first birthday.

Washington Administrative Code (WAC) 388-27-0135 What are the eligibility criteria for the adoption support program?

For a child to be eligible for participation in the adoption support program, the department must first determine that adoption is the most appropriate plan for the child. If the department determines that adoption is in the child's best interest, the child must:

(1) Be less than eighteen years old when the department and the adoptive parents sign the adoption support agreement;
(2) Be legally free for adoption;
(3) Have a "special needs" factor or condition according to the definition in this rule (see WAC 388-27-0140); and
(4) Meet at least one of the following criteria:
    (a) Is in state-funded foster care or child caring institution or was determined by the department to be eligible for and likely to be so placed (For a child to be considered "eligible for and likely to be placed in foster care" the department must have opened a case and determined that removal from the home was in the child's best interest.); or
    (b) Is eligible for federally funded adoption assistance as defined in Title IV-E of the Social Security Act, the Code of Federal Regulations, the U.S. Department of Health and Human Services establishing guidelines for states to use in determining a child's eligibility for Title IV-E adoption assistance.

Washington Administrative Code (WAC) 388-27-0210 Under what circumstances would the adoption support agreement be terminated?

The adoption support agreement is terminated according to the terms of the agreement or if any one of the following events occurs:

(1) The child reaches eighteen years of age; (if a child is at least eighteen but less than twenty-one years old and is a full-time high school student or working full time toward the completion of a GED (high school equivalency) certificate and continues to receive financial support from the adoptive parent(s), the department may extend the terms of the adoption support agreement until the child completes high school or achieves a GED. Under no circumstances may the department extend the agreement beyond the child's twenty first birthday.) Adoption support benefits will automatically stop on the child's eighteenth birthday unless the parent(s) requests continuation per this rule and have provided documentation of the child's continuation in school. To prevent disruption in services the parent should contact the adoption support program at least ninety days prior to the child's eighteenth birthday if continued services are to be requested.
(2) The adoptive parents no longer have legal responsibility for the child;
(3) The adoptive parents are no longer providing financial support for the child;
(4) The child dies; or
(5) The adoptive parents die. (A child who met federal Title IV-E eligibility criteria for adoption assistance will be eligible for adoption assistance in a subsequent adoption.)

Children's Administration Operations Manual

13100. RECORDS MANAGEMENT AND SECURITY

State law requires that CA maintain records for services to children and their families as well as for licensed or approved providers and for persons who apply and are subsequently denied licensure or approval for service. RCW 13.34.130; RCW 13.50.010; RCW 26.33.330; RCW 26.44.030

CA will maintain these records in two formats:

- Automated format in the State of Washington's State Automated Child Welfare Information System (SACWIS) called FamLink.
- Paper records linked to cases in the FamLink system.

The following table identifies tasks and procedures to be completed in FamLink and staff responsible for their completion. The table will be updated as needed to reflect changes in FamLink.

Title IV-E Desk Guide: Documentation

Eligibility: Age
To be eligible for title IV-E, a child must be under age 18, or if 18 years old, must be in high school, GED or equivalent program full-time and is expected to complete the program before age 19, or the youth is ineligible for the entire placement episode.
Documentation: File Construction
At a minimum, assemble completed hard copy documentation as follows, affixed to the right hand side of the financial revenue file from top to bottom:

- Colored sheet of paper separating each eligibility review/eligibility determination
- Title IV-E Summary Report (or DSHS 14-293, -297, and -298)
- Voluntary placement agreement or flagged court order that contains the initial required contrary to welfare and reasonable efforts language highlighted
- Flagged court order that contains the required reasonable efforts to finalize the permanency plan in effect language highlighted
- Computer printouts used to support eligibility decision (ACES, SEMS, etc.) annotated as needed so the reader can understand the meaning of each printout
- Other documentation used to support the eligibility/reimbursability decision annotated as needed so the reader can understand the meaning of each document
- DSHS Family Face Sheet and DSHS 14-281 if still in use in your region

At a minimum, assemble completed hard copy documentation as follows, affixed to the left side of the financial revenue file from top to bottom:

- DSHS 14-319 IV-E Eligibility Determination for an Adoption Support Application (if applicable)
- 14-319A IV-E Eligibility Determination for R-GAP, Relative Guardianship Assistance Program (if applicable)
- Legal history and placement history printouts
- Case Notes pertaining to the federal funding determination(s)
- Licensing information for each licensed placement
- DSHS 14-434 Title IV-E Requirements for Out of State Foster Care

10-33 The Department of Social and Health Services spent approximately $2.7 million of federal Children Health Insurance Program (CHIP) money on unallowable administrative activities.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.767 Children's Health Insurance Program
Federal Award Number:	
Applicable Compliance Component:	Activities Allowed/Allowable Costs
Questioned Cost Amount:	$2,708,627.53

Background

The state and federal government pay for the Children's Health Insurance Program (CHIP), which provides medical assistance for children through age 18 who reside in households with incomes between 200 percent and 300 percent of the federal poverty level. The CHIP spent more than $43 million during state fiscal year 2010; approximately $34 million was paid with federal funds.

The Department contracts with local health jurisdictions and community-based organizations to provide outreach and application activities. The contractors identify families who have children likely to be eligible for the program and assist them in enrolling. Contractors receive $150 for each child approved for coverage.

The federal grantor will only reimburse costs related to activities that are specified in a state plan for CHIP that it has approved. Changes to the plan must be approved by the grantor before they take effect.

Description of Condition

The Department paid its contractors for outreach administrative costs, such as salaries and benefits, that were not allowable because the activities were not in the approved state plan.

Cause of Condition

Staff responsible for managing outreach was not aware the plan needed to be amended. Outreach program staff authorized changes to allowable outreach activities, but did not notify the staff responsible for plan amendments. As a result, the Department did not submit an amendment request to the grantor that would have made these costs allowable if approved before the end of the fiscal year.

Effect of Condition and Questioned Costs

The Department paid for unallowable activities with CHIP funds. We are questioning the unallowable payments totaling $2,708,627.53

Recommendation

We recommend the Department ensure changes in the operation of the program are communicated between appropriate parties. Additionally, we recommend the Department provide oversight to ensure all federal funds are spent for allowable activities covered in the State Plan.

We recommend the Department consult with its grantor, the U.S. Department of Health and Human Services to determine what questioned costs should be repaid.

Department's Response

The Department (MPA) concurs with this finding.

The Department (MPA) has developed internal financial procedures and monthly fiscal reports to monitor the Children's Health Insurance Program (CHIP) expenditures to ensure the Department (MPA) does not exceed the administrative cap.

The Department (MPA) has implemented a process for the full recovery of the CHIP funds from the Local Health Jurisdictions (LHJ) and will coordinate with the Center for Medicaid and Medicare Services (CMS) to repay the federal portion.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR Part 225), states:

> Appendix A
> C. Basic Guidelines
> 1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:…
> d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items….

Title 42, Code of Federal Regulations, Section 457.50 State Plan, states:

> The State plan is a comprehensive written statement, submitted by the State to CMS for approval, that describes the purpose, nature, and scope of the State's SCHIP and gives an assurance that the program is administered in conformity with the specific requirements of title XXI, title XIX (as appropriate), and the regulations in this chapter. The State plan contains all information necessary for CMS to determine whether the plan can be approved to serve as a basis for Federal financial participation (FFP) in the State program.

Title 42, Code of Federal Regulations, Section 457.60 Amendments, states:

> A State may seek to amend its approved State plan in whole or in part at any time through the submission of an amendment to CMS. When the State plan amendment has a significant impact on the approved budget, the amendment must include an amended budget that describes the State's planned expenditures for a 1-year period. A State must amend its State plan whenever necessary to reflect—
> (a) Changes in Federal law, regulations, policy interpretations, or court decisions that affect provisions in the approved State plan;
> (b) Changes in State law, organization, policy, or operation of the program that affect the following program elements described in the State plan:
> (1) Eligibility standards, enrollment caps, and disenrollment policies as described in §457.305.
> (2) Procedures to prevent substitution of private coverage as described in §457.805, and in §457.810 for premium assistance programs.
> (3) The type of health benefits coverage offered, consistent with the options described in §457.410.

(4) Addition or deletion of specific categories of benefits covered under the State plan.
(5) Basic delivery system approach as described in §457.490.
(6) Cost-sharing as described in §457.505.
(7) Screen and enroll procedures, and other Medicaid coordination procedures as described in §457.350.
(8) Review procedures as described in §457.1120.
(9) Other comparable required program elements.

(c) Changes in the source of the State share of funding, except for changes in the type of non-health care related revenues used to generate general revenue.

Title 42, Code of Federal Regulations, Section 457.65 Effective date and duration of State plans and plan amendments, states in part:

(3) A State plan amendment that takes effect prior to submission of the amendment to CMS may remain in effect only until the end of the State fiscal year in which the State makes it effective, or, if later, the end of the 90-day period following the date on which the State makes it effective, unless the State submits the amendment to CMS for approval before the end of that State fiscal year or that 90-day period.

Children's Health Insurance Program State Plan, Section 5. Outreach (Section 2102(c))

8. Increase in contract payments beginning in October 1st, 2008 from $75/per approved child to $150/per approved child. This increase is based on a pilot of a performance based "Application Agent" model where payment is made based on specific application assistance. Applications are barcode labeled to identify and track the agent involved. The contractor will also be responsible for providing a health literacy component to their outreach efforts. <u>The state will only seek federal match for $75/per approved child under this model.</u>

10-34 The Department of Social and Health Services does not have adequate procedures to ensure compliance with earmarking requirements for the Children's Health Insurance Program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.767 Children's Health Insurance Program
Federal Award Number:	
Applicable Compliance Component:	Earmarking
Questioned Cost Amount:	$98,754

Background

The state and federal government pay for the Children's Health Insurance Program (CHIP), which provides medical assistance for children through age 18 who reside in households with incomes between 200 percent and 300 percent of the federal poverty level. The CHIP spent more than $43 million during state fiscal year 2010; approximately $34 million was paid with federal funds.

Federal regulations limit expenditures not directly related to providing CHIP assistance services, such as administration, children's health quality improvement activities and outreach activities. The limit is determined by a formula described in the regulation.

Description of Condition

During our audit, we found the Department was not monitoring CHIP expenditures to ensure the program's non-benefit costs were within the limit. Rather than monitor actual non-benefit expenditures throughout the fiscal year, the Department relied on an annual budget report.

Cause of Condition

The Department stated since it had not historically reached the limit, it relied on the budget as evidence of compliance.

Effect of Condition and Questioned Costs

We reviewed the CHIP expenditure report for the federal fiscal year 2010 to identify all expenditures and non-benefit costs which were subject to the limit. Based on the formula specified in the federal regulation, the maximum allowable non-benefit costs were $5,400,559 for the fiscal year 2010. However, the Department charged the grant $5,499,312 in non-benefit costs, exceeding the limit by $98,754. We are questioning that amount.

Recommendation

We recommend the Department regularly monitor actual CHIP expenditures throughout the fiscal year to ensure they do not exceed the limit.

The Department should consult with its grantor to determine whether the federal portion in excess of the limit should be repaid.

Department's Response

The Department (MPA) concurs with this finding.

The Department (MPA) has developed internal financial procedures and monthly fiscal reports to monitor the Children's Health Insurance Program (CHIP) expenditures to ensure the Department (MPA) does not exceed the administrative cap.

The Department (MPA) has implemented a process for the full recovery of the CHIP funds from the Local Health Jurisdictions (LHJ) and will coordinate with the Center for Medicaid and Medicare Services (CMS) to repay the federal portion.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

Title 42, United States Code, Part 1397ee states, in parts:

(a) Payments
  (1) In general
    Subject to the succeeding provisions of this section, the Secretary shall pay to each State with a plan approved under this subchapter, from its allotment under section 1397dd of this title, an amount for each quarter equal to the enhanced FMAP (or, in the case of expenditures described in subparagraph (D)(iv), the higher of 75 percent or the sum of the enhanced FMAP plus 5 percentage points) of expenditures in the quarter—
    (A) for child health assistance under the plan for targeted low-income children in the form of providing medical assistance for which payment is made on the basis of an enhanced FMAP under the fourth sentence of section 1396d (b) of this title;
    (B) [reserved]
    (C) for child health assistance under the plan for targeted low-income children in the form of providing health benefits coverage that meets the requirements of section 1397cc of this title; and
    (D) only to the extent permitted consistent with subsection (c) of this section—
      (i) for payment for other child health assistance for targeted low-income children;
      (ii) for expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children);
      (iii) for expenditures for outreach activities as provided in section 1397bb (c)(1) of this title under the plan;
      (iv) for translation or interpretation services in connection with the enrollment of, retention of, and use of services under this subchapter by, individuals for whom English is not their primary language (as found necessary by the Secretary for the proper and efficient administration of the State plan); and
      (v) for other reasonable costs incurred by the State to administer the plan.

(c) Limitation on certain payments for certain expenditures
  (2) Limitation on expenditures not used for medicaid or health insurance assistance
    (A) In general
      Except as provided in this paragraph, the amount of payment that may be made under subsection (a) of this section for a fiscal year for expenditures for items described in paragraph (1)(D) of such subsection shall not exceed 10 percent of the

total amount of expenditures for which payment is made under subparagraphs (A), (C), and (D) of paragraph (1) of such subsection.

Title 42, Code of Federal Regulations, Part457 - ALLOTMENTS AND GRANTS TO STATES Subpart f - PAYMENTS TO STATES

457.618 - Ten percent limit on certain State Children's Health Insurance Program expenditures.

(a) Expenditures.

(1) Primary expenditures are expenditures under a State plan for child health assistance to targeted low-income children in the form of a standard benefit package, and Medicaid expenditures claimed during the fiscal year to the extent Federal payments made for these expenditures on the basis of the enhanced FMAP described in sections 1905(b) and 2105(b) of the Act that are used to calculate the 10 percent limit.

(2) Non-primary expenditures are other expenditures under a State plan. Subject to the 10 percent limit described in paragraph (c) of this section, a State may receive Federal funds at the enhanced FMAP for 4 categories of non-primary expenditures: (i) Administrative expenditures; (ii) Outreach; (iii) Health initiatives; and (iv) Certain other child health assistance.

(b) Federal payment. Federal payment will not be available based on a State's non-primary expenditures for a fiscal year which exceed the 10 percent limit of the total of expenditures under the plan, as specified in paragraph (c) of this section.

(c) 10 Percent Limit. The 10 percent limit is (1) Applied on an annual fiscal year basis; (2) Calculated based on the total computable expenditures claimed by the State on quarterly expenditure reports submitted for a fiscal year.Expenditures claimed on a quarterly report for a different fiscal year may not be used in the calculation; and (3) Calculated using the following formula: L10% = (a1+ u2+ u3)/9; L10% = 10 Percent Limit for a fiscal year a1 = Total computable amount of expenditures for the fiscal year under section 2105(a)(1) of the Act for which Federal payments are available at the enhanced FMAP described in Section 2105(b) of the Act; u2 = Total computable expenditures for medical assistance for which Federal payments are made during the fiscal year based on the enhanced FMAP described in sections 1905(b) and 2105(b) of the Act for individuals described in section 1905(u)(2) of the Act; and u3 = Total computable expenditures for medical assistance for which Federal payments are made during the fiscal year based on the enhanced FMAP described in sections 1905(b) and 2105(b) of the Act for individuals described in section 1905(u)(3) of the Act.

(d) The expenditures under section 2105(a)(2) of the Act that are subject to the 10 percent limit are applied (1) On an annual fiscal year basis; and (2) Against the 10 percent limit in the fiscal year for which the State submitted a quarterly expenditure report including the expenditures. Expenditures claimed on a quarterly report for one fiscal year may not be applied against the 10 percent limit for any other fiscal year.

(e)(1) The 10 percent limit for a fiscal year, as calculated under paragraph (c)(3) of this section, may be no greater than 10 percent of the total computable amount (determined under paragraph (e)(2) of this section) of the State allotment or allotments available in that fiscal year. Therefore, the 10 percent limit is the lower of the amount calculated under paragraph (c)(3) of this section, and 10 percent of the total computable amount of the State allotment available in that fiscal year.

(2) As used in paragraph (e)(1) of this section, the total computable amount of a State's allotment for a fiscal year is determined by dividing the State's allotment for the fiscal year by the State's enhanced FMAP for the year. For example, if a State allotment for a fiscal year is $65 million and the enhanced FMAP rate for the fiscal year is 65 percent, the total computable amount of the allotment for the fiscal year is $100 million ($65 million/.65). In this example, the 10 percent limit may be no greater than a total computable amount of $10 million (10 percent of $100 million).

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, section 300 -- Auditee responsibilities.

The auditee shall . . .

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

10-35 The Department of Social and Health Services did not have adequate internal controls to accurately identify and claim all eligible Children's Health Insurance Program expenditures.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.767 Children's Health Insurance Program
Federal Award Number:	
Applicable Compliance Component:	Activities Allowed/Cost Principles & Reporting
Questioned Cost Amount:	None

Background

The state and federal government pay for the Children's Health Insurance Program (CHIP), which provides medical assistance for children through age 18 who reside in certain low-income households. Eligibility for the program is based on net income. The state used approximately $34 million in federal money to pay for its $43 million CHIP program during state fiscal year 2010. The rest was state money.

States are required to pay CHIP expenditures and may seek reimbursement from the federal government for eligible costs. States typically are reimbursed for approximately 65 percent of their CHIP expenditures.

Certain Medicaid expenditures also may be eligible for CHIP funding. As they do under CHIP, states pay Medicaid costs and then seek reimbursement from the federal government. Prior to 2009, the reimbursement rate for these expenditures was approximately 50 percent. The American Recovery and Reinvestment Act of 2009 increased this rate to approximately 62 percent.

When states identify eligible Medicaid expenditures, they may claim the higher CHIP reimbursement rate. If the Medicaid costs already have been claimed and reimbursed, the state still can claim the difference between the Medicaid and CHIP rates.

The grantor awards states an annual CHIP allotment. States must return any unused amounts. The average CHIP allotment for the state for the last three years was approximately $91 million; the state spent and was reimbursed approximately $40 million each year, returning the excess $51 million. During fiscal year 2010, approximately $8 million of the CHIP money received were through the identification of qualifying Medicaid expenditures.

Description of Condition

When the Department identified Medicaid expenditures it could transfer to the CHIP program and claim the higher reimbursement rate, it incorrectly used gross income rather than net income to determine eligibility. Federal regulations say the same income criteria used to determine eligibility for Medicaid clients should be used to identify Medicaid expenditures that are eligible for the additional CHIP funds. The Department uses net income to determine eligibility for Medicaid.

We also noted the Department did not account for all Medicaid expenditures that might qualify for additional CHIP funds. When the Department calculated Medicaid expenditures that are eligible for additional CHIP funds, it accounted only for expenditures processed through its Medicaid payment system. Claims also are processed through the Department's Social Service Payment System (SSPS) and manual invoices.

Cause of Condition

The Department had been using gross income to determine eligible Medicaid expenditures for CHIP for several years and assumed it was proper to do so.

Prior to 2009, states could use only up to 20 percent of their CHIP allotment for additional reimbursements for eligible Medicaid expenditures. The Department had been able to identify enough eligible Medicaid expenditures in the Medicaid payment system to claim that 20 percent. In 2009, a change in federal regulation eliminated the 20 percent limit on these types of costs. The Department continued to look only to its Medicaid payment system to identify costs eligible for transfer to CHIP, even though it did not have enough expenditures in that system to claim the entire amount of CHIP money available.

The Department did not effectively communicate CHIP information among administrations. The Aging and Disability Services Administration, which administers programs for children with developmental disabilities, was not aware that the Medicaid claims processed through the SSPS could be eligible for additional CHIP funds, nor did the Department assess claims processed through manual invoices for eligible costs.

Effect of Condition

Because the Department did not identify all eligible Medicaid costs, it did not claim all available CHIP funds available to the state. The Department does not have an automated process that identifies CHIP eligible Medicaid expenditures in its SSPS or invoice systems.

It is currently in the process of identifying Medicaid clients and expenditures that qualify for additional CHIP funds and determining the amount of additional CHIP funds it can claim. It has two years from payment date to submit these claims for the additional reimbursement.

Additionally, because the Department used incorrect criteria to determine income eligibility for Medicaid costs it transferred to CHIP, it cannot ensure those costs were eligible for transfer and the higher reimbursement rate.

Recommendation

We recommend the Department:

- Identify all prior Medicaid costs eligible for CHIP and claim them before the opportunity is lost.
- Use the correct income criteria in determining Medicaid expenditures eligible for CHIP money. Review CHIP funds claimed and work with the U.S. Department of Health and Human Services to determine if it must refund any costs charged to CHIP because it used incorrect criteria.
- Ensure it has a system to identify all Medicaid costs eligible for CHIP reimbursement.
- Evaluate regulation changes that affect its ability to claim CHIP funds.
- Communicate information on CHIP money availability among its administrations.

Department's Response

The Medicaid Purchasing Administration (MPA) and Aging and Disability Services Administration (ADSA) both concur with this finding.

MPA and ADSA will work together to establish a workgroup to communicate the availability of CHIP funding, regulation changes, and develop a system to identify CHIP eligible costs.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Sec. 2105. [42 U.S.C. 1397ee] (g) Authority for qualifying States to use certain funds for medicaid expenditures, states:

> (1) State option.—
>
> (A) In general.—Notwithstanding any other provision of law subject to paragraph (4)[67], a qualifying State (as defined in paragraph (2)) may elect to use not more than 20 percent of any allotment under section 2104 for fiscal year 1998, 1999, 2000, 2001, or 2004, 2005, 2006, 2007, or 2008[68] (insofar as it is available under subsections (e) and (g) of such section) for payments under title XIX in accordance with subparagraph (B), instead of for expenditures under this title.
>
> (B) Payments to states.—
>
> (i) In general.—In the case of a qualifying State that has elected the option described in subparagraph (A), subject to the availability of funds under such subparagraph with respect to the State, the Secretary shall pay the State an amount each quarter equal to the additional amount that would have been paid to the State under title XIX with respect to expenditures described in clause (ii) if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).
>
> (ii) Expenditures described.—For purposes of this subparagraph, the expenditures described in this clause are expenditures, made after the date of the enactment of this subsection and during the period in which funds are available to the qualifying State for use under subparagraph (A), for medical assistance under title XIX to individuals who have not attained age 19 and whose family income exceeds 150 percent of the poverty line.
>
> (iii) No impact on determination of budget neutrality for waivers.—In the case of a qualifying State that uses amounts paid under this subsection for expenditures described in clause (ii) that are incurred under a waiver approved for the State, any budget neutrality determinations with respect to such waiver shall be determined without regard to such amounts paid. …
>
> (2) Qualifying state.—In this subsection, the term "qualifying State" means a State that, on and after April 15, 1997, has an income eligibility standard that is at least 184 percent of the poverty line with respect to any 1 or more categories of children (other than infants) who are eligible for medical assistance under section 1902(a)(10)(A) or, in the case of a State that has a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on August 1, 1994, or July 1, 1995, has an income eligibility standard under such waiver for children that is at least 185 percent of the poverty line, or, in the case of a State that has a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on January 1, 1994, has an income eligibility standard under such waiver for children who lack health insurance that is at least 185 percent of the poverty line, or, in the case of a State that had a statewide waiver in effect under section 1115 with respect to title XIX that was first implemented on October 1, 1993, had an income eligibility standard under such waiver for children that was at least 185 percent of the poverty line and on and after July 1, 1998, has an income eligibility standard for children under section 1902(a)(10)(A) or a statewide waiver in effect under section 1115 with respect to title XIX that is at least 185 percent of the poverty line.

(3) Construction.—Nothing in paragraphs (1) and (2) shall be construed as modifying the requirements applicable to States implementing State child health plans under this title.

(4) [69] Option for allotments for fiscal years 2009 through 2013.—

(A) Payment of enhanced portion of matching rate for certain expenditures.—In the case of expenditures described in subparagraph (B), a qualifying State (as defined in paragraph (2)) may elect to be paid from the State's allotment made under section 2104 for any of fiscal years 2009 through 2013 (insofar as the allotment is available to the State under subsections (e) and (m) of such section) an amount each quarter equal to the additional amount that would have been paid to the State under title XIX with respect to such expenditures if the enhanced FMAP (as determined under subsection (b)) had been substituted for the Federal medical assistance percentage (as defined in section 1905(b)).

(B) Expenditures described.—For purposes of subparagraph (A), the expenditures described in this subparagraph are expenditures made after the date of the enactment of this paragraph and during the period in which funds are available to the qualifying State for use under subparagraph (A), for the provision of medical assistance to individuals residing in the State who are eligible for medical assistance under the State plan under title XIX or under a waiver of such plan and who have not attained age 19 (or, if a State has so elected under the State plan under title XIX, age 20 or 21), and whose family income equals or exceeds 133 percent of the poverty line but does not exceed the Medicaid applicable income level.

10-36 The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed.

Federal Awarding Agency:	US Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Federal regulations require state Medicaid agencies to have a process to verify with Medicaid clients that they received the services billed to Medicaid by providers. This process is intended to identify potential fraud or abuse of the Medicaid program.

The Medicaid program is the major source of public funding for long-term care services. The Home and Community Based Services waiver program permits states to furnish long-term care services to Medicaid beneficiaries in home and community settings, avoiding institutionalization. The client or agencies working on behalf of the client choose these service providers.

The Department of Social and Health Services, Aging and Disability Services Administration (ADSA), administers long-term services and support and is responsible for instituting and following the recipient verification process.

In our audit of state fiscal years 2008 and 2009, we reported findings regarding the Department's lack of adequate controls to ensure Medicaid payments to in-home service providers are allowable and supported.

ADSA paid approximately $580 million for in-home services during fiscal year 2010.

Description of Condition

During our current audit, we found no changes in the conditions we reported in our previous two audits. The Administration does not have procedures to verify with home- and community-based service Medicaid clients whether services billed by providers were received.

Cause of Condition

The Department states it plans to use a feature available in the new Medicaid payment system, ProviderOne, that will automatically send selected clients an explanation of services billed by providers in order to verify those services were received. This system is scheduled for implementation in 2012. The Department does not believe putting an interim automated solution in place is prudent or cost-effective.

Effect of Condition

The lack of appropriate, required verification increases the risk of fraudulent provider claims being paid and not being detected in a timely manner, if at all.

Recommendation

We recommend the Department develop and follow a process for verifying directly with recipients that they have received the services for which Medicaid is being billed.

Department's Response

The Department concurs with this finding. We agree we do not have a process that provides Medicaid clients with information on the number of hours billed to the Department by individual providers (IP).

The Department has plans to implement the Provider Compensation System (PCS) by the end of 2012 which will allow for an automated review process. PCS will be a sub-system of Provider One and is designed to generate intermittent, random notices to clients informing them how many hours were paid to the provider on their behalf during the previous month. The clients will be instructed to notify the Department if they notice a discrepancy in the hours provided versus the hours billed.

Until PCS is implemented the Department will rely on the following controls that are currently in place:

- *Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice.*
- *Clients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Clients are advised they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise clients to contact them if they are not receiving the hours (or care) for which they are eligible.*
- *Clients are expected to keep copies of timesheets for their individual providers. Case managers periodically review these time sheets and verify with the client that authorized services have been provided. Case managers are instructed to document the review of time sheets and the discussion of service verification in a Service Episode Record.*
    - *In the 12 month period ending October 2010, staff reviewed a revised "Acknowledgement of My Responsibilities as the Employer of My Individual Providers" with all clients who employ an individual provider. This form must be distributed and reviewed with new clients who select an IP and with current clients who switch to an IP from a homecare agency or residential setting.*
    - *In April 2010, all Individual Providers delivering personal care services received a written reminder of their obligation to keep a record of the date/time that in-home services are provided to ADSA clients and complete and retain copies of their timesheets.*
    - *In August of 2010 ADSA began auditing a randomly selected sample of Individual Provider timesheets to ensure that services billed for are consistent with timesheet documentation submitted.*
- *The Department, through its Payment Review Program, runs algorithms to detect possible fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings.*
- *The Social Service Payment System will not process payments in excess of hours authorized. A provider is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager.*

Auditor's Concluding Remarks

We thank the Department for its response and assistance throughout the audit, and will review this area during our next audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, code of Federal Regulations, Section 455 states in part:

> § 455.1 Basis and scope.
>
> This part sets forth requirements for a State fraud detection and investigation program, and for disclosure of information on ownership and control.
>
> (a) Under the authority of sections 1902(a)(4), 1903(i)(2), and 1909 of the Social Security Act, Subpart A provides State plan requirements for the identification, investigation, and referral of suspected fraud and abuse cases. In addition, the subpart requires that the State—
>
> (1) Report fraud and abuse information to the Department; and
>
> (2) Have a method to verify whether services reimbursed by Medicaid were actually furnished to recipients.
>
> (b) Subpart B implements sections 1124, 1126, 1902(a)(36), 1903(i)(2), and 1903(n) of the Act. It requires that providers and fiscal agents must agree to disclose ownership and control information to the Medicaid State agency.
>
> (c) Subpart C implements section 1936 of the Act. It establishes the Medicaid Integrity Program under which the Secretary will promote the integrity of the program by entering into contracts with eligible entities to carry out the activities of subpart C.
>
> [51 FR 34787, Sept. 30, 1986, as amended at 72 FR 67655, Nov. 30, 2007]
>
> § 455.20 Recipient verification procedure.
>
> (a) The agency must have a method for verifying with recipients whether services billed by providers were received.
>
> (b) In States receiving Federal matching funds for a mechanized claims processing and information retrieval system under part 433, subpart C, of this subchapter, the agency must provide prompt written notice as required by §433.116 (e) and (f).

10-37 The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens at the time of payment, resulting in $187,557 in questionable costs.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) - American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	$ 149,965.40 Non ARRA $ 37,591.93 ARRA

Background

State and federal dollars pay for the Medicaid program, which provides coverage for low-income individuals who otherwise might go without medical care. The state's Medicaid program spent more than $6.9 billion during fiscal year 2010.

Under federal law, all U.S. citizens and certain legal immigrants who meet Medicaid's financial and non-financial eligibility criteria may receive Medicaid. Nonqualified aliens are not eligible to receive general Medicaid benefits, but may be eligible for care and services necessary in an emergency medical situation not related to an organ transplant.

Federal law requires the state to have an Alien Emergency Medical program for these emergency situations for nonqualified aliens who meet all Medicaid program requirements with the exception of immigration status. This program covers low-income families, children and adults who are aged, blind or disabled.
The program defines emergency medical conditions as the sudden onset of a medical condition (including labor and delivery) whose symptoms are acute and severe (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

- Placing the patient's health in serious jeopardy.
- Serious impairment to bodily functions.
- Serious dysfunction of any bodily organ or part.

With the passage of the American Recovery and Reinvestment Act (ARRA), the amount the federal government will pay for most Medicaid expenditures increased from approximately 50 percent to more than 60 percent of costs. The state can elect to pay for non-emergency services for nonqualified aliens. The federal government will not share the cost of those services.

Description of Condition

In our current audit, we identified services provided to 130 nonqualified aliens totaling $570,359.92. To determine whether the services were allowable, we reviewed detailed transactions associated with those services. We found services provided to 34 of those clients totaling $272,366.06 were allowable because they were related to a medical emergency or transferred to state only funds.

We also determined medical services provided to 96 clients were not allowable because they did not relate directly to a medical emergency. The table below summarizes unallowable services we found in our review of Medicaid expenditures for July 1, 2009 through May 30, 2010:

Service Description	Questioned Costs	Federal Share		State Share
		Non-ARRA	ARRA*	
Long-term care	$231,845.29	$116,676.14	$29,247.28	$85,921.87
Behavioral rehabilitation services	$27,439.86	$13,809.10	$3,461.54	$10,169.21
Managed care insurance premiums	$31,185.47	$15,694.09	$3,934.05	$11,557.33
Dental services	$5,108.87	$2,571.04	$644.48	$1,893.35
Other services including physician visits, prescription drugs, family planning , vision and disability medical evaluation	$2,414.37	$1,215.03	$304.58	$894.77
Total	**$297,993.86**	**$149,965.40**	**$37,591.93**	**$110,436.53**

*The non- ARRA federal shares are calculated by using 50.325 percent, which is the average of the federal reimbursement percentages in fiscal years 2009 and 2010.

*The ARRA federal shares are calculated by using 12.615 percent, which is the average of the reimbursement increase authorized by ARRA s in fiscal years 2009 and 2010.

Cause of Condition

As we have reported in past audits, the Department does not have an adequate process to identify ineligible expenditures for nonqualified aliens at the time of payment. It generally charges costs to Medicaid first and then reviews the payments to identify non-emergency services. When it identifies them, the Department removes the payments from Medicaid and charges them to state funds only. However, the Department does not identify all unallowable expenditures because the review does not cover all nonqualified alien clients.

Additionally, we found the Department had incorrectly categorized some clients as a citizens or legal aliens. We randomly selected five clients whose services were paid for through the Medicaid payment system. In all cases, the Department incorrectly categorized the clients: in four cases, Department staff relied on the clients' self-declaration instead of verifying proof of citizenship or legal status and for the other, the Department determined a client had provided a false immigration document, stopped benefits and is seeking repayment.

In December 2010, the U.S. Department of Health and Human Services Office of the Inspector General released a report: Review of Washington State's Medicaid Claims for Nonqualified Aliens[i]. As in our audit, the Inspector General found the Department had been claiming non-emergency expenditures for nonqualified aliens. An additional cause identified by the Inspector General was that the Medicaid services card provided to clients and the Medicaid payment system were ineffective at preventing ineligible services or payments for nonqualified aliens.

Effect of Condition and Questioned Costs

The Department paid $297,993.86 for services that are not eligible for federal money. We are questioning $187,557.33, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Strengthen procedures to verify Medicaid clients' citizenship status.

- Establish and follow adequate procedures to ensure that Medicaid services provided to nonqualified aliens are restricted only to emergency services.
- Follow up on the non-emergency services provided to 96 nonqualified aliens and work with the U.S. Department of Health and Human Services to determine if any costs charged to Medicaid funds must be reimbursed.

Department's Response

This finding involved the Aging and Disability Services Administration (ADSA) and the Medicaid Purchasing Administration (MPA). Each administration responded individually.

Aging and Disability Services Administration

ADSA concurs with this finding.

Medicaid funds were used to serve non-qualified alien clients who were otherwise Medicaid eligible. These clients should have received services through state-funded programs. ADSA is establishing new state only SSPS codes for these clients and training case managers to ensure undocumented clients are charged correctly in the future.

Medicaid Purchasing Administration

The Medicaid Purchasing Administration concurs with this finding.

During the audit period in question, MPA did not have an accounting process that moved non-emergent Medicaid paid claims to state-only for documented non-citizen clients with invalid Social Security Numbers. As a result, such claims, as identified in the audit, would have been paid with Medicaid dollars.

MPA is developing a methodology to move these claims from Medicaid to state-only. The process will entail periodic identification of non-citizens with invalid Social Security Numbers. This list would then be passed to financial staff, who will identify the non-emergent Medicaid claims data from ProviderOne and perform an accounting adjustment to shift these dollars to state-only funds.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

Title 42, Code of Federal Regulations, Part 435

Section 435.139 Coverage for certain aliens states:

The agency must provide services necessary for the treatment of an emergency medical condition, as defined in §440.255(c) of this chapter, to those aliens described in §435.406(c) of this subpart.

Title 42, Code of Federal Regulations, Section 440.255, Limited services available to certain aliens states:

(a) FFP for services. FFP is available for services provided to aliens described in this section which are necessary to treat an emergency medical condition as defined in paragraphs (b)(1) and (c) or services for pregnant women described in paragraph (b)(2).
(b) Legalized aliens eligible only for emergency services and services for pregnant women. Aliens granted lawful temporary resident status, or lawful permanent resident status under sections 245A, 210 or 210A of the Immigration and Nationality Act, who are not in one of the

exempt groups described in §§435.406(a)(3) and 436.406(a)(3) and who meet all other requirements for Medicaid will be eligible for the following services—

(1) Emergency services required after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:
   (i) Placing the patient's health in serious jeopardy;
   (ii) Serious impairment to bodily functions; or
   (iii) Serious dysfunction of any bodily organ or part.

(2) Services for pregnant women which are included in the approved State plan. These services include routine prenatal care, labor and delivery, and routine post-partum care. States, at their option, may provide additional plan services for the treatment of conditions which may complicate the pregnancy or delivery.

(c) Effective January 1, 1987, aliens who are not lawfully admitted for permanent residence in the United States or permanently residing in the United States under the color of law must receive the services necessary to treat the condition defined in paragraph (1) of this section if—

(1) The alien has, after sudden onset, a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:
   (i) Placing the patient's health in serious jeopardy;
   (ii) Serious impairment to bodily functions; or
   (iii) Serious dysfunction of any bodily organ or part, and

(2) The alien otherwise meets the requirements in §§435.406(c) and 436.406(c) of this subpart.

Title 42, Code of Federal Regulations, Section 435.406, Citizenship and alienage states:

(a) The agency must provide Medicaid to otherwise eligible residents of the United States who are

(1) Citizens:
   (i) Under a declaration required by section 1137(d) of the Act that the individual is a citizen or national of the United States; and
   (ii) The individual has provided satisfactory documentary evidence of citizenship or national status, as described in §435.407.
   (iii) An individual for purposes of the declaration and citizenship documentation requirements discussed in paragraphs (a)(1)(i) and (a)(1)(ii) of this section includes both applicants and recipients under a section 1115 demonstration (including a family planning demonstration project) for which a State receives Federal financial participation in their expenditures, as though the expenditures were for medical assistance.
   (iv) Individuals must declare their citizenship and the State must document the individual's citizenship in the individual's eligibility file on initial applications and initial redeterminations effective July 1, 2006.
   (v) The following groups of individuals are exempt from the requirements in paragraph (a)(1)(ii) of this section:
      (A) Individuals receiving SSI benefits under title XVI of the Act.
      (B) Individuals entitled to or enrolled in any part of Medicare.
      (C) Individuals receiving disability insurance benefits under section 223 of the Act or monthly benefits under section 202 of the Act, based on the individual's disability (as defined in section 223(d) of the Act).
      (D) Individuals who are in foster care and who are assisted under Title IV-B of the Act, and individuals who are recipients of foster care maintenance or adoption assistance payments under Title IV–E of the Act.

(2) (i) Except as specified in 8 U.S.C. 1612(b)(1) (permitting States an option with respect to coverage of certain qualified aliens), qualified aliens as described in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8

U.S.C. 1641) (including qualified aliens subject to the 5-year bar) who have provided satisfactory documentary evidence of Qualified Alien status, which status has been verified with the Department of Homeland Security (DHS) under a declaration required by section 1137(d) of the Act that the applicant or recipient is an alien in a satisfactory immigration status.

(ii) The eligibility of qualified aliens who are subject to the 5-year bar in 8 U.S.C. 1613 is limited to the benefits described in paragraph (b) of this section.

(b) The agency must provide payment for the services described in §440.255(c) of this chapter to residents of the State who otherwise meet the eligibility requirements of the State plan (except for receipt of AFDC, SSI, or State Supplementary payments) who are qualified aliens subject to the 5-year bar or who are non-qualified aliens who meet all Medicaid eligibility criteria, except non-qualified aliens need not present a social security number or document immigration status.

Washington Administrative Code (WAC) 388-500-0005, Medical definitions, states in part:

"Emergency medical condition" means the sudden onset of a medical condition (including labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:

*Placing the patient's health in serious jeopardy;
*Serious impairment to bodily functions; or
*Serious dysfunction of any bodily organ or part.

Emergency Rule WSR 09-22-055, Effective November 1, 2009, states:

(1) A person nineteen years of age or older who is not pregnant and meets the eligibility criteria under WAC 388-438-0110 is eligible for the alien emergency medical program's scope of covered services described in this section if the person meets (a) and (b) below, or (c) below:
   (a) The department's health and recovery services administration (HRSA) determines that the primary condition requiring treatment meets the definition of an emergency medical condition as defined in WAC 388-500-0005, and the condition is confirmed through review of clinical records; and
   (b) The person's qualifying emergency medical condition is treated in one of the following hospital settings:
      (i) Inpatient;
      (ii) Outpatient surgery;
      (iii) Emergency room services, which must include an evaluation and management (E&M) visit by a physician; or
   (c) An Involuntary Treatment Act (ITA) or voluntary inpatient community hospital psychiatric admission prior authorized by the department's inpatient mental health designee.
(2) If a person meets the criteria in subsection (1), the department will cover and pay for all related medically necessary health care services and professional services provided during this specific emergency room visit, outpatient surgery or inpatient admission. These services include, but are not limited to:
   (a) Medications;
   (b) Laboratory, x-ray, and other diagnostics and the professional interpretations;
   (c) Medical equipment and supplies;
   (d) Anesthesia, surgical, and recovery services;
   (e) Physician consultation, treatment, surgery, or evaluation services;
   (f) Therapy services;
   (g) Emergency medical transportation; and
   (h) Non-emergency ambulance transportation to transfer the person from a hospital to a long term acute care (LTAC) or an inpatient physical medicine and rehabilitation (PM&R) unit, if that admission is prior authorized by the department as described in subsection (3) of this section.

(3) The department will cover admissions to an LTAC facility or an inpatient PM&R unit if:
  (a) The original admission to the community hospital meets the criteria as described in subsection (1) of this section;
  (b) The person is transferred directly to this facility from the community hospital; and
  (c) The admission is prior authorized according to LTAC and PM&R program rules (see WAC 388-550-2590 for LTAC and WAC 388-550-2561 for PM&R).
(4) The department does not cover any services, regardless of setting, once the person is discharged from the hospital after being treated for a qualifying emergency medical condition authorized by the department under this program. Exception: Pharmacy services prescribed on the same day and associated with the qualifying visit or service (as described in subsection (1) of this section) will be covered and retrospectively reimbursed according to pharmacy program rules.
(5) Inpatient psychiatric care must be prior authorized by the department's inpatient mental health designee according to the requirements in WAC 388-550-2600.
(6) There is no precertification or prior authorization for eligibility under this program.
(7) Under this program, certification is only valid for the period of time the person is receiving services under the criteria described in subsection (1) of this section.
  (a) For inpatient care, the period of eligibility is only for the period of time the person is in the hospital, LTAC, or PM&R facility - the admission date through the discharge date. Upon discharge the person is no longer eligible for coverage.
  (b) For an outpatient surgery or emergency room service the period of eligibility is only for the date of service. If the person is in the hospital overnight, the eligibility period will be the admission date through the discharge date. Upon release from the hospital, the person is no longer eligible for coverage.
(8) Under this program, any visit or service not meeting the criteria described in subsection (1) of this section is not within the scope of covered services as described in WAC 388-501-0060. This includes, but is not limited to:
  (a) Hospital services, care, surgeries, or inpatient admissions to treat any condition which is not considered by the department to be a qualifying emergency medical condition, including but not limited to:
    (i) Laboratory x-ray, or other diagnostic procedures;
    (ii) Physical, occupational, speech therapy, or audiology services;
    (iii) Hospital clinic services; or
    (iv) Emergency room visits, surgery, or hospital admissions.
  (b) Any services provided during a hospital admission or visit (meeting the criteria described in subsection (1) of this section), which are not related to, or consistent with best practices in treating, the qualifying emergency medical condition;
  (c) Organ transplants, including preevaluations and post operative care;
  (d) Services provided outside the hospital settings described in subsection (1) of this section, including but not limited to:
    (i) Office or clinic-based services rendered by a physician, an ARNP, or any other licensed practitioner;
    (ii) Prenatal care, except labor and delivery;
    (iii) Laboratory, radiology, and any other diagnostic testing;
    (iv) School-based services;
    (v) Personal care services;
    (vi) Physical, respiratory, occupational, and speech therapy services;
    (vii) Waiver services;
    (viii) Nursing facility services;
    (ix) Home health services;
    (x) Hospice services;
    (xi) Vision services;
    (xii) Hearing services;
    (xiii) Dental services;
    (xiv) Durable and non durable medical supplies;
    (xv) Non-emergency medical transportation;

(xvi) Interpreter services; and

(xvii) Pharmacy services, except as described in subsection (4).

(9) The services listed in subsection (8) of this section are not part of the scope of covered services for this program and therefore the exception to rule process is not available.

(10) Providers must not bill the department for visits or services that do not meet the qualifying criteria described in this section. The department will identify and recover payment for claims paid in error.

10-38 The Department of Social and Health Services, Medicaid Purchasing Administration[1], does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$ 119,829.99 (Non-ARRA) $ 30,037.85 (ARRA)

Background

The federal Drug Enforcement Administration (DEA) classifies all controlled substances as scheduled drugs ranging from level 1-5; the number represents the potential risk of abuse the drug poses to the client. Schedule 1 drugs, such as heroin, are illegal. The rest are considered legitimate for medical use and range from drugs such as morphine (schedule 2), to cough syrup with codeine (schedule 5).

Federal regulations require individuals who prescribe controlled substances to register with the DEA. These individuals must have an active medical license in the state in which they practice. This registration allows the DEA to track all prescribers of controlled substances in a national database and to monitor all prescriptions. The DEA assigns all registrants an identification number. All Medicaid providers are required to have a National Provider Identifier (NPI) number issued by the U.S. Department of Health and Human Services, regardless of whether they prescribe scheduled drugs.

Pharmacies submit claims for Medicaid client prescriptions through an electronic point-of-sale system that processes requests for payment through a series of criteria (edits) within the system. Prescribers can use either their DEA numbers or NPI numbers as identification; the system will accept either, even when processing a scheduled drug claim. Claims are paid if the prescriber passes all edits.

Federal grant regulations require the Department to have adequate controls to ensure that Medicaid expenditures are allowable. These expenditures must be supported, authorized and allowable under federal, state laws or regulations. Controlled substances are allowable expenditures for Medicaid only when prescribed by prescribers with valid DEA numbers.

The Department paid $18,518,770 in claims for schedule 2-5 drugs between July 1, 2009 and June 30, 2010.

Description of Condition

In our audit for fiscal year 2009, we reported the Department's controls over payments for schedule 2-5 prescription drug claims were inadequate. The Department since has improved procedures to verify the DEA numbers for schedule 2 drugs. It now requires pharmacists to include the prescriber's DEA or NPI number, which can be cross-matched with the DEA database, on claims that it verifies using the DEA database.

[1] Formerly Health and Recovery Services Administration (HRSA)

The Department, however, does not have similar requirements for schedule 3-5 drugs. Claims for these medications are paid without assurance that the prescriber has proper DEA authorization.

Without adequate controls to validate prescriber's DEA number for scheduled drugs, the Department is unable to ensure all expenditures related to the claims are properly authorized and allowable.

Cause of Condition

The Department stated it does not believe it is responsible for verifying DEA numbers of prescribers for any scheduled drugs. It believes this responsibility lies with medical licensing authorities and the dispensing pharmacies. However, it stated it validates DEA numbers for schedule 2 drugs because of the risk of abuse associated with these narcotics.

Effect of Condition and Questioned Costs

We reviewed pharmaceutical claims processed through the point-of-sale system and identified 14,017 for scheduled drugs 2-5, totaling $238,112.28, that were paid even though the Department did not verify the prescriber had a valid DEA number. We separated the transactions into two categories:

Transactions with an invalid DEA number
We found prescribers submitted 4,071 pharmaceutical claims using 354 DEA numbers that were not valid at the time of the transaction, as shown in the table below:

Schedule	Transactions with invalid DEA number	
	Transactions	Expenditures
Schedule 2	1,228	$ 31,621.07
Schedule 3	1,202	$ 8,081.58
Schedule 4	1,516	$ 13,614.93
Schedule 5	125	$ 6,022.95
Total	4,071	$ 59,340.53

The Department paid $59,340.53 for these claims. We are questioning $37,348.92, which is the federal portion of the expenditures.

Transactions with an NPI number

We found 9,946 transactions involving controlled substances for which prescribers used NPI numbers. When we asked the Department to provide the DEA numbers for the transactions with NPI numbers, it stated it uses a manual process to cross-match the NPI number to a DEA number. It stated it does not have the resources to give us DEA numbers for those transactions.
Since the Department would not provide DEA numbers for those transactions, we were not able to determine whether controlled substances were prescribed by individuals who are legally authorized to do so, as shown in the table below:

Schedule	Transactions with NPI numbers	
	Transactions	Expenditures
Schedule 2	1,775	$ 81,746.23
Schedule 3	4,106	$ 34,097.60
Schedule 4	3,711	$ 39,330.74
Schedule 5	354	$ 23,597.18
Total	9,946	$ 178,771.75

The Department paid $178,771.75 for these claims. We are questioning $112,518.92, which is the federal portion of the expenditures.

In total we identified $238,112.28 paid for scheduled drugs to prescribers without a valid DEA number on record. The federal portion of these payments was $149,867.84.

Recommendation

We recommend the Department:

- Ensure prescribers of controlled substances have valid DEA numbers that demonstrate they are authorized to provide this service in accordance with federal requirements.
- Consult with the U.S. Department of Health and Human Services to determine if any questioned costs must be repaid to the federal government.

Department's Response

The Department (MPA) does not concur with the finding.

There are no federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Department (MPA) disagrees that the lack of an edit that validates DEA for Schedule 2-5 drugs constitutes inadequate internal controls or that the lack of such validation renders the payment unallowable.

The Department (MPA) believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. The Controlled Substance Act (21 USC Sec. 821) and the State Uniform Controlled Substance Act (RCW 69.50) do not regulate payment for controlled substances and there are no provisions in either that could be interpreted as a requirement relating to payment of claims for controlled substances. Title 21 CFR Section 1306.04 clearly states that the prescribing practitioner is responsible for assuring that the prescription conforms in all essential respects to the law and regulation:

> *(a) A prescription for a controlled substance to be effective must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. <u>The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.</u>"*

This finding indicates that since the previous 2009 finding, the Department (MPA) has developed procedures to verify DEA for Schedule 2 drugs. That statement is incorrect. The automated edit procedure has been in place since 2002 when the Department (MPA) implemented a pharmacy Point of Sale (POS) edit for the purpose of validating the DEA of the prescribing physician for Schedule II drugs. The Department (MPA) considered this to be an essential POS validation because Schedule II drugs are subject to the highest risk of abuse. The Department (MPA) considered it prudent to provide this additional validation to guard against the potential for fraud and abuse.

The Department (MPA) implemented a new pharmacy Point of Sale (POS) in October 2008. The POS design allowed us to require and utilize the National Provider Identifier (NPI) as the prescriber identifier. The POS was designed to utilize a national file that associated the NPI to the DEA number, theoretically allowing a match of the NPI to DEA that enforces the Schedule II edit. However, at implementation it was discovered that the national file that associated NPI to DEA was not complete and did not meet the business needs of matching NPI to DEA. As a result, the Schedule II edit in POS is based on a work-around. The POS maintains a "prescriber network" of known NPI/DEA associations, and it is updated by state staff as new associations become known. The work-around includes manual updates to a "blocked prescriber list" that identifies prescriber DEAs prevented from prescribing Schedule II drugs.

There continues to be no complete external source of data that provides the NPI to DEA crosswalk. As a result, the work-around within the POS does not provide any external data file that can be utilized for analysis or that allows us to query the data and match DEA with NPI. So while the POS automatically associates the NPI with DEA for adjudication, external review of the NPI/DEA associations requires manual lookup to document the association. The Department (MPA) performed the following detailed claims analysis and responded to SAO as follows:

- *Transactions with an invalid DEA number (4,071 records): The Department (MPA) reviewed the first 100 records in POS and found 100% were active in the POS prescriber file with valid DEA. The prescriber file does not currently include DEA end dates.*
- *Transactions with an NPI number (9,946 records): A manual review of 50 records found 47 associations of NPI to valid DEA. In three instances, only the NPI was in the Prescriber Network file. These three claims paid because the NPI was not on the blocked Schedule II list.*
- *SAO reviewers were provided with access to the POS as well as instruction on the screens showing how the NPI/DEA associations could be located.*

In addition to the POS edit that validates the DEA for Schedule II drugs; the Department (MPA) has a set of robust Program Integrity activities including pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm. In the absence of any requirement to validate DEA for controlled substances, the Department (MPA) believes this set of Program Integrity activities provide adequate controls to ensure that controlled substances are authorized and allowable.

The Department (MPA) continues to research the availability of a complete external file that accurately and completely associates NPI to DEA. Other states are faced with similar difficulties in utilizing the NPI for prescriber identifier.

Auditor's Concluding Remarks

We thank the Department for its response.

We agree the Department does not have a regulatory role over controlled substance prescribers. However, the Department does have a responsibility to ensure that services provided to Medicaid clients are allowable. In order for a controlled substance prescription to be an allowable Medicaid service, it must be prescribed by a provider with a valid DEA number.

The Department indicates that the automated edit procedure validating the DEA of the prescribing providers has been working since it was implemented in 2002. However, evidence we collected during our 2009 audit suggested otherwise. The Department (MPA) implemented a new pharmacy Point of Sale (POS) in October 2008. After the implementation of the POS, the Department discovered that the new POS did not have a system edit for schedule 2 drugs and was allowing claims to be processed without verifying the validity of the provider's DEA number. The Department has since developed a work-around procedure to verify DEA numbers for prescribers of schedule 2 drugs.
We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget, Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Subpart C, Section 300 Auditee responsibilities, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-87: *Cost Principles for State, Local and Indian Tribal Governments*; Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   k. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
   l. Be allocable to Federal awards under the provisions of 2 CFR part 225.
   m. Be authorized or not prohibited under State or local laws or regulations.
   n. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
   o. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
   p. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
   q. Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.
   r. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
   s. Be the net of all applicable credits.
   t. Be adequately documented.

Title 21, Code of Federal Regulations, Section 1306 states in part:

§1306.03 Persons entitled to issue prescriptions.

(a) A prescription for a controlled substance may be issued only by an individual practitioner who is:
   (1) Authorized to prescribe controlled substances by the jurisdiction in which he is licensed to practice his profession and
   (2) Either registered or exempted from registration pursuant to §§1301.22(c) and 1301.23 of this chapter.
(b) A prescription issued by an individual practitioner may be communicated to a pharmacist by an employee or agent of the individual practitioner.

§ 1306.21 Requirement of prescription**.**

(a) A pharmacist may dispense directly a controlled substance listed in Schedule III, IV, or V which is a prescription drug as determined under the Federal Food, Drug, and Cosmetic Act, only pursuant to either a written prescription signed by a practitioner or a facsimile of a written, signed prescription transmitted by the practitioner or the practitioner's agent to the pharmacy or pursuant to an oral prescription made by an individual practitioner and promptly reduced to writing by the pharmacist containing all information required in §1306.05, except for the signature of the practitioner.
(b) An individual practitioner may administer or dispense directly a controlled substance listed in Schedule III, IV, or V in the course of his/her professional practice without a prescription, subject to §1306.07.
(c) An institutional practitioner may administer or dispense directly (but not prescribe) a controlled substance listed in Schedule III, IV, or V only pursuant to a written prescription signed by an individual practitioner, or pursuant to a facsimile of a written prescription or order for medication transmitted by the practitioner or the practitioner's agent to the institutional practitioner-pharmacist, or pursuant to an oral prescription made by an individual practitioner and promptly reduced to writing by the pharmacist (containing all information required in Section 1306.05 except for the signature of the

individual practitioner), or pursuant to an order for medication made by an individual practitioner which is dispensed for immediate administration to the ultimate user, subject to §1306.07.

§ 1306.22 Refilling of prescriptions.

(a) No prescription for a controlled substance listed in Schedule III or IV shall be filled or refilled more than six months after the date on which such prescription was issued. No prescription for a controlled substance listed in Schedule III or IV authorized to be refilled may be refilled more than five times.

(b) Each refilling of a prescription shall be entered on the back of the prescription or on another appropriate document or electronic prescription record. If entered on another document, such as a medication record, or electronic prescription record, the document or record must be uniformly maintained and readily retrievable.

(c) The following information must be retrievable by the prescription number:

(1) The name and dosage form of the controlled substance.

(2) The date filled or refilled.

(3) The quantity dispensed.

(4) The initials of the dispensing pharmacist for each refill.

(5) The total number of refills for that prescription.

(d) If the pharmacist merely initials and dates the back of the prescription or annotates the electronic prescription record, it shall be deemed that the full face amount of the prescription has been dispensed.

(e) The prescribing practitioner may authorize additional refills of Schedule III or IV controlled substances on the original prescription through an oral refill authorization transmitted to the pharmacist provided the following conditions are met:

(1) The total quantity authorized, including the amount of the original prescription, does not exceed five refills nor extend beyond six months from the date of issue of the original prescription.

(2) The pharmacist obtaining the oral authorization records on the reverse of the original paper prescription or annotates the electronic prescription record with the date, quantity of refill, number of additional refills authorized, and initials the paper prescription or annotates the electronic prescription record showing who received the authorization from the prescribing practitioner who issued the original prescription.

(3) The quantity of each additional refill authorized is equal to or less than the quantity authorized for the initial filling of the original prescription.

(4) The prescribing practitioner must execute a new and separate prescription for any additional quantities beyond the five-refill, six-month limitation.

(f) As an alternative to the procedures provided by paragraphs (a) through (e) of this section, a computer application may be used for the storage and retrieval of refill information for original paper prescription orders for controlled substances in Schedule III and IV, subject to the following conditions:

(1) Any such proposed computerized application must provide online retrieval (via computer monitor or hard-copy printout) of original prescription order information for those prescription orders that are currently authorized for refilling. This shall include, but is not limited to, data such as the original prescription number; date of issuance of the original prescription order by the practitioner; full name and address of the patient; name, address, and DEA registration number of the practitioner; and the name, strength, dosage form, quantity of the controlled substance prescribed (and quantity dispensed if different from the quantity prescribed), and the total number of refills authorized by the prescribing practitioner.

(2) Any such proposed computerized application must also provide online retrieval (via computer monitor or hard-copy printout) of the current refill history for Schedule III or IV controlled substance prescription orders (those authorized for refill during the past six months). This refill history shall include, but is not limited to, the name of the controlled substance, the date of refill, the quantity dispensed, the identification

code, or name or initials of the dispensing pharmacist for each refill and the total number of refills dispensed to date for that prescription order.

(3) Documentation of the fact that the refill information entered into the computer each time a pharmacist refills an original paper, fax, or oral prescription order for a Schedule III or IV controlled substance is correct must be provided by the individual pharmacist who makes use of such an application. If such an application provides a hard-copy printout of each day's controlled substance prescription order refill data, that printout shall be verified, dated, and signed by the individual pharmacist who refilled such a prescription order. The individual pharmacist must verify that the data indicated are correct and then sign this document in the same manner as he would sign a check or legal document (*e.g.,* J.H. Smith, or John H. Smith). This document shall be maintained in a separate file at that pharmacy for a period of two years from the dispensing date. This printout of the day's controlled substance prescription order refill data must be provided to each pharmacy using such a computerized application within 72 hours of the date on which the refill was dispensed. It must be verified and signed by each pharmacist who is involved with such dispensing. In lieu of such a printout, the pharmacy shall maintain a bound log book, or separate file, in which each individual pharmacist involved in such dispensing shall sign a statement (in the manner previously described) each day, attesting to the fact that the refill information entered into the computer that day has been reviewed by him and is correct as shown. Such a book or file must be maintained at the pharmacy employing such an application for a period of two years after the date of dispensing the appropriately authorized refill.

(4) Any such computerized application shall have the capability of producing a printout of any refill data that the user pharmacy is responsible for maintaining under the Act and its implementing regulations. For example, this would include a refill-by-refill audit trail for any specified strength and dosage form of any controlled substance (by either brand or generic name or both). Such a printout must include name of the prescribing practitioner, name and address of the patient, quantity dispensed on each refill, date of dispensing for each refill, name or identification code of the dispensing pharmacist, and the number of the original prescription order. In any computerized application employed by a user pharmacy the central recordkeeping location must be capable of sending the printout to the pharmacy within 48 hours, and if a DEA Special Agent or Diversion Investigator requests a copy of such printout from the user pharmacy, it must, if requested to do so by the Agent or Investigator, verify the printout transmittal capability of its application by documentation (*e.g.,* postmark).

(5) In the event that a pharmacy which employs such a computerized application experiences system down-time, the pharmacy must have an auxiliary procedure which will be used for documentation of refills of Schedule III and IV controlled substance prescription orders. This auxiliary procedure must ensure that refills are authorized by the original prescription order, that the maximum number of refills has not been exceeded, and that all of the appropriate data are retained for online data entry as soon as the computer system is available for use again.

(g) When filing refill information for original paper, fax, or oral prescription orders for Schedule III or IV controlled substances, a pharmacy may use only one of the two applications described in paragraphs (a) through (e) or (f) of this section.

(h) When filing refill information for electronic prescriptions, a pharmacy must use an application that meets the requirements of part 1311 of this chapter.

§ 1306.23 Partial filling of prescriptions. The partial filling of a prescription for a controlled substance listed in Schedule III, IV, or V is permissible, provided that:

(a) Each partial filling is recorded in the same manner as a refilling,

(b) The total quantity dispensed in all partial fillings does not exceed the total quantity prescribed, and

(c) No dispensing occurs after 6 months after the date on which the prescription was issued.

§ 1301.11 Persons required to register; requirement of modification of registration authorizing activity as an online pharmacy.

(a) Every person who manufactures, distributes, dispenses, imports, or exports any controlled substance or who proposes to engage in the manufacture, distribution, dispensing, importation or exportation of any controlled substance shall obtain a registration unless exempted by law or pursuant to §§1301.22 through 1301.26. Except as provided in paragraph (b) of this section, only persons actually engaged in such activities are required to obtain a registration; related or affiliated persons who are not engaged in such activities are not required to be registered. (For example, a stockholder or parent corporation of a corporation manufacturing controlled substances is not required to obtain a registration.)

(b) As provided in sections 303(f) and 401(h) of the Act (21 U.S.C. 823(f) and 841(h)), it is unlawful for any person who falls within the definition of "online pharmacy" (as set forth in section 102(52) of the Act (21 U.S.C. 802(52)) and §1300.04(h) of this chapter) to deliver, distribute, or dispense a controlled substance by means of the Internet if such person is not validly registered with a modification of such registration authorizing such activity (unless such person is exempt from such modified registration requirement under the Act or this chapter). The Act further provides that the Administrator may only issue such modification of registration to a person who is registered as a pharmacy under section 303(f) of the Act (21 U.S.C. 823(f)). Accordingly, any pharmacy registered pursuant to §1301.13 of this part that falls within the definition of an online pharmacy and proposes to dispense controlled substances by means of the Internet must obtain a modification of its registration authorizing such activity following the submission of an application in accordance with §1301.19 of this part. This requirement does not apply to a registered pharmacy that does not fall within the definition of an online pharmacy set forth in §1300.04(h). Under the Act, persons other than registered pharmacies are not eligible to obtain such a modification of registration but remain liable under section 401(h) of the Act (21 U.S.C. 841(h)) if they deliver, distribute, or dispense a controlled substance while acting as an online pharmacy without being validly registered with a modification authorizing such activity.

10-39 The Department of Social and Human Services, Aging and Disability Services Administration, did not ensure the level of in-home care services for some clients was evaluated at least annually.

Federal Awarding Agency:	US Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	$36,372.24 Non-ARRA $ 9,117.45 ARRA

Background

The Department of Social and Health Services, Aging and Disability Services Administration, requires all clients who seek Medicaid assistance to meet eligibility criteria to receive services. Eligibility is determined in part through an assessment of the client's level of ability to perform daily living tasks.

The Department uses the Comprehensive Assessment Reporting Evaluation system to determine the type and level of services the client needs. The Department's Home and Community Services perform an initial evaluation; it contracts with case managers at one of the 13 Area Agency on Aging offices across the state for the annual re-evaluations.

The annual re-evaluation is designed to determine whether the level of care is appropriate and whether clients are still eligible for assistance. Evaluations are considered complete and the client is authorized to receive services once the client has reviewed the results of his or her assessment and has either verbally agreed to or given a signature of approval for the services.

If an assessment is not completed in a timely manner, the client is notified that the assessment must be completed in order to continue receiving benefits.

In fiscal year 2010, the Department provided approximately $570 million in funding for services to more than 19,000 clients.

Description of Condition

The Department did not monitor to ensure staff was completing evaluations in a timely manner. During our audit, we identified 662 clients whose assessment was at least 30 days late. Case managers are given until the last day of the month in which the previous assessment occurred. This means some case assessments may not be performed until nearly 30 days after the standard 12-month period. We acknowledge the extended time case managers are allowed and only considered those assessments occurring more than 30 days late as an audit exception.

The table below summarizes the assessments we identified in our review as being completed after the annual re-evaluation due date:

Duration of Time Exceeding Annual Assessment Date	**Number of Assessments**
One Month	320
Two Months	143
Three Months	108
Four Months	81
Five Months	1
Six Months or Greater	9
Total	**662**

Cause of Condition

Department personnel stated most late assessments related to the difficulties in establishing contact with the client and high workloads.

Effect of Condition and Questioned Costs

When services are provided without authorization, expenditures are not allowable. Additionally, ineligible clients may receive benefits that could be available for eligible clients. We reviewed payments for services for 10 clients whose assessment was at least five months late. Total payments after the re-evaluation due date for these clients were $72,274.69. We are questioning $45,489.69, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Monitor to ensure the level of care assessment for clients receiving in-home care is performed at least once every twelve months.
- Work with the U.S. Department of Health and Human Services to determine if any costs charged to Medicaid funds must be reimbursed.

Department's Response

The Department partially concurs with this finding.

Department analysis determined that 2 of the 10 clients reviewed by the auditors did have annual assessments within the required time frames but computer anomalies coded these assessments as late. Both clients had notations in the Service Episode Record documenting this issue. Total payment for these two clients was $9,455.16 and the federal portion of this expenditure was $5,951.08.

A review of the remaining 8 clients identified by the auditors as having assessments at least 5 months late determined that all 10 clients (this includes the two mentioned above)remained eligible for services received during the time frame that assessments were out of date. In addition, each client's services were provided with authorizations generated by case managers.

Due to significant workload the Department was not able to complete a line by line review of all 662 questioned assessments. There are routine reasons that an assessment may not be completed on time. Examples of these reasons include the client's inability to meet with the case manager to do the assessment, delays in locating a provider of personal care, and delays caused by bids for specialized medical equipment or environmental modifications. A client may also have been admitted to a nursing facility or hospital or had a break in service nullifying the annual assessment due date.

During this audit cycle, the Department completed 59,570 assessments. If the 662 assessments identified by the auditors were actually late, this amounts to a compliance rate of 98.9% which is well within an acceptable threshold given the routine reasons why an assessment could be late. The Department has set a benchmark of 90% for compliance with assessment timeliness. This benchmark is measured during each quality monitoring cycle and was surpassed during this audit period when 98% compliance was achieved.

Actions planned by the Department:

- *The Department will review the tool used in the current Quality Assurance cycle to make certain that monitoring is conducted to ensure the level of care assessment for clients receiving in-home care is performed at least once every twelve months.*

- *The Department will work with the U.S. Department of Health and Human Services to determine if any costs charged to Medicaid funds must be reimbursed. The Aging and Disability Services Administration does not believe there are any questioned costs because all clients were eligible for services received.*

Auditor's Concluding Remarks

We appreciate the cooperation and assistance provided by the Department throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

Community Options Program Entry System (COPES) Waiver Version 06-95 states in part:

APPENDIX D-1

a. EVALUATION OF LEVEL OF CARE
The agency will provide for an evaluation (and periodic reevaluations) of the need for the level(s) of care indicated in the Executive Summary of this request, when there is a reasonable indication that individuals might need such services in the near future, but for the availability of home and community-based services.

b. QUALIFICATIONS OF INDIVIDUALS PERFORMING INITIAL EVALUATION
The educational/professional qualifications of persons performing initial evaluations of level of care for waiver participants are (check all that apply):
_____ Discharge planning team
_____ Physician (MD or DO)
X Registered nurse, licensed in the state
_____ Licensed social worker
_____ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)
X Other (specify):
Social Workers, Case Managers

APPENDIX D-2

a. REEVALUATIONS OF LEVEL OF CARE
Reevaluations of the level of care required by the individual will take place (at a minimum) according to the following schedule (specify):
_____ Every 3 months
_____ Every 6 months
X Every 12 +months
X Other (specify):

As indicated by a significant change in the client's condition or situation

b. QUALIFICATIONS OF PERSONS PERFORMING REEVALUATIONS
Check one:
X The educational/professional qualifications of person(s) performing reevaluations of level of care are the same as those for persons performing initial evaluations.
_____ The educational/professional qualifications of persons performing reevaluations of level of care differ from those of persons performing initial evaluations. The following qualifications are met for all individuals performing reevaluations of level of care (specify):
_____ Physician (MD or DO)
_____ Registered nurse, licensed in the state
_____ Licensed social worker
_____ Qualified mental retardation professional, as defined in 42 CFR 483.430(a)
_____ Other (specify):
_____

c. PROCEDURES TO ENSURE TIMELY REEVALUATIONS
The state will employ the following procedures to ensure timely reevaluations of level of care (check below):
_____ "Tickler" file Edits in computer system
_____ Component part of case management
X Other (specify):

Quality assurance monitoring staff from ADSA headquarters conducts annual reviews of case management services provided by the Home and Community Services Division (HCS), Area Agencies on Aging (AAA) and Managed Care Organizations (MCO). Each HCS region ,AAA office and MCO is monitored. At the regional and local levels, HCS and AAA case management supervisors also conduct regular quality reviews of their case management staff.
42 C.F.R. 441.302 State assurances.

Unless the Medicaid agency provides the following satisfactory assurances to CMS, CMS will not grant a waiver under this subpart and may terminate a waiver already granted:

(a) Health and Welfare —Assurance that necessary safeguards have been taken to protect the health and welfare of the recipients of the services. Those safeguards must include—
  (1) Adequate standards for all types of providers that provide services under the waiver;
  (2) Assurance that the standards of any State licensure or certification requirements are met for services or for individuals furnishing services that are provided under the waiver; and
  (3) Assurance that all facilities covered by section 1616(e) of the Act, in which home and community-based services will be provided, are in compliance with applicable State standards that meet the requirements of 45 CFR Part 1397 for board and care facilities.
(b) Financial accountability— The agency will assure financial accountability for funds expended for home and community-based services, provide for an independent audit of its waiver program (except as CMS may otherwise specify for particular waivers), and it will maintain and make available to HHS, the Comptroller General, or other designees, appropriate financial records documenting the cost of services provided under the waiver, including reports of any independent audits conducted.
(c) Evaluation of need. Assurance that the agency will provide for the following:
  (1) Initial evaluation. An evaluation of the need for the level of care provided in a hospital, a NF, or an ICF/MR when there is a reasonable indication that a recipient might need the services in the near future (that is, a month or less) unless he or she receives home or

community-based services. For purposes of this section, “evaluation” means a review of an individual recipient's condition to determine—

(i) If the recipient requires the level of care provided in a hospital as defined in §440.10 of this subchapter, a NF as defined in section 1919(a) of the Act, or an ICF/MR as defined by §440.150 of this subchapter; and

(ii) That the recipient, but for the provision of waiver services, would otherwise be institutionalized in such a facility.

(2) Periodic reevaluations. Reevaluations, at least annually, of each recipient receiving home or community-based services to determine if the recipient continues to need the level of care provided and would, but for the provision of waiver services, otherwise be institutionalized in one of the following institutions:

(i) A hospital;

(ii) A NF; or

(iii) An ICF/MR.

(d) Alternatives —Assurance that when a recipient is determined to be likely to require the level of care provided in a hospital, NF, or ICF/MR, the recipient or his or her legal representative will be—

(1) Informed of any feasible alternatives available under the waiver; and

(2) Given the choice of either institutional or home and community-based services.

(e) Average per capita expenditures. Assurance that the average per capita fiscal year expenditures under the waiver will not exceed 100 percent of the average per capita expenditures that would have been made in the fiscal year for the level of care provided in a hospital, NF, or ICF/MR under the State plan had the waiver not been granted.

(1) These expenditures must be reasonably estimated and documented by the agency.

(2) The estimate must be on an annual basis and must cover each year of the waiver period.

(f) Actual total expenditures. Assurance that the agency's actual total expenditures for home and community-based and other Medicaid services under the waiver and its claim for FFP in expenditures for the services provided to recipients under the waiver will not, in any year of the waiver period, exceed 100 percent of the amount that would be incurred by the State's Medicaid program for these individuals, absent the waiver, in—

(1) A hospital;

(2) A NF; or

(3) An ICF/MR.

(g) Institutionalization absent waiver. Assurance that, absent the waiver, recipients in the waiver would receive the appropriate type of Medicaid-funded institutional care (hospital, NF, or ICF/MR) that they require.

(h) Reporting. Assurance that annually, the agency will provide CMS with information on the waiver's impact. The information must be consistent with a data collection plan designed by CMS and must address the waiver's impact on—

(1) The type, amount, and cost of services provided under the State plan; and

(2) The health and welfare of recipients.

(i) Habilitation services. Assurance that prevocational, educational, or supported employment services, or a combination of these services, if provided as habilitation services under the waiver, are—

(1) Not otherwise available to the individual through a local educational agency under section 602 (16) and (17) of the Education of the Handicapped Act (20 U.S.C. 1401 (16 and 17)) or as services under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730); and

(2) Furnished as part of expanded habilitation services, if the State has requested and received CMS's approval under a waiver or an amendment to a waiver.

(j) Day treatment or partial hospitalization, psychosocial rehabilitation services, and clinic services for individuals with chronic mental illness. Assurance that FFP will not be claimed in expenditures for waiver services including, but not limited to, day treatment or partial hospitalization, psychosocial rehabilitation services, and clinic services provided as home and community-based services to individuals with chronic mental illnesses if these individuals, in the absence of a waiver, would be placed in an IMD and are—

(1) Age 22 to 64;
(2) Age 65 and older and the State has not included the optional Medicaid benefit cited in §440.140; or
(3) Age 21 and under and the State has not included the optional Medicaid benefit cited in §440.160.
[50 FR 10026, Mar. 13, 1985, as amended at 59 FR 37717, July 25, 1994; 65 FR 60107, Oct. 10, 2000]

Washington Administrative Code (WAC)388-106-0025

How do I apply for long-term care services?

To apply for long-term care services, you must request an assessment from the department and submit a Medicaid application.

Washington Administrative Code (WAC) 388-106-0050

What is an assessment?

(1) An assessment is an in-person interview in your home or your place of residence that is conducted by the department to inventory and evaluate your ability to care for yourself. The department will assess you at least annually or more often when there are significant changes to your ability to care for yourself.
(2) Between assessments, the department may modify your current assessment without an in-person interview in your home or place of residence. The reasons that the department may modify your current assessment without conducting an in-person interview in your home or place of residence include but are not limited to the following:
    (a) Errors made by department staff in coding the information from your in-person interview;
    (b) New information requested by department staff at the time of your assessment and received after completion of the in-person interview (e.g. medical diagnosis);
    (c) Changes in the level of informal support available to you; or
    (d) Clarification of the coding selected.
(3) When the department modifies your current assessment, it will notify you using a Planned Action Notice of the modification regardless of whether the modification results in a change to your benefits. You will also receive a new service summary and assessment details.

Washington Administrative Code (WAC) 388-106-0055

What is the purpose of an assessment?

The purpose of an assessment is to:

(1) Determine eligibility for long-term care programs;
(2) Identify your strengths, limitations, and preferences;
(3) Evaluate your living situation and environment;
(4) Evaluate your physical health, functional and cognitive abilities;
(5) Determine availability of informal supports and other nondepartment paid resources;
(6) Determine need for intervention;
(7) Determine need for case management activities;
(8) Determine your classification group that will set your payment rate for residential care or number of hours of in-home care;
(9) Determine need for referrals; and
(10) Develop a plan of care, as defined in WAC 388-106-0010.
(11) In the case of New Freedom consumer directed services, the purpose of an assessment is to determine functional eligibility and for the participant to develop the New Freedom spending plan, as defined in WAC 388-106-0010.

Washington Administrative Code (WAC) 388-513-1315 states in part:

Eligibility for long-term care (institutional, waiver, and hospice) services.

This section describes how the department determines a client's eligibility for institutional, waiver, or hospice services under the categorically needy (CN) program and institutional or hospice services in a medical institution under the medically needy (MN) program. Also described are the eligibility requirements for these services under the general assistance (GA) program in subsection (12) and the alien emergency medical programs described in subsection (11).

(1) To be eligible for long-term care (LTC) services described in this section, a client must:
   (a) Meet the general eligibility requirements for medical programs described in WAC 388-503-0505 (2) and (3)(a) through (f);
   (b) Attain institutional status as described in WAC 388-513-1320;
   (c) Meet functional eligibility described in chapter 388-106 WAC for waiver and nursing facility coverage; and

DSHS Long-Term Care Manual Chapter 3 states in part:

Completing a CARE Assessment – Developing the Plan of Care

Background
Clients are able to choose from options for personal and healthcare services that are governed by eligibility criteria, payment source requirements, coverage options, and provider qualifications. Twenty-four hour, paid care is available only in residential or medical facility settings, so case managers must work with clients to maximize all available resources, both paid and unpaid, in order to develop a plan of care that addresses the health and safety needs of the client. The state identifies the essential tasks to be performed by formal providers in the care plan. How and when they are performed is determined by the client.

The state has an obligation to educate clients, family members, support systems, and other service providers, informing them that a plan of care is developed based on the resources available and that meeting all needs and providing all services is an expectation that neither the client, family, support system, or case manager may be able to achieve.

How do I get approval on the plan of care from the client?
Before authorizing services, you must obtain the client's approval on the plan of care.

How do I distribute the plan of care to the client/representative?
Distribute the Service Summary and CARE Results to the client along with a Planned Action Notice (PAN). Distribute Assessment Details if requested by the client/representative.

How and when do I distribute the plan of care to the provider(s)?
Mail or fax the Service Summary and Assessment Details prior to authorizing/reauthorizing services and document in the SER. Review the plan of care with the provider when the client has special or extraordinary needs due to cognitive issues. Distribute the Service Summary and Assessment Details to:

- Individual providers;
- Agency providers;
- Nursing services staff, if applicable;
- Residential providers;
- The nursing facility, if the client is placed there on Medicaid funding only;
- Adult Day Services providers;
- Nurse delegators.

Document in the SER when you distributed the documents and to whom.

How do I authorize services?

Complete all authorizations in CARE once the client has approved the plan of care. For:

· Initial assessments, the begin date may not precede the date the assessment was moved to Current status.

· Significant Change assessments, if extending services for one year, terminate the current line or lines (for example, if participation is also authorized) and create a new line(s) on the same authorization. Do not change the begin date on a current line since changing the begin date creates a risk of canceling outstanding payments or prevents invoicing from occurring. If there are not enough lines left on the authorization, open a new authorization.

· Annual assessments, you may not extend services beyond one year from the last day of the month in which it was moved to Current. A face-to-face assessment must occur and the assessment must be moved to Current prior to reauthorization of services.

10-40 The Department of Social and Health Services, Medicaid Purchasing Administration[2], does not comply with state law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Medicaid is the "payer of last resort", meaning the Department should identify other payment sources prior to submitting claims to Medicaid. Third-party liability refers to the legal obligation of third-party resources, usually insurance companies, to pay medical and pharmaceutical claims of Medicaid recipients prior to Medicaid coverage. The function of third-party liability within the Medicaid program is to ensure non-Medicaid resources are the primary source of payment. Federal regulations require states to have processes to identify third parties liable for payment of services before Medicaid dollars are used.

The federal Deficit Reduction Act of 2005 requires health insurers to provide states with eligibility and coverage information that will enable Medicaid agencies to determine whether Medicaid recipients have third-party coverage. The Act directs states, as a condition of receiving Medicaid money, to have laws requiring health insurers doing business in that state to provide the eligibility and coverage information upon the request of the state.

To comply with this requirement, the state Legislature passed a law (RCW 74.09A) in 2007 that requires the Department to provide Medicaid client eligibility and coverage information to insurers doing business in the state. The insurers, in turn, are required to use that information to identify Medicaid clients with third-party coverage, and provide those results to the Department. The law requires this process to be performed no less than twice per year. The law, if followed, would provide a comprehensive identification of potential third-party payers.

In our audits for fiscal years 2008 and 2009 we reported findings regarding the Department's noncompliance with the state law.

The state had Medicaid expenditures of approximately $6.9 billion in fiscal year 2010, more than $4.4 billion of which was federal dollars.

Description of Condition

The Department has not performed the semi-annual data share with insurers as required by state law.

[2] Formerly Health and Recovery Services Administration (HRSA)

Cause of Condition

Although the Department initially disagreed with our finding, during this audit period it took steps toward establishing routine client eligibility and coverage information exchanges with third-party health insurers. The Department signed agreements with health insurers regarding information sharing, put in place a new Medicaid payment system with more data share functionality than the prior system, and received established data sharing formats from its grantor to be used when sharing eligibility and benefit information. However, the Department has not completed all necessary steps nor are all systems fully operational to effect the data share as required by law.

Effect of Condition

When Medicaid-eligible individuals with third-party liability coverage are not identified, Medicaid is no longer the payer of last resort and the Department is paying claims that should have been paid by liable third parties.

Recommendation

We recommend the Department complete all necessary steps to provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information and receive joint beneficiaries information in order to better identify all third parties liable for Medicaid beneficiary claims.

Department's Response

The Department (MPA) does not concur with this finding.

The Department (MPA) continues to believe that it is in compliance with the Deficit Reduction Act of 2005. The Department (MPA) meets this standard by making data available to all insurers to use for Third Party Liability (TPL) reporting and by matching data directly with those insurers most likely to provide third party coverage to Medicaid recipients.

The Department's (MPA) position was corroborated by an independent review conducted by Health Management Systems (HMS) in March 2010. That review stated, "HMS's review of the DSHS confirms a strong Medicaid TPL program…" This report also noted areas of industry best practices that the Department (MPA) could explore to enhance its cost avoidance and recovery. The Department (MPA) is exploring these recommendations and has submitted a budget request for the 11/13 biennium to enhance its TPL activities.

Although the Department (MPA) is in compliance with applicable state and federal law, the Deficit Reduction Act (DRA) of 2005 requires that the Secretary of Health and Human Services specify a manner in which the state Medicaid agencies and health plans may exchange eligibility and coverage data. In June 2010, the Department (MPA) was finally notified that CMS had published the recommended format called for by the DRA. This new format serves as a tool to enable all states and all payers to use to comply with the DRA data exchange requirements. The Department (MPA) is moving forward to incorporate this tool into its system to enhance our cost avoidance and recovery activities.

Auditor's Concluding Remarks

We thank the Department for its response. However, it does not conduct the semi-annual data share with insurers as required by state law. We affirm our finding.

Applicable Laws and Regulations

Title 42, United States Code, Part 1396a(a)(25).states:

(A) that the State or local agency administering such plan will take all reasonable measures to ascertain the legal liability of third parties (including health insurers, self-insured plans, group health plans (as defined in section 1167(1) of Title 29), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service) to pay for care and services available under the plan, including--
  (i) the collection of sufficient information (as specified by the Secretary in regulations) to enable the State to pursue claims against such third parties, with such information being collected at the time of any determination or redetermination of eligibility for medical assistance, and
  (ii) the submission to the Secretary of a plan (subject to approval by the Secretary) for pursuing claims against such third parties, which plan shall be integrated with, and be monitored as a part of the Secretary's review of, the State's mechanized claims processing and information retrieval systems required under section 1396b(r) of this title;

(B) that in any case where such a legal liability is found to exist after medical assistance has been made available on behalf of the individual and where the amount of reimbursement the State can reasonably expect to recover exceeds the costs of such recovery, the State or local agency will seek reimbursement for such assistance to the extent of such legal liability;

(C) that in the case of an individual who is entitled to medical assistance under the State plan with respect to a service for which a third party is liable for payment, the person furnishing the service may not seek to collect from the individual (or any financially responsible relative or representative of that individual) payment of an amount for that service (i) if the total of the amount of the liabilities of third parties for that service is at least equal to the amount payable for that service under the plan (disregarding section 1396*o* of this title), or (ii) in an amount which exceeds the lesser of (I) the amount which may be collected under section 1396*o* of this title, or (II) the amount by which the amount payable for that service under the plan (disregarding section 1396*o* of this title), exceeds the total of the amount of the liabilities of third parties for that service;

(D) that a person who furnishes services and is participating under the plan may not refuse to furnish services to an individual (who is entitled to have payment made under the plan for the services the person furnishes) because of a third party's potential liability for payment for the service;

(E) that in the case of prenatal or preventive pediatric care (including early and periodic screening and diagnosis services under section 1396d(a)(4)(B) of this title) covered under the State plan, the State shall--
  (i) make payment for such service in accordance with the usual payment schedule under such plan for such services without regard to the liability of a third party for payment for such services; and
  (ii) seek reimbursement from such third party in accordance with subparagraph (B);

(F) that in the case of any services covered under such plan which are provided to an individual on whose behalf child support enforcement is being carried out by the State agency under part D of subchapter IV of this chapter, the State shall--
  (i) make payment for such service in accordance with the usual payment schedule under such plan for such services without regard to any third-party liability for payment for such services, if such third-party liability is derived (through insurance or otherwise) from the parent whose obligation to pay support is being enforced by such agency, if payment has not been made by such third party within 30 days after such services are furnished; and
  (ii) seek reimbursement from such third party in accordance with subparagraph (B);

(G) that the State prohibits any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a self-insured plan, a service benefit plan, a managed care organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is

eligible for or is provided medical assistance under a plan under this title for such State, or any other State;

(H) that to the extent that payment has been made under the State plan for medical assistance in any case where a third party has a legal liability to make payment for such assistance, the State has in effect laws under which, to the extent that payment has been made under the State plan for medical assistance for health care items or services furnished to an individual, the State is considered to have acquired the rights of such individual to payment by any other party for such health care items or services; and

(I) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to--

(i) provide, with respect to individuals who are eligible (and, at State option, individuals who apply or whose eligibility for medical assistance is being evaluated in accordance with subsection (e)(13)(D) of this section) for, or are provided, medical assistance under the State plan under this subchapter (and, at State option, child health assistance under subchapter XXI of this chapter), upon the request of the State, information to determine during what period the individual or their spouses or their dependents may be (or may have been) covered by a health insurer and the nature of the coverage that is or was provided by the health insurer (including the name, address, and identifying number of the plan) in a manner prescribed by the Secretary;

(ii) accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

(iii) respond to any inquiry by the State regarding a claim for payment for any health care item or service that is submitted not later than 3 years after the date of the provision of such health care item or service; and

(iv) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim, the type or format of the claim form, or a failure to present proper documentation at the point-of-sale that is the basis of the claim, if-

(I) the claim is submitted by the State within the 3-year period beginning on the date on which the item or service was furnished; and

(II) any action by the State to enforce its rights with respect to such claim is commenced within 6 years of the State's submission of such claim;

Revised Code of Washington (RCW) 74.09A.005 states:

The legislature finds that:

(1) Simplification in the administration of payment of health benefits is important for the state, providers, and health insurers;

(2) The state, providers, and health insurers should take advantage of all opportunities to streamline operations through automation and the use of common computer standards;

(3) It is in the best interests of the state, providers, and health insurers to identify all third parties that are obligated to cover the cost of health care coverage of joint beneficiaries; and

(4) Health insurers, as a condition of doing business in Washington, must increase their effort to share information with the department and accept the department's timely claims consistent with 42 U.S.C. 1396a(a)(25).

Therefore, the legislature declares that to improve the coordination of benefits between the department of social and health services and health insurers to ensure that medical insurance benefits are properly utilized, a transfer of information between the department and health insurers should be instituted, and the process for submitting requests for information and claims should be simplified.

Revised Code of Washington (RCW) 74.09A.020 states:

Computerized information — Provision to health insurers.

(1) The department shall provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information. Health insurers shall use this information to identify joint beneficiaries. Identification of joint beneficiaries shall be transmitted to the department. The department shall use this information to improve accuracy and currency of health insurance coverage and promote improved coordination of benefits.
(2) To the maximum extent possible, necessary data elements and a compatible database shall be developed by affected health insurers and the department. The department shall establish a representative group of health insurers and state agency representatives to develop necessary technical and file specifications to promote a standardized database. The database shall include elements essential to the department and its population's health insurance coverage information.
(3) If the state and health insurers enter into other agreements regarding the use of common computer standards, the database identified in this section shall be replaced by the new common computer standards.
(4) The information provided will be of sufficient detail to promote reliable and accurate benefit coordination and identification of individuals who are also eligible for department programs.
(5) The frequency of updates will be mutually agreed to by each health insurer and the department based on frequency of change and operational limitations. In no event shall the computerized data be provided less than semiannually.
(6) (6) The health insurers and the department shall safeguard and properly use the information to protect records as provided by law, including but not limited to chapters 42.48, 74.09, 74.04, 70.02, and 42.56 RCW, and 42 U.S.C. Sec. 1396a and 42 C.F.R. Sec. 43 et seq. The purpose of this exchange of information is to improve coordination and administration of benefits and ensure that medical insurance benefits are properly utilized.
(7) The department shall target implementation of this section to those health insurers with the highest probability of joint beneficiaries.

Washington Administrative Code (WAC) 388-501-0200 states:

(1) MAA requires a provider to seek timely reimbursement from a third party when a client has available third-party resources, except as described under subsections (2) and (3) of this section.
(2) MAA pays for medical services and seeks reimbursement from the liable third party when the claim is for any of the following:
    (a) Prenatal care;
    (b) Labor, delivery, and postpartum care (except inpatient hospital costs) for a pregnant woman; or
    (c) Preventive pediatric services as covered under the EPSDT program.
(3) MAA pays for medical services and seeks reimbursement from any liable third party when both of the following apply:
    (a) The provider submits to MAA documentation of billing the third party and the provider has not received payment after thirty days from the date of services; and
    (b) The claim is for a covered service provided to a client on whose behalf the office of support enforcement is enforcing an absent parent to pay support. For the purpose of this section, "is enforcing" means the absent parent either:
        (i) Is not complying with an existing court order; or
        (ii) Received payment directly from the third party and did not pay for the medical services.

(4) The provider may not bill MAA or the client for a covered service when a third party pays a provider the same amount as or more than the MAA rate.
(5) When the provider receives payment from the third party after receiving reimbursement from MAA, the provider must refund to MAA the amount of the:
    (a) Third-party payment when the payment is less than MAA's maximum allowable rate; or
    (b) MAA payment when the third-party payment is equal to or greater than MAA's maximum allowable rate.
(6) MAA is not responsible to pay for medical services when the third-party benefits are available to pay for the client's medical services at the time the provider bills MAA, except as described under subsections (2) and (3) of this section.
(7) The client is liable for charges for covered medical services that would be paid by the third party payment when the client either:
    (a) Receives direct third-party reimbursement for such services; or
    (b) Fails to execute legal signatures on insurance forms, billing documents, or other forms necessary to receive insurance payments for services rendered. See WAC 388-505-0540 for assignment of rights.
(8) MAA considers an adoptive family to be a third-party resource for the medical expenses of the birth mother and child only when there is a written contract between the adopting family and either the birth mother, the attorney, the provider, or the adoption service. The contract must specify that the adopting family will pay for the medical care associated with the pregnancy.
(9) A provider cannot refuse to furnish covered services to a client because of a third party's potential liability for the services.
(10) For third-party liability on personal injury litigation claims, MAA is responsible for providing medical services as described under WAC 388-501-0100.

10-41 The Department of Social and Health Services did not ensure all Medicaid providers were eligible to participate in the program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	$ 8,379.59 Non-ARRA $ 2,100.52 ARRA

Background

The Department of Social and Health Services contracts with businesses and individuals to provide services to Medicaid clients. Federal regulations prohibit grant recipients from using federal money to pay contractors or subcontractors who have been suspended, debarred or excluded from doing business with the federal government.

The U.S. Office of Inspector General has authority under the Social Security Act to exclude individuals and businesses from being paid with Medicaid funds to provide services. The Office maintains the List of Excluded Individuals/Entities database that shows parties that are excluded.

Grant recipients are responsible for verifying that the business or individual with whom they intend to do business is not excluded or debarred. The Department's Aging and Disability Services Administration (ADSA) is responsible for this verification and requires providers to sign a contract that contains a clause stating the provider is not suspended, debarred or excluded.

Description of Condition

We compared all the Department's providers to the database to determine if any were federally excluded. We identified one provider that had been excluded and that received $17,126.15 in Medicaid funds that it should not have been paid.

Cause of Condition

The Department runs a data match between its provider list and the database, but this procedure is not identifying all exceptions.

Effect of Condition and Questioned Costs

Medicaid payments to an excluded party are unallowable.

Upon receiving a notification from the State Auditor's Office in January 2010, the Department terminated this provider from participation in the Medicaid program in February 2010. We are questioning $10,480.11, which is the federal portion of the expenditures during fiscal year 2010 prior to the provider being terminated.

Recommendation

We recommend the Department:

- Review its data match process to determine why the excluded provider was not identified, and make adjustments or corrections to the process as necessary to prevent future occurrences.
- Refund $10,480.11 to the federal government.

Department's Response

The Department concurs with this finding.

Medicaid dollars were used to reimburse an excluded party who happened to be a parent provider. The excluded party (parent provider) provided the client services as authorized, and was paid for those services. During the audit period, parent providers were exempt by rule (RCW 74.15.030 (3)) from background checks. This exemption will change in 2012, when all providers, including parent providers will be required to be fingerprinted as part of the background check process

The Department will review its data match process to identify and make corrections determined to be necessary to prevent future occurrences.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

Sec. 1128. [42 U.S.C. 1320a–7] states:

(a) Mandatory Exclusion. States-The Secretary shall exclude the following individuals and entities from participation in any Federal health care program (as defined in section 1128B(f)):

(1) Conviction of program-related crimes.—Any individual or entity that has been convicted of a criminal offense related to the delivery of an item or service under title XVIII or under any State health care program.

(2) Conviction relating to patient abuse.—Any individual or entity that has been convicted, under Federal or State law, of a criminal offense relating to neglect or abuse of patients in connection with the delivery of a health care item or service.

(3) Felony conviction relating to health care fraud.—Any individual or entity that has been convicted for an offense which occurred after the date of the enactment of the Health Insurance Portability and Accountability Act of 1996[46], under Federal or State law, in connection with the delivery of a health care item or service or with respect to any act or omission in a health care program (other than those specifically described in paragraph (1)) operated by or financed in whole or in part by any Federal, State, or local government agency, of a criminal offense consisting of a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct.

(4) Felony conviction relating to controlled substance.—Any individual or entity that has been convicted for an offense which occurred after the date of the enactment of the Health Insurance Portability and Accountability Act of 1996, under Federal or State law, of a criminal offense consisting of a felony relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

(b) Permissive Exclusion.—The Secretary may exclude the following individuals and entities from participation in any Federal health care program (as defined in section 1128B(f)):

(1) Conviction relating to fraud.—Any individual or entity that has been convicted for an offense which occurred after the date of the enactment of the Health Insurance Portability and Accountability Act of 1996, under Federal or State law—

(A) of a criminal offense consisting of a misdemeanor relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct—
(i) in connection with the delivery of a health care item or service, or
(ii) with respect to any act or omission in a health care program (other than those specifically described in subsection (a)(1)) operated by or financed in whole or in part by any Federal, State, or local government agency; or
(B) of a criminal offense relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct with respect to any act or omission in a program (other than a health care program) operated by or financed in whole or in part by any Federal, State, or local government agency.

(2) Conviction relating to obstruction of an investigation or audit[47].—Any individual or entity that has been convicted, under Federal or State law, in connection with the interference with or obstruction of any investigation or audit related to—
(i) any offense described in paragraph (1) or in subsection (a);
(ii) the use of funds received, directly or indirectly, from any Federal health care program (as defined in section 1128B(f)).[48]

(3) Misdemeanor conviction relating to controlled substance.—Any individual or entity that has been convicted, under Federal or State law, of a criminal offense consisting of a misdemeanor relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

(4) License revocation or suspension.—Any individual or entity—
(A) whose license to provide health care has been revoked or suspended by any State licensing authority, or who otherwise lost such a license or the right to apply for or renew such a license, for reasons bearing on the individual's or entity's professional competence, professional performance, or financial integrity, or
(B) who surrendered such a license while a formal disciplinary proceeding was pending before such an authority and the proceeding concerned the individual's or entity's professional competence, professional performance, or financial integrity.

(5) Exclusion or suspension under federal or state health care program.—Any individual or entity which has been suspended or excluded from participation, or otherwise sanctioned, under—
(A) any Federal program, including programs of the Department of Defense or the Department of Veterans Affairs, involving the provision of health care, or
(B) a State health care program, for reasons bearing on the individual's or entity's professional competence, professional performance, or financial integrity.

(6) Claims for excessive charges or unnecessary services and failure of certain organizations to furnish medically necessary services.—Any individual or entity that the Secretary determines—
(A) has submitted or caused to be submitted bills or requests for payment (where such bills or requests are based on charges or cost) under title XVIII or a State health care program containing charges (or, in applicable cases, requests for payment of costs) for items or services furnished substantially in excess of such individual's or entity's usual charges (or, in applicable cases, substantially in excess of such individual's or entity's costs) for such items or services, unless the Secretary finds there is good cause for such bills or requests containing such charges or costs;
(B) has furnished or caused to be furnished items or services to patients (whether or not eligible for benefits under title XVIII or under a State health care program) substantially in excess of the needs of such patients or of a quality which fails to meet professionally recognized standards of health care;
(C) is—
(i) a health maintenance organization (as defined in section 1903(m)) providing items and services under a State plan approved under title XIX, or

(ii) an entity furnishing services under a waiver approved under section 1915(b)(1), and has failed substantially to provide medically necessary items and services that are required (under law or the contract with the State under title XIX) to be provided to individuals covered under that plan or waiver, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals; or

(D) is an entity providing items and services as an eligible organization under a risk–sharing contract under section 1876 and has failed substantially to provide medically necessary items and services that are required (under law or such contract) to be provided to individuals covered under the risk–sharing contract, if the failure has adversely affected (or has a substantial likelihood of adversely affecting) these individuals.

(7) Fraud, kickbacks, and other prohibited activities.—Any individual or entity that the Secretary determines has committed an act which is described in section 1128A, 1128B, or 1129.

(8) Entities controlled by a sanctioned individual.—Any entity with respect to which the Secretary determines that a person—

(A) (i) who has a direct or indirect ownership or control interest of 5 percent or more in the entity or with an ownership or control interest (as defined in section 1124(a)(3)) in that entity,

(ii) who is an officer, director, agent, or managing employee (as defined in section 1126(b)) of that entity; or

(iii) who was described in clause (i) but is no longer so described because of a transfer of ownership or control interest, in anticipation of (or following) a conviction, assessment, or exclusion described in subparagraph (B) against the person, to an immediate family member (as defined in subsection (j)(1)) or a member of the household of the person (as defined in subsection (j)(2)) who continues to maintain an interest described in such clause—is a person—

(B) (i) who has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection;

(ii) against whom a civil monetary penalty has been assessed under section 1128A or 1129; or

(iii) who has been excluded from participation under a program under title XVIII or under a State health care program.

(9) Failure to disclose required information.—Any entity that did not fully and accurately make any disclosure required by section 1124, section 1124A, or section 1126.

(10) Failure to supply requested information on subcontractors and suppliers.—Any disclosing entity (as defined in section 1124(a)(2)) that fails to supply (within such period as may be specified by the Secretary in regulations) upon request specifically addressed to the entity by the Secretary or by the State agency administering or supervising the administration of a State health care program—

(A) full and complete information as to the ownership of a subcontractor (as defined by the Secretary in regulations) with whom the entity has had, during the previous 12 months, business transactions in an aggregate amount in excess of $25,000, or

(B) full and complete information as to any significant business transactions (as defined by the Secretary in regulations), occurring during the five–year period ending on the date of such request, between the entity and any wholly owned supplier or between the entity and any subcontractor.

(11) Failure to supply payment information.—Any individual or entity furnishing, ordering, referring for furnishing, or certifying the need for[49] items or services for which payment may be made under title XVIII or a State health care program that fails to provide such information as the Secretary or the appropriate State agency finds necessary to determine whether such payments are or were due and the

amounts thereof, or has refused to permit such examination of its records by or on behalf of the Secretary or that agency as may be necessary to verify such information.

(12) Failure to grant immediate access.—Any individual or entity that fails to grant immediate access, upon reasonable request (as defined by the Secretary in regulations) to any of the following:

(A) To the Secretary, or to the agency used by the Secretary, for the purpose specified in the first sentence of section 1864(a) (relating to compliance with conditions of participation or payment).

(B) To the Secretary or the State agency, to perform the reviews and surveys required under State plans under paragraphs (26), (31), and (33) of section 1902(a) and under section 1903(g).

(C) To the Inspector General of the Department of Health and Human Services, for the purpose of reviewing records, documents, and other data necessary to the performance of the statutory functions of the Inspector General.

(D) To a State medicaid fraud control unit (as defined in section 1903(q)), for the purpose of conducting activities described in that section.

(13) Failure to take corrective action.—Any hospital that fails to comply substantially with a corrective action required under section 1886(f)(2)(B).

(14) Default on health education loan or scholarship obligations.—Any individual who the Secretary determines is in default on repayments of scholarship obligations or loans in connection with health professions education made or secured, in whole or in part, by the Secretary and with respect to whom the Secretary has taken all reasonable steps available to the Secretary to secure repayment of such obligations or loans, except that (A) the Secretary shall not exclude pursuant to this paragraph a physician who is the sole community physician or sole source of essential specialized services in a community if a State requests that the physician not be excluded, and (B) the Secretary shall take into account, in determining whether to exclude any other physician pursuant to this paragraph, access of beneficiaries to physician services for which payment may be made under title XVIII or XIX.

(15) Individuals Controlling a Sanctioned Entity.—

(A) Any individual—

(i) who has a direct or indirect ownership or control interest in a sanctioned entity and who knows or should know (as defined in section 1128A(i)(6)) of the action constituting the basis for the conviction or exclusion described in subparagraph (B); or

(ii) who is an officer or managing employee (as defined in section 1126(b)) of such an entity.

(B) For purposes of subparagraph (A), the term "sanctioned entity" means an entity—

(i) that has been convicted of any offense described in subsection (a) or in paragraph (1), (2), or (3) of this subsection; or

(ii) that has been excluded from participation under a program under title XVIII or under a State health care program.

(16)[50] Making false statements or misrepresentation of material facts.—Any individual or entity that knowingly makes or causes to be made any false statement, omission, or misrepresentation of a material fact in any application, agreement, bid, or contract to participate or enroll as a provider of services or supplier under a Federal health care program (as defined in section 1128B(f)), including Medicare Advantage organizations under part C of title XVIII, prescription drug plan sponsors under part D of title XVIII, medicaid managed care organizations under title XIX, and entities that apply to participate as providers of services or suppliers in such managed care organizations and such plans.

(c) Notice, Effective Date, and Period of Exclusion.—

(1) An exclusion under this section or under section 1128A shall be effective at such time and upon such reasonable notice to the public and to the individual or entity excluded as may be specified in regulations consistent with paragraph (2).

(2) (A) Except as provided in subparagraph (B), such an exclusion shall be effective with respect to services furnished to an individual on or after the effective date of the exclusion.

(B) Unless the Secretary determines that the health and safety of individuals receiving services warrants the exclusion taking effect earlier, an exclusion shall not apply to payments made under title XVIII or under a State health care program for—

(i) inpatient institutional services furnished to an individual who was admitted to such institution before the date of the exclusion, or

(ii) home health services and hospice care furnished to an individual under a plan of care established before the date of the exclusion, until the passage of 30 days after the effective date of the exclusion.

(3) (A) The Secretary shall specify, in the notice of exclusion under paragraph (1) and the written notice under section 1128A, the minimum period (or, in the case of an exclusion of an individual under subsection (b)(12) or in the case described in subparagraph (G), the period) of the exclusion.

(B) Subject to subparagraph (G), in the case of an exclusion under subsection (a), the minimum period of exclusion shall be not less than five years, except that, upon the request of the administrator of a Federal health care program (as defined in section 1128B(f)) who determines that the exclusion would impose a hardship on beneficiaries (as defined in section 1128A(i)(5) of that program[51], the Secretary may, after consulting with the Inspector General of the Department of Health and Human Services, waive the exclusion under subsection (a)(1), (a)(3), or (a)(4) with respect to that program in the case of an individual or entity that is the sole community physician or sole source of essential specialized services in a community. The Secretary's decision whether to waive the exclusion shall not be reviewable.

(C) In the case of an exclusion of an individual under subsection (b)(12), the period of the exclusion shall be equal to the sum of—

(i) the length of the period in which the individual failed to grant the immediate access described in that subsection, and

(ii) an additional period, not to exceed 90 days, set by the Secretary.

(D) Subject to subparagraph (G), in the case of an exclusion of an individual or entity under paragraph (1), (2), or (3) of subsection (b), the period of the exclusion shall be 3 years, unless the Secretary determines in accordance with published regulations that a shorter period is appropriate because of mitigating circumstances or that a longer period is appropriate because of aggravating circumstances.

(E) In the case of an exclusion of an individual or entity under subsection (b)(4) or (b)(5), the period of the exclusion shall not be less than the period during which the individual's or entity's license to provide health care is revoked, suspended, or surrendered, or the individual or the entity is excluded or suspended from a Federal or State health care program.

(F) In the case of an exclusion of an individual or entity under subsection (b)(6)(B), the period of the exclusion shall be not less than 1 year.

(G) In the case of an exclusion of an individual under subsection (a) based on a conviction occurring on or after the date of the enactment of this subparagraph, if the individual has (before, on, or after such date) been convicted—

(i) on one previous occasion of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be not less than 10 years, or

(ii) on 2 or more previous occasions of one or more offenses for which an exclusion may be effected under such subsection, the period of the exclusion shall be permanent.

(d) Notice to State Agencies and Exclusion Under State Health Care Programs.—

(1) Subject to paragraph (3), the Secretary shall exercise the authority under this section and section 1128A in a manner that results in an individual's or entity's exclusion from all the programs under title XVIII and all the State health care programs in which the individual or entity may otherwise participate.

(2) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act[52] may apply, the Attorney General)—

(A) of the fact and circumstances of each exclusion effected against an individual or entity under this section or section 1128A, and

(B) of the period (described in paragraph (3)) for which the State agency is directed to exclude the individual or entity from participation in the State health care program.

(3) (A) Except as provided in subparagraph (B), the period of the exclusion under a State health care program under paragraph (2) shall be the same as any period of exclusion under title XVIII.

(B) (i) The Secretary may waive an individual's or entity's exclusion under a State health care program under paragraph (2) if the Secretary receives and approves a request for the waiver with respect to the individual or entity from the State agency administering or supervising the administration of the program.

(ii) A State health care program may provide for a period of exclusion which is longer than the period of exclusion under title XVIII.

(e) Notice to State Licensing Agencies.—The Secretary shall—

(1) promptly notify the appropriate State or local agency or authority having responsibility for the licensing or certification of an individual or entity excluded (or directed to be excluded) from participation under this section or section 1128A, of the fact and circumstances of the exclusion,

(2) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy, and

(3) request that the State or local agency or authority keep the Secretary and the Inspector General of the Department of Health and Human Services fully and currently informed with respect to any actions taken in response to the request.

(f) Notice, Hearing, and Judicial Review.—

(1) Subject to paragraph (2), any individual or entity that is excluded (or directed to be excluded) from participation under this section is entitled to reasonable notice and opportunity for a hearing thereon by the Secretary to the same extent as is provided in section 205(b), and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g), except that, in so applying such sections and section 205(l), any reference therein to the Commissioner of Social Security or the Social Security Administration shall be considered a reference to the Secretary or the Department of Health and Human Services, respectively.

(2) Unless the Secretary determines that the health or safety of individuals receiving services warrants the exclusion taking effect earlier, any individual or entity that is the subject of an adverse determination under subsection (b)(7) shall be entitled to a hearing by an administrative law judge (as provided under section 205(b)) on the determination under subsection (b)(7) before any exclusion based upon the determination takes effect.

(3) The provisions of section 205(h) shall apply with respect to this section and sections 1128A, 1129, and 1156 to the same extent as it is applicable with respect to title II, except that, in so applying such section and section 205(l), any reference therein to the Commissioner of Social Security shall be considered a reference to the Secretary.

(4)[53] The provisions of subsections (d) and (e) of section 205 shall apply with respect to this section to the same extent as they are applicable with respect to title II. The Secretary may delegate the authority granted by section 205(d) (as made applicable to this section) to the Inspector General of the Department of Health and Human Services for purposes of any investigation under this section.

(g) Application for Termination of Exclusion.—

(1) An individual or entity excluded (or directed to be excluded) from participation under this section or section 1128A may apply to the Secretary, in the manner specified by the Secretary in regulations and at the end of the minimum period of exclusion provided under subsection (c)(3) and at such other times as the Secretary may provide, for termination of the exclusion effected under this section or section 1128A.

(2) The Secretary may terminate the exclusion if the Secretary determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Secretary at the time of the exclusion, that—

(A) there is no basis under subsection (a) or (b) or section 1128A(a) for a continuation of the exclusion, and

(B) there are reasonable assurances that the types of actions which formed the basis for the original exclusion have not recurred and will not recur.

(3) The Secretary shall promptly notify each appropriate State agency administering or supervising the administration of each State health care program (and, in the case of an exclusion effected pursuant to subsection (a) and to which section 304(a)(5) of the Controlled Substances Act[54] may apply, the Attorney General) of the fact and circumstances of each termination of exclusion made under this subsection.

(h) Definition of State Health Care Program.—For purposes of this section and sections 1128A and 1128B, the term "State health care program" means—

(1) a State plan approved under title XIX,

(2) any program receiving funds under title V or from an allotment to a State under such title,

(3) any program receiving funds under subtitle I of [55]title XX or from an allotment to a State under such subtitle[56], or

(4) a State child health plan approved under title XXI.

(i) Convicted Defined.—For purposes of subsections (a) and (b), an individual or entity is considered to have been "convicted" of a criminal offense—

(1) when a judgment of conviction has been entered against the individual or entity by a Federal, State, or local court, regardless of whether there is an appeal pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged;

(2) when there has been a finding of guilt against the individual or entity by a Federal, State, or local court;

(3) when a plea of guilty or nolo contendere by the individual or entity has been accepted by a Federal, State, or local court; or

(4) when the individual or entity has entered into participation in a first offender, deferred adjudication, or other arrangement or program where judgment of conviction has been withheld.

(j) Definition of Immediate Family Member and Member of Household.—For purposes of subsection (b)(8)(A)(iii):

(1) The term "immediate family member" means, with respect to a person—

(A) the husband or wife of the person;

(B) the natural or adoptive parent, child, or sibling of the person;

(C) the stepparent, stepchild, stepbrother, or stepsister of the person;

(D) the father–, mother–, daughter–, son–, brother–, or sister–in–law of the person;

(E) the grandparent or grandchild of the person; and

(F) the spouse of a grandparent or grandchild of the person.

(2) The term "member of the household" means, with respect to any person, any individual sharing a common abode as part of a single family unit with the person,

including domestic employees and others who live together as a family unit, but not including a roomer or boarder.

10-42 The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	$460,823 Non-ARRA $115,515 ARRA

Background

The Department of Social and Health Services, Aging and Disability Services Administration, administers the Home and Community Based Services program for the state. Through the program, the state pays for home and community-based services for Medicaid beneficiaries needing long-term care. Individual or agency providers, often chosen by the Medicaid client, provide personal care and assistance allowing the client to avoid institutionalization.

The Department conducts the initial assessment of clients to determine the level of care needed. The Department authorizes the number of service hours required for that care, which forms the basis of the payment to the provider. After the initial assessment, ongoing supervision of client cases and provider services is transferred to one of 13 Area Agencies on Aging (AAA) located throughout the state.

Depending on their financial resources, clients may be required to pay a portion of the costs of services. The Department pays the remainder up to the authorized amount. The service provider is required to record hours worked on a timesheet to be signed by the client and the provider and retained by the provider for two years.

During fiscal year 2010, the Department paid approximately $688 million for in-home services. These included direct payments to AAAs and payments to in-home service providers for services that had been authorized by the AAA.

Description of Condition

In our audits for fiscal years 2008 and 2009 we reported findings regarding the Department's lack of adequate controls to ensure payments are allowable and supported. In response to the findings, the Department notified providers that they are responsible for maintaining accurate timesheets to support care hours worked and for having the timesheets available for review by the Department. The Department also issued a bulletin to case managers to review the notices with the providers and to inform clients of their responsibility to act as supervisors of individual providers.

To determine if payments for home and community-based services were supported, we randomly selected 260 providers and requested copies of their timesheets for the period. As a result of Department efforts, we noticed a significant improvement in the number of providers that responded to our request over previous

years. We also noted a significant increase in the number of providers whose timesheets were complete. See the following chart for comparison with the previous year:

Year of Audit	2009		2010	
Provider with no response or no timesheets	109	54.50%	72	27.69%
Provider with timesheet incomplete	29	14.50%	40	15.38%
Provider with complete timesheets	62	31.00%	148	56.92%
Total Providers selected	200	100.00%	260	100.00%

However, we continued to find significant weaknesses in controls intended to ensure payments are allowable and supported. During our audit, we did not receive any timesheets from 72 individual providers, representing nearly 28 percent of the providers selected. Some individual providers did not respond while others stated they were not aware of the need for timesheets. We also noted timesheets from 40 providers contained errors that affected total payments.

Cause of Condition

The Department did not ensure the AAAs adequately monitored provider services. According to the Department's contract with the AAAs, case managers are expected to inspect a sample of the timesheets when clients are reassessed for service needs. Of eight case managers we surveyed, three stated they did not review timesheets, and the other five stated they performed this review only occasionally.

The Department also stated that it considers the client to be the "employer" of the service provider, and therefore it is the client's responsibility to verify the allowability and legitimacy of payments.

Effect of Condition and Questioned Costs

Although the client may be the employer of the service provider, Medicaid clients do not regularly receive detailed information on payment claims submitted to the Department. Therefore, a client would not know if a provider submitted an incorrect or false claim.

To determine the effect of the control deficiencies, we asked the Department to obtain timesheets from 260 judgmentally selected providers for July 1, 2009 through March 31, 2010. We obtained detailed payment information from the Department and attempted to reconcile it to the timesheets to determine whether payments were legitimate and supported. Of the 260 providers reviewed, we found 148 provided adequate documentation. Of the remaining 112, we noted:

Description of issues	Number of Instances	Related Expenditures
Payments were not supported with timesheets.	72	$ 750,866.00
Providers provided incomplete timesheets and did not have all timesheets for the period requested.	*12	$ 17,920.00
Timesheets were not totaled or incorrectly totaled.	*16	$ 8,755.00
Timesheets with at least one month in which timesheet hours were less than the authorized hours on the Social Services Payment System.	*24	$ 10,650.00
Timesheets showed no variances from month to month, and/or appear to be copies.	*8	$ 108,952.00
Timesheets do not include client signature	*4	$ 18,550.00
Total	136	$ 915,693.00

*: Issues possible in more than one category, which is why the number of exceptions is higher than the number of samples selected. Related questioned costs are not duplicated.

The Department paid a total of $2,787,261.79 to these providers. We identified $915,693 in payments that are not fully supported.

Including Federal Medical Assistance funds from the American Recovery and Reinvestment Act, approximately 62 percent of the questioned amount, or $576,338 was funded by federal dollars. The remaining $339,355 was paid with state dollars.

Recommendation

We recommend the Department:

- Monitor and enforce the provisions of its contracts with the AAAs to ensure payments to providers are legitimate and supported. The Department should pursue the remedies available to it in the contract for instances of non-performance.

- Seek recovery of the funds paid to providers who were unable to adequately support payment claims.

We further recommend the Department pursue responses from the 72 providers that did not submit timesheets, and seek recovery of any unsupported payment from providers. The Department should consult with its grantor to determine if any questioned costs must be repaid to the federal government.

Department's Response

The Department concurs with this finding.

The Department plans on implementing the Provider Compensation Systems (PCS) by the end of 2012. PCS, a sub-system of Provider One, will generate intermittent notices to clients that inform them of the number of hours providers were paid during the previous month. This will allow clients to compare hours authorized against hours paid. Clients will be instructed to notify the Department if there is a discrepancy between authorized hours and paid hours.

The Department will rely on the following controls until PCS is implemented:

- *Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. The Social Service Payment System will not process payments in excess of hours authorized. An Individual Provider (IP) is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager.*
- *Clients are expected to keep copies of timesheets for their individual providers. Case managers periodically review a sample of clients' time sheets and verify with sampled clients that authorized services have been provided. Case managers are instructed to document the review of time sheets and the discussion of service verification in a Service Episode Record.*

    - *In the 12 month period ending October 2010, staff reviewed a revised "Acknowledgement of My Responsibilities as the Employer of My Individual Providers" with all clients who employ an IP. This form must be distributed and reviewed with new clients who select an IP and with current clients who switch to an IP from a homecare agency or residential setting.*

- *In April 2010, all IPs delivering personal care services received a written reminder of their obligation to keep a record of the date/time that in-home services are provided to ADSA clients and complete and retain copies of their timesheets.*
- *In August of 2010 ADSA began auditing a randomly selected sample of IPs timesheets to ensure that services billed for are consistent with timesheet documentation submitted.*

In addition to controls already in place, the Department will take the following actions:

- *The Department will provide a training module to the 13 Area Agencies on Aging to be delivered to case management staff. The training emphasizes the requirement for case managers to periodically review a sample of clients' time sheets, verify with sampled clients that authorized services have been provided and document the review of time sheets and the discussion of service verification in a Service Episode Record.*
- *The Department's Case Management Program Training curriculum will be revised to include an emphasis on the requirement for case managers to periodically review a sample of clients' time sheets and verify with sampled clients that authorized services have been provided and to then document the review of time sheets and the discussion of service verification in a Service Episode Record.*
- *IPs delivering personal care services will again receive a written reminder of their obligation to keep a record of the date/time that in-home services are provided to ADSA clients and complete and retain copies of their timesheets.*
- *A randomly selected sample of IPs timesheets will be audited to determine if services billed for are consistent with timesheet documentation submitted.*

Auditor's Remarks

We thank the Department for its cooperation and assistance throughout the audit. We look forward to reviewing the improvements the Department implements during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225); Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

> 1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
>
> d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
>
> j. Be adequately documented.

Revised Code of Washington (RCW) 74.39A.095 states:

(1) In carrying out case management responsibilities established under RCW 74.39A.090 for consumers who are receiving services under the medicaid personal care, community options programs entry system or chore services program through an individual provider, each area agency on aging shall provide oversight of the care being provided to consumers receiving services under this section to the extent of available funding. Case management responsibilities incorporate this oversight, and include, but are not limited to:
   (a) Verification that any individual provider who has not been referred to a consumer by the authority established under chapter 3, Laws of 2002 has met any training requirements established by the department;
   (b) Verification of a sample of worker time sheets;
   (c) Monitoring the consumer's plan of care to verify that it adequately meets the needs of the consumer, through activities such as home visits, telephone contacts, and responses to information received by the area agency on aging indicating that a consumer may be experiencing problems relating to his or her home care;
   (d) Reassessment and reauthorization of services;
   (e) Monitoring of individual provider performance. If, in the course of its case management activities, the area agency on aging identifies concerns regarding the care being provided by an individual provider who was referred by the authority, the area agency on aging must notify the authority regarding its concerns; and
   (f) Conducting criminal background checks or verifying that criminal background checks have been conducted for any individual provider who has not been referred to a consumer by the authority.

(2) The area agency on aging case manager shall work with each consumer to develop a plan of care under this section that identifies and ensures coordination of health and long-term care services that meet the consumer's needs. In developing the plan, they shall utilize, and modify as needed, any comprehensive community service plan developed by the department as provided in RCW 74.39A.040. The plan of care shall include, at a minimum:
   (a) The name and telephone number of the consumer's area agency on aging case manager, and a statement as to how the case manager can be contacted about any concerns related to the consumer's well-being or the adequacy of care provided;
   (b) The name and telephone numbers of the consumer's primary health care provider, and other health or long-term care providers with whom the consumer has frequent contacts;
   (c) A clear description of the roles and responsibilities of the area agency on aging case manager and the consumer receiving services under this section;
   (d) The duties and tasks to be performed by the area agency on aging case manager and the consumer receiving services under this section;
   (e) The type of in-home services authorized, and the number of hours of services to be provided;
   (f) The terms of compensation of the individual provider;
   (g) A statement by the individual provider that he or she has the ability and willingness to carry out his or her responsibilities relative to the plan of care; and
   (h) (i) Except as provided in (h)(ii) of this subsection, a clear statement indicating that a consumer receiving services under this section has the right to waive any of the case management services offered by the area agency on aging under this section, and a clear indication of whether the consumer has, in fact, waived any of these services.
      (ii) The consumer's right to waive case management services does not include the right to waive reassessment or reauthorization of services, or verification that services are being provided in accordance with the plan of care.

(3) Each area agency on aging shall retain a record of each waiver of services included in a plan of care under this section.

(4) Each consumer has the right to direct and participate in the development of their plan of care to the maximum practicable extent of their abilities and desires, and to be provided with the time and support necessary to facilitate that participation.

(5) A copy of the plan of care must be distributed to the consumer's primary care provider, individual provider, and other relevant providers with whom the consumer has frequent contact, as authorized by the consumer.
(6) The consumer's plan of care shall be an attachment to the contract between the department, or their designee, and the individual provider.
(7) If the department or area agency on aging case manager finds that an individual provider's inadequate performance or inability to deliver quality care is jeopardizing the health, safety, or well-being of a consumer receiving service under this section, the department or the area agency on aging may take action to terminate the contract between the department and the individual provider. If the department or the area agency on aging has a reasonable, good faith belief that the health, safety, or well-being of a consumer is in imminent jeopardy, the department or area agency on aging may summarily suspend the contract pending a fair hearing. The consumer may request a fair hearing to contest the planned action of the case manager, as provided in chapter 34.05 RCW. When the department or area agency on aging terminates or summarily suspends a contract under this subsection, it must provide oral and written notice of the action taken to the authority. The department may by rule adopt guidelines for implementing this subsection.
(8) The department or area agency on aging may reject a request by a consumer receiving services under this section to have a family member or other person serve as his or her individual provider if the case manager has a reasonable, good faith belief that the family member or other person will be unable to appropriately meet the care needs of the consumer. The consumer may request a fair hearing to contest the decision of the case manager, as provided in chapter 34.05 RCW. The department may by rule adopt guidelines for implementing this subsection.

Washington Administrative Code (WAC) 388-71-0515 states:

An individual provider or home care agency provider must:
(1) Understand the client's plan of care that is signed by the client or legal representative and social worker/case manager, and translated or interpreted, as necessary, for the client and the provider;
(2) Provide the services as outlined on the client's plan of care, as defined in WAC 388-106-0010;
(3) Accommodate client's individual preferences and differences in providing care;
(4) Contact the client's representative and case manager when there are changes which affect the personal care and other tasks listed on the plan of care;
(5) Observe the client for change(s) in health, take appropriate action, and respond to emergencies;
(6) Notify the case manager immediately when the client enters a hospital, or moves to another setting;
(7) Notify the case manager immediately if the client dies;
(8) Notify the department or AAA immediately when unable to staff/serve the client; and
(9) Notify the department/AAA when the individual provider or home care agency will no longer provide services. Notification to the client/legal guardian must:
(a) Give at least two weeks' notice, and
(b) Be in writing.
(10) Complete and keep accurate time sheets that are accessible to the social worker/case manager; and
(11) Comply with all applicable laws and regulations.

Employment Reference Guide for Individual Providers (DSHS22-221(X) Page 8 states in part:

§ Make a check in all the personal care tasks listed on the form that you performed as defined in the Care Plan during that month.
§ After you have completed the form, have your employer review it for accuracy. If your employer agrees, he/she should sign their name under "CLIENT'S SIGNATURE".
§ Use your timesheet to fill out your SSPS Service Invoice accurately.

§ Keep one copy for your records (for two (2) years) and give one copy to your employer for his or her files.

According to the Long Term Care manual (Chapter 3, Resources: Forms to review with Client during their Assessment)

Form/Brochure Title	Requirements
Acknowledgement of My Responsibilities as the Employer of My Individual Providers (DSHS 11-055 revised 8/2009)	Review with clients about their responsibilities when employing an Individual Provider. Between November 1, 2009 and October 31, 2010 the form must be distributed and reviewed during the Initial and Annual assessments with all clients who employ an IP. After October 31, 2010, the form must be distributed and reviewed with new clients who select an IP and with current clients who switch to an IP from a homecare agency or residential setting.
IP time sheets	Review with the client and the provider during the annual or Significant Change assessments.

10-43 The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.

Federal Awarding Agency:	US Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	$143,270.78 Non-ARRA $35,913.78 ARRA

Background

Medicaid is a state and federal partnership that provides coverage for certain low-income individuals who might otherwise go without medical care. The state Medicaid program spent more than $6.9 billion during fiscal year 2010; approximately $4.4 billion was paid with federal funds.

Federal regulations require the Department to obtain a Social Security number from each individual, including children, applying for Medicaid. Federal regulations also require the Department to verify the number given with the Social Security Administration to ensure it was issued to the individual who supplied it and whether any other number had been issued for the individual. If an applicant has not been issued a number, the Department must assist the individual in applying for one. Under these circumstances, the Department must obtain evidence to establish the age, citizenship or immigration status, and the true identity of the applicant.

The Social Security Administration provides the state with access to a computer system called the State On-line Query (SOLQ) that enables the Department to verify the validity of a Social Security number at the time of application. Department policy requires staff to verify a client-provided Social Security number using the SOLQ system.

Along with the use of SOLQ, every Social Security number entered in the Automated Client Eligibility System is sent in an overnight batch to the Social Security Administration for verification. If it cannot verify a number, the Administration sends an electronic message to the Department Community Service Office.

Description of Condition

We reviewed all Social Security numbers of Medicaid beneficiaries in the Department's two Medicaid claim processing systems: Medicaid Management Information system (MMIS) and Social Service Payment System (SSPS), and independently verified the numbers in those systems by running a computerized cross-match with the Social Security Administration's database. We performed three distinct reviews to determine if the Department was ensuring clients had valid Social Security numbers:

- A review to identify invalid Social Security numbers.
- A review to identify clients with no Social Security numbers in the claims payment systems.
- A review to identify Social Security numbers reported in the Social Security Administration's database as belonging to deceased people.

Invalid Social Security Numbers

We initially identified 487 Social Security numbers which, according to the Social Security Administration's database, have never been issued and therefore are invalid. The Department was able to resolve 460 of these, most due to data entry error. For the other 27, the Department could not provide a valid number.

No Social Security Numbers in the MMIS and SSPS

For some Medicaid client groups, such as foster or adopted children, the client's Social Security number does not appear in the claims payment systems due to confidentiality issues. As such, not finding a client's Social Security number in the payment systems does not always mean the Department does not have a valid Social Security number for the client.

During our testing we found 8,231 clients that had no Social Security number in the systems. Of those, 7,178 were foster or adopted children. For the remaining 1,053, we reviewed to determine whether the clients had valid Social Security numbers. The Department was able to resolve 677 of those by providing valid numbers. No valid number was found for the remaining 376.

Social Security Numbers belonging to deceased people

We used the Social Security Administration Death Master File and Medicaid claims data to identify payments for services provided to individuals using the Social Security number of a deceased person. We found nine clients in the system inappropriately using the Social Security number of a deceased person.

The table below summarizes the unresolved instances, and related Medicaid expenditures:

	MMIS		**SSPS**		**Total**	
		Payments		**Payments**		**Payments**
Invalid number	26	$18,862.44	1	$92.78	27	$18,955.22
No number	374	$182,555.26	2	$71,112.29	376	$253,667.55
Number belongs to deceased person	7	$11,868.29	2	$200.00	9	$12,068.29
Total	**407**	**$213,285.99**	**5**	**$71,405.07**	**412**	**$284,691.06**

The Department paid $284,691.06 for services provided to 412 clients who did not have valid Social Security numbers.

Cause of Condition

The Department has Social Security number verification procedures and has made improvements in its training and monitoring. However it is still not preventing or catching all unallowable payments.

Effect of Condition and Questioned Costs

When Medicaid benefits are paid for services to ineligible individuals, the money available for eligible clients is reduced. Payments for services for these 412 clients were $284,691.06. We are questioning $179,184.56, the federal portion of the unallowable costs.

Federal laws and regulations state unallowable payments can be recovered from the payee only if the State's Medicaid Eligibility Quality Control program finds those payments. Due to this, we are not able to officially recommend the Department refund the federal portion of payments associated with the services for those clients to the federal government.

Recommendation

We recommend the Department:

- Follow up on 412 clients for whom the Department could not provide evidence of correct Social Security numbers and re-determine their Medicaid eligibility.
- Ensure all staff involved in the verification process follow the Department's Social Security number verification procedures.

Department's Response

This finding involved Children's Administration, Economic Services Administration, and the Medicaid Purchasing Administration. Each administration provided individual responses.

Children's Administration

Children's Administration (CA) concurs with this finding.

Two of the exceptions identified during the audit are associated with CA. One was for a runaway child and the SSN was not initially available. We have since obtained the SSN for this child and it is reflected in our records. The second child was born in Canada and has dual citizenship. The Department has initiated the process to apply for a SSN for this child but one has not been issued yet.

The verification procedures used by Department staff for both of these cases has allowed CA to obtain the client's available SSN information.

Economic Services Administration

The Economic Services Administration (ESA) concurs with this finding.

The audit cited 412 exceptions, with 327 being related to ESA cases. Of these, 58 were updated with a valid SSN and 254 were closed. The remaining 15 cases will be reviewed and staff will take appropriate action.

To ensure staff follow SSN verification procedures, ESA along with the Medicaid Purchasing Administration have requested enhancements to our automated systems. The following initiatives will be developed to support the accurate processing of cases with missing or invalid SSNs:

- *Automation of the State On-line Query (SOLQ) SSN verification process at the time of application.*
- *System generated edits and assignments to ensure accurate processing and follow-up of cases with missing or invalid SSNs.*

Medicaid Purchasing Administration

The Medicaid Purchasing Administration (MPA) partially concurs with the audit findings.

The team determined the audit sample by pulling all cases that either had no Social Security Number or cases that had a number that was not verified by the Social Security Administration's system. In our opinion, this is not a valid sample of our total caseload of 1.1 million clients. This sample consisted only of cases that might be in error -- in effect, inflating the number of potential errors that might exist within the total Title XIX and Title XXI caseload. By comparing to the total 1.1 million cases, the audit team initially found 8,727 potential errors, a 7.9% potential error rate. But of that number of potential errors, the audit team found only 410 actual errors, or a 0.047% error rate. In addition, only 84 of the cited errors were under Medicaid's control, resulting in a Medicaid error rate of only 0.009%.

Twelve of these 84 cases were already closed or corrected. The remaining 72 (86%) were Take Charge family-planning-only cases. In the past, these clients have received one medical ID card covering a 12-month certification period. Beginning in May 2010, however, the Medicaid payment system changed to ProviderOne. This system only shows one month of a client's eligibility, which enables the department to close Take Charge certifications when needed. This new functionality in ProviderOne will eliminate the Take Charge problem since the department regularly terminates these cases when eligibility ends, rather than waiting until the end of the certification period as before.

Medicaid now shares monthly reports on cases that lack SSNs or have invalid SSNs with the Economic Services Administration so that workers in either administration may correct them quickly. Staff has now been trained on the need for SSNs and how to verify them through the State OnLine Query. In addition, the Eligibility A-Z manual has been updated with the most current procedures.

MPA will work with ESA to implement the enhancements ESA described in the last paragraph of their response to this finding.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

The Code of Federal Regulations is explicit regarding obtaining and verifying Social Security numbers as a condition of Medicaid eligibility.

Title 42, Code of Federal Regulations, Section 435.910 (a) specifically states in part:

> The agency must require, as a condition of eligibility that each individual (including children) requesting Medicaid services furnish each of his or her own social security numbers . . . .

Title 42, Code of Federal Regulations, Section 435.910 (g) states:

> The agency must verify each SSN of each applicant and recipient with SSA, as prescribed by the commissioner, to insure that each SSN furnished was issued to that individual and to determine whether any others were issued.

Title 42, Code of Federal Regulations, Section 435.910 (e) states:

> If a Medicaid applicant cannot remember or has not been issued a Social Security number the agency must:
>
> (1) Assist the applicant in completing an application for an SSN;
>
> (2) Obtain evidence required under SSA regulations to establish the age, the citizenship or alien status, and the true identity of the applicant; and
>
> (3) Either send the application to SSA or, if there is evidence that the applicant has previously been issued a SSN, request SSA to furnish the number.

Title 42, Code of Federal Regulations, Section 435.916 (a) states in part:

> The agency must re-determine the eligibility of Medicaid recipients, with respect to circumstances that may change, at least every 12 months . . .

Title 42, Code of Federal Regulations, Section 435.920 (a-c) states:

(a) In re-determining eligibility, the agency must review case records to determine whether they contain the recipient's SSN or, in the case of families, each family member's SSN.

(b) If the case record does not contain the required SSNs, the agency must require the recipient to furnish them and meet other requirements of 435.910.

(c) For any recipient whose SSN was established as part of the case record without evidence required under the SSN regulations as to age, citizenship, alien status, or true identity, the agency must obtain verification of these factors in accordance with 435.910.

10-44 The Department of Social and Health Services Medicaid Purchasing Administration's[3] internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are based on accurate data.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Special Tests and Provisions
Questioned Cost Amount:	None

Background

From July 2009 through June 2010, the state paid more than $1.3 billion to managed healthcare providers, an increase of $12 million over the previous year. These payments include funds made available through the American Recovery and Reinvestment Act of 2009.

The Department pays managed healthcare providers a uniform, pre-determined, per-patient monthly rate regardless of the number of times a patient is seen each month or the services provided. This is known as a capitation rate. Different managed health care plans may have different rates. Providers are required to submit information regarding the patient visit to the Medicaid Purchasing Administration, including the cost of the services and demographic, diagnostic and geographic data.

The Administration contracts with an actuary to analyze this data to use in developing capitation rates. In general, the rate is higher for plans including more seriously ill people.

In a report in August 2010, the U.S. Government Accountability Office stated the accuracy and completeness of data used to set managed care rates is a critical component to ensure the rates are appropriate. In fiscal years 2003 through 2009, we reported concerns regarding the Administration's lack of review of the accuracy of data received from providers that is used to determine the rates in the state.

Description of Condition

We found the Administration does not verify the accuracy of data from providers that is used to determine the rates, even though it has the knowledge and expertise to do so. The Administration has an actuarially sound process for calculating rates, however actuarial certification does not ensure the reported data is reliable. If underlying data used is inaccurate or incomplete, it could result in inaccurate rates.

Cause of Condition

The Department does not agree with the finding and believes its controls are sufficient to ensure data used in the rate-setting process is accurate and complete. Specifically, the Department cites:

- The actuary's comparisons of data to managed healthcare providers' financial statements and prior year data, and a limited review of individual services provided by managed healthcare facilities.

[3] Formerly Health and Recovery Services Administration (HRSA)

- Fraud and abuse controls at the managed healthcare providers to prevent provider fraud.
- That it has had no findings regarding rate-setting in two Centers for Medicare and Medicaid Services (CMS) reviews.
- CMS approved its rates.

The controls the Department cites are not specifically designed to verify the accuracy and completeness of the data, and therefore cannot be relied on to achieve that objective. A lack of identified fraud or findings by CMS does not reasonably ensure data integrity.

Effect of Condition

The Department is increasing the risk that rates paid to providers are inaccurate.

Recommendation

We recommend the Department establish and follow controls to provide reasonable assurance that data used in rate-setting is accurate and complete.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) continues to not concur with this audit finding.

There are sufficient controls in-place to assure that managed care rates are set based on the verified managed care organizations (MCO) actual costs of care. Actuarially certified, proprietary cost information is submitted directly to the Department's (MPA) actuary. The actuary verifies the information submitted by comparing it to audited financial statements submitted to the Office of the Insurance Commissioner, and encounter data submitted to the Department (MPA). The actuary also does analysis of prior years, compares MCOs to each other and resolves outliers that arise from its analyses with the MCOs.

In addition, the MCOs each have compliant fraud and abuse controls to prevent provider fraud. These controls provide reasonable assurance that the data used in rate-setting is accurate and complete. This assertion is supported by the fact that the Department (MPA) has had no findings regarding rate setting in two Centers for Medicare and Medicaid Services (CMS) reviews and has had its rates consistently approved by CMS with their full understanding of our rate setting methodology.

Auditor's Concluding Remarks

Without reviewing the accuracy and completeness of data used to set managed care rates the Department cannot ensure the rates are appropriate. We thank the Department for its response, and will follow up during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, Code of Federal Regulations, Section 456.3 states, in part:

The Medicaid agency must implement a statewide surveillance and utilization control program that –

a. Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments

Title 42 CFR 438.6 Contract requirements, states in parts:

(c) *Payments under risk contracts* —

(1) *Terminology.* As used in this paragraph, the following terms have the indicated meanings:

(i) *Actuarially sound capitation rates* means capitation rates that—

(A) Have been developed in accordance with generally accepted actuarial principles and practices;

(B) Are appropriate for the populations to be covered, and the services to be furnished under the contract; and

(C) Have been certified, as meeting the requirements of this paragraph (c), by actuaries who meet the qualification standards established by the American Academy of Actuaries and follow the practice standards established by the Actuarial Standards Board.

(3) *Requirements for actuarially sound rates.* In setting actuarially sound capitation rates, the State must apply the following elements, or explain why they are not applicable:

(i) Base utilization and cost data that are derived from the Medicaid population, or if not, are adjusted to make them comparable to the Medicaid population.

(4) *Documentation.* The State must provide the following documentation:

(i) The actuarial certification of the capitation rates.

(ii) An assurance (in accordance with paragraph (c)(3) of this section) that all payment rates are—

(A) Based only upon services covered under the State plan (or costs directly related to providing these services, for example, MCO, PIHP, or PAHP administration).

(B) Provided under the contract to Medicaid-eligible individuals.

10-45 The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all applicant-owned assets are counted when Medicaid eligibility is determined.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

The Medicaid program covers long-term care services for individuals who are unable to afford it. In order to ensure the availability of long-term care services for people who truly need them, the Federal Deficit Reduction Act of 2005 tightened Medicaid rules to make it more difficult for individuals with resources to pay for their own long-term care to inappropriately transfer assets for less than fair market value in order to qualify for coverage.

When an individual applies for Medicaid coverage for long-term care, the state conducts a review, or "look-back", to determine whether the individual (or his or her spouse) transferred assets to another person or party for less than fair market value to become eligible. The Act lengthened the "look-back period" to 60 months (five years) prior to the date of the application.

When individuals transfer assets at less than fair market value in order to qualify for Medicaid long-term care services, he or she is subject to a penalty that delays the date Medicaid long-term care services begin. Under the Act, the penalty period for transfers made on or after February 8, 2006, begins on either the date of the asset transfer, or the date the individual is determined to be eligible for Medicaid coverage, whichever is later.

The Department of Social and Health Services, Aging and Disability Services Administration, administers long-term care services under Medicaid. In fiscal year 2010, the Department spent more than $1.4 billion on these services.

Description of Condition

In our audit for fiscal years 2008 and 2009 we reported findings relating to the Department's inadequate controls over the look-back. The Department responded that it did not concur with the finding and believed relying on self-declaration by the client regarding asset transfers or sales within is sufficient.

During our current audit, we found no changes in the conditions reported in our previous two audits. Bank statements the Department reviews do not provide a reasonable picture of the applicant's financial situation over the five year look-back period or to ensure the Department is able to identify all assets owned or transferred by applicants.

Cause of Condition

The Department does not agree that federal rules require review of financial activities for the previous five years, unless a client declares he or she made an asset transfer or sale, or if it finds inconsistent information in financial records or other problems with the application.

Effect of Condition

Lack of adequate procedures to identify the financial resources of applicants when Medicaid eligibility is determined increases the risk of ineligible individuals receiving long-term care through the Medicaid program.

Recommendation

We recommend the Department establish and follow internal controls that will reasonably ensure all assets applicants own during the look-back period are counted when Medicaid eligibility is determined.

Department's Response

The Department does not concur with this finding.

The Department disagrees with the SAO for the following reasons:

- *Most clients do not have proof of all financial activities that occurred during the last five years, which would be all of their financial statements from banks and other financial institutions. The process that the client or Department would have to go through to provide that much history would be lengthy and expensive, and would not meet the federal requirement in 42CFR 435.902 that an agency's policies and procedures for determining eligibility must be conducted in a manner consistent with simplicity of administration and is in the best interests of applicants and recipients.*

- *The Department would have to pay banks to provide archived statements that the clients no longer have per WAC 388-490-0005(7). The length of time it would take to request and then review a minimum of 60 bank statements, with the possibility of hundreds more if there are multiple accounts at different banks, would make it impossible to meet our standard of promptness for Medicaid applications with existing staff. Many additional FTEs would be required. Requiring all clients to provide 60 months of bank statements would not be cost-effective.*

- *Unless transfers were made with the intent of qualifying for long-term care benefits the Department cannot impose a transfer penalty. RCW 74.08.080(2)(g) states that the burden is on the department to prove by a preponderance of the evidence that the person knowingly and willingly assigned or transferred the resource at less than fair market value for the purpose of qualifying…for medical assistance". Applicants who have or had enough resources to consider transferring assets are usually applying for public assistance for the first time. If transfers occurred between 2 – 5 years prior to applying, what we find is that those persons were usually unaware of Medicaid policies at that time because they were in reasonably good health, were not contemplating future long-term care needs, and were simply helping family members. If they were transferring assets to qualify that long ago it is often difficult to prove. Specific planning for future Medicaid eligibility usually occurs within a few months of the application.*

- *Requiring clients to provide five years of bank statements would only pertain to bank accounts that are declared. No system is in place to identify undeclared bank accounts and other types of undeclared transfers which is the primary reason for reliance on self-declaration.*

- *The Department is committed to ensuring that Medicaid clients are financially eligible for the program benefits that they receive and will continue to pursue and verify any asset transfers that it becomes aware of through the written application, the subsequent interview, or discovered through other means. Applicants complete the DSHS Application for Benefits. This form specifically asks if the applicant or applicant's spouse has sold, traded, given away, or transferred a resource in the last five years, and if so, what and when. The application states that the person signing it is declaring an understanding that they can be criminally prosecuted for making a false statement or failing to report something. The signature certifies and declares under penalty of perjury under the laws of the State of Washington that the information given is true and correct.*

  In addition, the Department is taking the following actions:

  - *Staff will routinely check online county assessor systems to see if clients have transferred property within the county they reside in.*
  - *If the bank statements from the last three or six months contain payments or credits that present red flags we will look as far into this as necessary to resolve the issue.*
  - *If the client declares a transfer, staff will request and obtain verification and thoroughly evaluate that transfer to ensure that it is consistent with Medicaid rules.*
  - *If the interview is inconsistent with the application, staff will evaluate and probe inconsistencies as necessary.*
  - *If staff learn of possible transfers through other means they always follow-up and verify.*

The Department submitted policies and procedures to, our regional representative at Region 10 CMS, in June 2009. We asked them to review them and comment on whether they meet federal guidelines. We received CMS' email response December 22, 2009. The following is a direct quote from the CMS email:

> *"While we understand your dilemma with the State Auditor's Office on the matter of documenting 5-years of bank statement to ensure all assets of applicants during the look-back period are countable when Medicaid eligibility is determined. The CMS cannot specifically comment on the state process for conducting the 5-year look back for transfer of assets which could impact a state's flexibility in documenting and verifying these transfers. This continues to be an operational matter, states have flexibility to implement this provision according to the general "rules of reason" and to give workers procedural guidance as to how to explore or document past financial transactions that might have been asset transfers. CMS affirms the initial guidance on flexibility given to states to implement policies that provide for looking back 5 years.*
>
> *The 5-year look back period only changes for transfer made after February 8, 2006, the effective date of the law. States are actively engaged in the pursuit of the asset verification systems which will provide for external verification of the reported financial information made by applicants, until then states must have sufficient procedures to capture and verify the reported client information.*
>
> *If you require any additional information please let me know."*

The Department believes this response validates our position that asking for bank statements for the entire look-back period is not required. The Department believes the methods described above meet the "rules of reason" test referred to by CMS in their email.

Auditor's Remarks

We thank the Department for its response and commitment to continuing discussions on this issue. We expect the Department to have internal controls that will reasonably ensure all assets applicants own during the look-back period are countable when Medicaid eligibility is determined. The current internal controls the Department has cannot provide a reasonable picture of the applicant's financial situation over the five year look-back period.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, United States Code, section 1396p, as amended by the Deficit Reduction Act of 2005, states in part:

> (c)(1)(B)(i) The look-back date specified in this subparagraph is a date that is … (…in the case of any other disposal of assets made on or after the date of the enactment of the Deficit Reduction Act of 2005, 60 months) before the date specific in clause (ii).
>
> (c)(1)(D)(ii) In the case of a transfer of asset made on or after the date of the enactment of the Deficit Reduction Act of 2005, the date specified in this subparagraph is the first day of a month during or after which assets have been transferred for less than fair market value, or the date on which the individual is eligible for medical assistance under the State plan and would otherwise be receiving institutional level care described in subparagraph (C) based on an approved application for such care but for the application of the penalty period, whichever is later, and which does not occur during any other period of ineligibility under this subsection.

Revised Code of Washington 74.08.335, Transfers of property to qualify for assistance, states:

> Temporary assistance for needy families and disability lifeline benefits shall not be granted to any person who has made an assignment or transfer of property for the purpose of rendering himself or herself eligible for the assistance. There is a rebuttable presumption that a person who has transferred or transfers any real or personal property or any interest in property within two years of the date of application for the assistance without receiving adequate monetary consideration therefore, did so for the purpose of rendering himself or herself eligible for the assistance. Any person who transfers property for the purpose of rendering himself or herself eligible for assistance, or any person who after becoming a recipient transfers any property or any interest in property without the consent of the secretary, shall be ineligible for assistance for a period of time during which the reasonable value of the property so transferred would have been adequate to meet the person's needs under normal conditions of living: PROVIDED, That the secretary is hereby authorized to allow exceptions in cases where undue hardship would result from a denial of assistance.

Revised Code of Washington 74.39A.160, Transfer of assets — Penalties, states:

> (1) A person who receives an asset from an applicant for or recipient of long-term care services for less than fair market value shall be subject to a civil fine payable to the department if:
>
> (a) The applicant for or recipient of long-term care services transferred the asset for the purpose of qualifying for state or federal coverage for long-term care services and the person who received the asset was aware, or should have been aware, of this purpose;
>
> (b) Such transfer establishes a period of ineligibility for such service under state or federal laws or regulations; and
>
> (c) The department provides coverage for such services during the period of ineligibility because the failure to provide such coverage would result in an undue hardship for the applicant or recipient.
>
> (2) The civil fine imposed under this section shall be imposed in a judicial proceeding initiated by the department and shall equal (a) up to one hundred fifty percent of the amount the department expends for the care of the applicant or recipient during the period of ineligibility

attributable to the amount transferred to the person subject to the civil fine plus (b) the department's court costs and legal fees.

(3) Transfers subject to a civil fine under this section shall be considered null and void and a fraudulent conveyance as to the department. The department shall have the right to petition a court to set aside such transfers and require all assets transferred returned to the applicant or recipient.

10-46 The Department of Social and Health Services, Economic Services Administration, does not have adequate controls to ensure sufficient action is taken to correct errors identified by the Medical Eligibility Quality Control Unit.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

Federal regulations require the state to operate a Medicaid Eligibility Quality Control System (MEQC) to identify and reduce errors in Medicaid eligibility determinations and claims processing. Once the MEQC has identified errors in eligibility or claims, the Department is required to correct them, and recover Medicaid funds paid on ineligible claims. The Department also is required to take administrative action to prevent and reduce errors, and to submit to its federal grantor, the Centers for Medicare and Medicaid Services, a report of its error analysis and a corrective action plan.

The state had Medicaid expenditures of approximately $6.9 billion in fiscal year 2010, $4.4 billion of which was federal dollars.

Description of Condition

The Department completed 12 MEQC projects during the 2010 fiscal year. We reviewed two of them: Retroactive Medicaid Eligibility and Self-Employment Income Eligibility to determine if the Department followed up on any issues identified by the projects.

For these two projects, we found the MEQC process identified 443 eligibility determination errors. We selected a random sample of 20 identified errors from the first project, and 25 errors from the second project to determine if the Department reviewed the errors and took adequate corrective action. We found the Department did not take adequate corrective action for seven clients from our sample of 20 in the first project:

- For two cases we found no documentation to show staff responsible for follow up of eligibility errors was alerted to errors identified by MEQC.
- For five cases the Department did not receive income documentation that would allow a determination on client eligibility.

We found staff appropriately followed up on all eligibility errors found by the second project

Cause of Condition

The Department does not provide adequate training to eligibility staff to ensure they can correctly follow up on errors identified by MEQC.

Management does not sufficiently monitor to ensure adequate corrective action takes place in a timely manner.

Effect of Condition

Inadequate follow up on errors identified by MEQC increases the risk of individuals who are not eligible for Medicaid continuing to receive Medicaid benefits.

Recommendation

We recommend the Department:

- Provide adequate training to eligibility staff to ensure follow up on errors identified by MEQC.
- Strengthen monitoring to ensure adequate corrective action takes place in a timely manner.

Department's Response

The Department concurs with this finding.

Since the time this audit was conducted, the Department has formalized monitoring procedures for assigning, tracking and follow-up on the correction of errors identified through the MEQC reviews.

At the conclusion of a review, the MEQC Unit creates a spreadsheet (problem report), identifying potential errors. This spreadsheet is uploaded to Barcode and sent to the MEQC Program Manager at the Medicaid Purchasing Administration (MPA) for distribution to the field. The MEQC Program Manager organizes the problem report by Community Services Division Customer Service Center district (region), based on where the client resides. Each district specific report is sent to the appropriate district contact (a supervisor in the district office) for correction. The district contact (supervisor) assigns the case errors to staff in the district call center for correction.

The MPA MEQC Program Manager monitors the progress of corrections, and sends out follow-up reminders as necessary, to ensure all errors are corrected and reported back to the MEQC Unit within 45 days.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We look forward to reviewing the improvements the Department has implemented during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, code of Federal Regulation, Section 431 states in part:

> § 431.810 Basic elements of the Medicaid eligibility quality control (MEQC) program.
>
> (a) General requirements. The agency must operate the MEQC program in accordance with this section and §§431.812 through 431.822 and other instructions established by CMS.

(b) Review requirements. The agency must conduct MEQC reviews in accordance with the requirements specified in §431.812 and other instructions established by CMS.
(c) Sampling requirements. The agency must conduct MEQC sampling in accordance with the requirements specified in §431.814 and other instructions established by CMS.

§ 431.818 Access to records: MEQC program.

(a) The agency, upon written request, must mail to the HHS staff all records, including complete local agency eligibility case files or legible copies and all other documents pertaining to its MEQC reviews to which the State has access, including information available under part 435, subpart I, of this chapter.
(b) The agency must mail requested records within 10 working days of receipt of a request, unless the State has an alternate method of submitting these records that is approved by CMS or has received, on an as-needed basis, approval from CMS to extend this timeframe by 3 additional working days to allow for exceptional circumstan**ces.**

§ 431.820 Corrective action under the MEQC program.

The agency must—

(a) Take action to correct any active or negative case action errors found in the sample cases;
(b) Take administrative action to prevent or reduce the incidence of those errors; and
(c) By September 15 each year, submit to CMS a report on its error rate analysis and a corrective action plan based on that analysis. The agency must submit revisions to the plan within 60 days of identification of additional error-prone areas, other significant changes in the error rate (that is, changes that the State experiences that increase or decrease its error rate and necessitate immediate corrective action or discontinuance of corrective actions that effectively control the cause of the error rate change), or changes in planned corrective action.

10-47 The Department of Social and Health Services, Medicaid Purchasing Administration[4], does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible.

Federal Awarding Agency:	US Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number	5-1005WA5MAP, 5-1005WA5ADM, 5-1005WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

The Medicaid program pays for medical assistance for certain individuals and families with low incomes and limited financial resources. Federal and state laws and regulations establish Medicaid eligibility requirements. To be eligible, an individual must, among other things, meet citizenship requirements; submit an application for Medicaid benefits; furnish his or her Social Security number; be eligible for the specific services received; and not exceed income and financial resource levels established in state regulation. Information to support the eligibility determination must be included in each applicant's case file.

The Department must include all household members when calculating income and resource eligibility. People who live together, such as families, whose income or resources are counted to decide eligibility, are termed an Assistance Unit.

Once the Department initially determines an applicant is eligible, it must annual re-verify information such as income to determine whether the individual still is eligible for benefits. Staff is required to document the results of the eligibility determinations.

More than 725,000 Assistance Units in Washington receive Medicaid benefits. Income and resource thresholds, which are subject to yearly adjustments, vary based on eligibility category and the number of family members in the Unit.

Description of Condition

We selected the Medical Coverage Group for Categorically Needy Children for review because it is the largest coverage group. More than 384,000 Units in this category received Medicaid benefits during the period July 1, 2009 through March 31, 2010.

We obtained income and eligibility data from the Department for that time period. We then sorted the Units with the Categorically Needy Children coverage designation into four groups: Units with one to two members, Units with three to four members, Units with five or more members, and Units with no reported net income. We randomly selected 200 Units for review to determine if the Department ensured that only members of financially eligible Units received benefits. No reported income was identified as a risk indicator since we would expect most units to have at least some reportable income. Additionally, the

[4] Formerly Health and Recovery Services Administration (HRSA)

results of prior quality assurance reviews at the Department have shown that Units with three or four members have a higher risk for error, so we weighted our sampling to include more Units in those categories.

We reviewed for the following criteria:

1. Evidence the Department did a review to account for all income generated by the Unit.
2. Evidence the Department adequately reviewed information and documents available in determining eligibility.
3. Sufficient documents to support the Department's eligibility determination.
4. Adequate documentation on how the Department calculated gross income used to determine eligibility.

We found exceptions in 15 out of 200 instances:

AU Description	Population	Sample size	Exceptions
AU net reported income less than $.05	83,239	70	5
AU with 1 & 2 members	221,107	30	1
AU with 3 & 4 members	68,742	70	4
AU with 5 or more members	10,945	30	5
Total	**384,033**	**200**	**15**

In 11 instances, net income used to determine income eligibility was not accurate or adequate. For example, the Department did not verify clients' income declarations and staff incorrectly deducted unallowable expenditures such as meals and home mortgage interest from gross income. We found 10 of the 11 instances were related to Units reporting income from self-employed individuals. Four other cases had errors in income calculation and allocation that could affect eligibility.

Cause of Condition

Department policies do not provide clear guidelines regarding what income documentation is required and how to review it.

Also, the Department does not provide adequate training to social workers to ensure they can correctly determine financial eligibility for the Medicaid program, especially for self-employed applicants.

Effect of Condition

Due to the lack of adequate controls, ineligible individuals could receive Medicaid benefits. The Department cannot support the eligibility of 15 out of 200 Assistance Units we reviewed. Projecting our results to the entire Categorically Needy Children population, this equates to anywhere from a low of 5,700 to a high of 32,000 Assistance Units whose eligibility determination is not supported.

Our audit work was designed to determine if the Department adequately determines and documents income eligibility. It was not designed to determine if those individuals or Units are eligible for Medicaid.

Recommendations

We recommend the Department provide the guidance, resources, and training needed to ensure staff can successfully determine which documents are required to determine Unit income and calculate income eligibility, especially when income cannot be independently verified, as with the self-employed.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) partially concurs with this finding.

The total children's medical caseload for July 1, 2009, through March 31, 2010, was at 384,033. Two hundred cases were sampled, and 15 cases were cited with exceptions. The department (MPA) agrees that two of the 15 cases lacked income documentation to determine if the clients were eligible for medical coverage. To address this, the department (MPA) will continue to provide ongoing training and guidance to staffs on income calculation and on the need for documentation. This will help eliminate these procedural errors without creating barriers for applicants or delaying access to medical care.
The department (MPA) disagrees with the other thirteen cases, which contained procedural errors even though the clients remained eligible for medical benefits. The procedural errors amounted to weak verification of determining accountable household income for self-employed individuals. Additionally, per RCW 74.09.402 (WAC 388-416-0015), children's medical cases remain open for a 12-month continuous certification period, regardless of changes other than death, moving out of Washington State, or aging out of the program. This means that any increase in income during the audit certification period would not affect the children's eligibility during those 12 months.

Auditor's Concluding Remarks

We thank the Department for its response, and will follow up during our next audit.

Sampling Method

We used the U.S. Department of Health and Human Services, Office of Inspector General- Office of Audit Services appraisal programs to estimate the total number of Assistance Units for which Medicaid income eligibility determinations made by the Department were not reliable.

Projection of Sample Results	
Precision at the 90-Percent Confidence Level	
	Attributes Appraisal
Midpoint	19,068
Lower limit	5,784
Upper limit	32,352

Extrapolating the results of our statistical sample to the entire Categorically Needy Children program, we estimate the number of possible Units that Medicaid income eligibility determinations made by the Department might not be reliable could range between the lower limit of our projected results (5,784) and the upper limit (32,352).

These Units have a higher chance of not meeting the income eligibility of the Medicaid program. Individuals who are members of financially ineligible AUs are not eligible for Medicaid benefits.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, code of Federal Regulations, Section 435 states in part:

§ 435.948 Requesting information.

(a) Except as provided in paragraphs (d), (e), and (f) of this section, the agency must request information from the sources specified in this paragraph for verifying Medicaid eligibility and the correct amount of medical assistance payments for each applicant (unless obviously ineligible on the face of his or her application) and recipient. The agency must request—

(1) State wage information maintained by the SWICA during the application period and at least on a quarterly basis;

(2) Information about net earnings from self-employment, wage and payment of retirement income, maintained by SSA and available under Section 6103(l)(7)(A) of the Internal Revenue Code of 1954, for applicants during the application period and for recipients for whom the information has not previously been requested;

(3) Information about benefit and other eligibility related information available from SSA under titles II and XVI of the Social Security Act for applicants during the application period and for recipients for whom the information has not previously been requested;

(4) Unearned income information from the Internal Revenue Service available under Section 6103(l)(7)(B) of the Internal Revenue Code of 1954, during the application period and at least yearly;

(5) Unemployment compensation information maintained by the agency administering State unemployment compensation laws (under the provisions of section 3304 of the Internal Revenue Code and section 303 of the Act) as follows:

(i) For an applicant, during the application period and at least for each of the three subsequent months;

(ii) For a recipient that reports a loss of employment, at the time the recipient reports that loss and for at least each of the three subsequent months.

(iii) For an applicant or a recipient who is found to be receiving unemployment compensation benefits, at least for each month until the benefits are reported to be exhausted.

(6) Any additional income, resource, or eligibility information relevant to determinations concerning eligibility or correct amount of medical assistance payments available from agencies in the State or other States administering the following programs as provided in the agency's State plan:

(i) AFDC;

(ii) Medicaid;

(iii) State-administered supplementary payment programs under Section 1616(a) of the Act;

(iv) SWICA;

(v) Unemployment compensation;

(vi) Food stamps; and

(vii) Any State program administered under a plan approved under Title I (assistance to the aged), X (aid to the blind), XIV (aid to the permanently and totally disabled), or XVI (aid to the aged, blind, and disabled in Puerto Rico, Guam, and the Virgin Islands) of the Act.

(b) The agency must request information on applicants from the sources listed in paragraph (a)(1) through (a)(5) of this section at the first opportunity provided by these sources following the receipt of the application. If an applicant cannot provide an SSN at application, the agency must request the information at the next available opportunity after receiving the SSN.

(c) The agency must request the information required in paragraph (a) of this section by SSN, using each SSN furnished by the individual or received through verification.

(d) *Exception:* In cases where the individual is institutionalized, the agency needs to obtain and use information from SWICA only during the application period and on a yearly

basis, and from unemployment compensation agencies only during the application period. An individual is institutionalized for purposes of this section when he or she is required to apply his or her income to the cost of medical care as required by §§435.725, 435.733, and 435.832.

(e) *Exception: Alternate sources*— (1) The Secretary may, upon application from a State agency, permit an agency to request and use income information from a source or sources alternative to those listed in paragraph (a) of this section. The agency must demonstrate to the Secretary that the alternative source(s) is as timely, complete and useful for verifying eligibility and benefit amounts. The Secretary will consult with the Secretary of Agriculture and the Secretary of Labor before determining whether an agency may use an alternate source.

(2) The agency must continue to meet the requirements of this section unless the Secretary has approved the request.

(f) *Exception:* If the agency administering the AFDC program, or SSA under section 1634 of the Act, determines the eligibility of an applicant or recipient, the requirements of this section do not apply to that applicant or recipient.

§ 435.1002 FFP for services.

(a) Except for the limitations and conditions specified in §§435.1007, 35.1008, 435.1009, and 438.814 of this chapter, FFP is available in expenditures for Medicaid services for all recipients whose coverage is required or allowed under this part.

(b) FFP is available in expenditures for services provided to recipients who were eligible for Medicaid in the month in which the medical care or services were provided except that, for recipients who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the recipient's liability. (See §§435.914 and 436.901 of this subchapter for regulations on retroactive eligibility for Medicaid.)

(c) FFP is available in expenditures for services covered under the plan that are furnished—

(1) To children who are determined by a qualified entity to be presumptively eligible;

(2) During a period of presumptive eligibility;

(3) By a provider that is eligible for payment under the plan; and

(4) Regardless of whether the children are determined eligible for Medicaid following the period of presumptive eligibility.

§ 435.916 Periodic redeterminations of Medicaid eligibility.

(a) The agency must redetermine the eligibility of Medicaid recipients, with respect to circumstances that may change, at least every 12 months, however—

(1) The agency may consider blindness as continuing until the review physician under §435.531 determines that a recipient's vision has improved beyond the definition of blindness contained in the plan; and

(2) The agency may consider disability as continuing until the review team under §435.541 determines that a recipient's disability no longer meets the definition of disability contained in the plan.

(b) *Procedures for reporting changes.* The agency must have procedures designed to ensure that recipients make timely and accurate reports of any change in circumstances that may affect their eligibility.

(c) *Agency action on information about changes.* (1) The agency must promptly redetermine eligibility when it receives information about changes in a recipient's circumstances that may affect his eligibility.

(2) If the agency has information about anticipated changes in a recipient's circumstances, it must redetermine eligibility at the appropriate time based on those changes.

Washington Administration Code (WAC) 388-450-0215 states: *How does the department estimate my assistance unit's income to determine my eligibility and benefits?*

(1) We decide if your assistance unit (AU) is eligible for benefits and calculate your monthly benefits based on an estimate of your AU's gross monthly income and expenses. This is known as prospective budgeting.
(2) We use your current, past, and future circumstances for a representative estimate of your monthly income.
(3) We may need proof of your circumstances to ensure our estimate is reasonable. This may include documents, statements from other people, or other proof as explained in WAC 388-490-0005.
(4) We use one of two methods to estimate income:
  (a) Anticipating monthly income (AM): With this method, we base the estimate on the actual income we expect your AU to receive in the month (see subsection (5)); and
  (b) Averaging income (CA): With this method, we add the total income we expect your AU to receive for a period of time and divide by the number of months in the period (see subsection (6)).
(5) Anticipating monthly income: We must use the anticipating monthly method:
  (a) For the month you apply for benefits unless:
    (i) We are determining eligibility for children's medical programs as listed in WAC 388-505-0210 (3) through (6) or pregnancy medical as listed in WAC 388-462-0015. For children's and pregnancy medical we can use either method; or
    (ii) You are paid less often than monthly (for example: you are paid quarterly or annually). If you are paid less often than monthly, we average your income for the month you apply. Section (6) explains how we average your income.
  (b) When we estimate income for anyone in your AU, if you or anyone in your AU receive SSI-related medical benefits under chapter 388-475 WAC.
  (c) When we must allocate income to someone who is receiving SSI-related medical benefits under chapter 388-475 WAC.
  (d) When you are a destitute migrant or destitute seasonal farmworker under WAC 388-406-0021. In this situation, we must use anticipating monthly (AM) for all your AU's income.
  (e) To budget SSI or Social Security benefits even if we average other sources of income your AU receives.
(6) Averaging income: When we average your income, we consider changes we expect for your AU's income. We determine a monthly amount of your income based on how often you are paid:
  (a) If you are paid weekly, we multiply your expected income by 4.3;
  (b) If you are paid every other week, we multiply your expected income by 2.15;
  (c) In most cases if you receive your income other than weekly or every other week, we estimate your income over your certification period by:
    (i) Adding the total income for representative period of time;
    (ii) Dividing by the number of months in the time frame; and
    (iii) Using the result as a monthly average.
  (d) If you receive your yearly income over less than a year because you are self employed or work under a contract, we average this income over the year unless you are:
    (i) Paid on an hourly or piecework basis; or
    (ii) A migrant or seasonal farmworker under WAC 388-406-0021.
(7) If we used the anticipating monthly income method for the month you applied for benefits, we may average your income for the rest of your certification period if we do not have to use this method for any other reason in section (5).
(8) If you report a change in your AU's income, and we expect the change to last through the end of the next month after you reported it, we update the estimate of your AU's income based on this change.
(9) If your actual income is different than the income we estimated, we don't make you repay an overpayment under chapter 388-410 WAC or increase your benefits unless you meet one of the following conditions:

(a) You provided incomplete or false information; or
(b) We made an error in calculating your benefits.

Washington Administrative Code (WAC) 388-503-0505 General eligibility requirements for medical programs states:

1. Persons applying for benefits under the medical coverage programs established under chapter 74.09 RCW must meet the eligibility criteria established by the department in chapters 388-400 through 388-555 WAC.
2. Persons applying for medical coverage are considered first for federally funded or federally matched programs. State-funded programs are considered after federally funded programs and are not available to the client except for brief periods when the state-funded programs offer a broad scope of care which meet a specific client need.
3. Unless otherwise specified in program specific WAC, the eligibility criteria for each medical program is as follows:
   a. Verification of age and identity (chapters 388-404, 388-406, and 388-490 WAC); and
   b. Residence in Washington state (chapter 388-468 WAC); and
   c. Citizenship or immigration status in the United States (chapter388-424 WAC); and
   d. Possession of a valid Social Security Account Number (chapter 388-476 WAC); and
   e. Assignment of medical support rights to the state of Washington (388-505-0540); and
   f. Cooperation in securing medical support (chapter 388-422 WAC); and
   g. Application for Medicare and enrollment into Medicare's prescription drug program if:
      i. It is likely that the individual is entitled to Medicare; and
      ii. The state has authority to pay Medicare cost sharing as described in chapter 388-517 WAC.
   h. Countable resources within program limits (chapters 388-470 and 388-475 and 388-478 WAC); and
   i. Countable income within program limits (chapters 388-450 and 388-475 and 388-478 WAC).
4. In addition to the general eligibility requirements in subsection (3) of this section, each program has specific eligibility requirements as described in applicable WAC.
5. Persons living in a public institution, including a correctional facility, are not eligible for the department's medical coverage programs. For a person under age twenty or over age sixty-five who is a patient in an institution for mental disease, see WAC 388-513-1315 (13) for exception.
6. Persons terminated from SSI or TANF cash grants and those who lose eligibility for categorically needy (CN) medical coverage have their CN coverage continued while their eligibility for other medical programs is redetermined. This continuation of medical coverage is described in chapter 388-434 WAC.

Washington Administrative Code (WAC) 388-478-0065 Income and resource standards for family medical programs states:

1. The categorically needy income level (CNIL) standard for family medical is the same as the grant payment standards for the TANF cash program as stated in WAC 388-478-0020.
2. The countable resource standards for family medical are the same as those of the TANF/SFA cash program as stated in WAC 388-470-0005.
3. Each unborn child is counted as a household member when determining household size for:
   1. Family medical
   2. Pregnancy medical; and
   3. Children's medical.

Washington Administrative Code (WAC) 388-505-0210 Apple Health for Kids Programs (Emergency Effective 4-1-2010) states:

Funding for coverage under Apple Health for Kids may come through Title XIX (medicaid), Title XXI (CHIP), or through state-funded programs. There are no resource limits for the Apple Health for Kids programs. Apple Health for Kids coverage is free to children in households with incomes of no more than two-hundred percent of the federal poverty level (FPL), and available on a premium basis to children in households with incomes of no more than three-hundred percent FPL.

1. Newborns are eligible for federally matched categorically needy (CN) coverage through their first birthday when:
   a. The newborn's mother is eligible for medical assistance:
      i. On the date of the newborn's birth, including a retroactive eligibility determination; or
      ii. Based on meeting a medically needy (MN) spenddown liability with expenses incurred on, or prior to, the date of the newborn's birth.
   b. The newborn is a resident of the state of Washington.
2. Children under the age of nineteen who are U.S. citizens, U.S. nationals, or qualified aliens as described in WAC 388-424-0001 and WAC 388-424-0006 (1), (4) and (5) are eligible for free federally matched CN coverage when they meet the following criteria:
   a. State residence as described in chapter 388-468 WAC;
   b. A social security number or application as described in chapter 388-476 WAC;
   c. Proof of citizenship or immigrant status and identity as required by WAC 388-490-0005 (11);
   d. Family income is at or below two-hundred percent Federal Poverty Level (FPL) as described in WAC 388-478-0075 at each application or review; or
   e. They received supplemental security income (SSI) cash payments in August 1996 and would continue to be eligible for those payments except for the August 1996 passage of amendments to federal disability definitions.
   f. They are eligible for SSI-related CN coverage.
3. Non-citizen children under the age of nineteen, who do not meet qualified alien or permanently residing under color of law (PRUCOL) status as described in WAC 388-424-0006, are eligible for free state funded coverage with the same scope of services as children covered by CN medicaid when they meet the following criteria:
   a. State residence as described in chapter 388-468 WAC; and
   b. Family income is at or below two hundred percent FPL at each application or review.
4. Children under the age of nineteen who are U.S. citizens, U.S. nationals, or qualified aliens as described in WAC 388-424-0001 and 388-424-0006 (1), (4), and (5) are eligible for premium-based federally-matched CN coverage as described in chapter 388-542 WAC when they meet the following criteria:
   a. State residence as described in chapter 388-468 WAC;
   b. A social security number or application as described in chapter 388-476 WAC;
   c. Proof of citizenship or immigrant status and identity as required by WAC 388-490-0005 (11);
   d. Family income is over two-hundred percent FPL, as described in WAC 388-478-0075, but not over three-hundred percent FPL at each application or review;
   e. They do not have other creditable health insurance as described in WAC 388-542-0050; and
   f. They pay the required monthly premiums as described in WAC 388-505-0211.
5. Noncitizen children under the age of nineteen, who do not meet qualified alien or PRUCOL status as described in WAC 388-424-006, are eligible for premium-based state-funded coverage with the same scope of services as children covered by CN medicaid when they meet the following criteria:
   a. State residence as described in chapter 388-468 WAC;
   b. Family income is over two-hundred percent FPL, as described in WAC 388-478-0075, but not over three-hundred percent FPL at each application or review;
   c. They do not have other creditable health insurance as described in WAC 388-542-0050; and
   d. They pay the required monthly premium as described in WAC 388-505-0211.

7. Children under the age of nineteen who reside or are expected to reside in a medical institution, intermediate care facility for the mentally retarded (ICF/MR), hospice care center, nursing home, institution for mental diseases (IMD) or inpatient psychiatric facility may be eligible for Apple Health for Kids healthcare coverage based upon institutional rules described in WAC 388-505-0260. Individuals between the age of nineteen and twenty-one may still be eligible for healthcare coverage but not under Apple Health for Kids. See WAC 388-505-0230 "Family related institutional medical" and WAC 388-513-1320 "Determining institutional status for long-term care" for more information.
8. Children who are in foster care under the legal responsibility of the state, or a federally recognized tribe located within the state, and who meet eligibility requirements for residency, social security number, and citizenship are eligible for federally-matched CN medicaid coverage through the month of their:
   a. Eighteenth birthday;
   b. Twenty-first birthday if the Children's Administration determines they remain eligible for continued foster care services; or
   c. Twenty-first birthday if they were in foster care on their eighteenth birthday and that birthday was on or after July 22, 2007.
9. Children are eligible for state-funded CN coverage through the month of their eighteenth birthday if they:
   a. Are in foster care under the legal responsibility of the state or a federally-recognized tribe located within the state; and
   b. Do not meet social security number and citizenship requirements in subsection (2) (a) and (b) of this section.
10. Children who receive subsidized adoption services are eligible for federally matched CN coverage.
11. Children under the age of nineteen not eligible for apple health for kids programs listed above may be eligible for one of the following medical assistance programs not included in apple health for kids:
   a. Family medical as described in WAC 388-505-0220;
   b. Medical extensions as described in WAC 388-523-0100; or
   c. SSI-related MN if they:
      i. Meet the blind and/or disability criteria of the federal SSI program, or the condition of subsection (2) (e); and
      ii. Have countable income above the level described in WAC 388-478-0070 (1).
   d. Home and community based waiver programs as described in chapter 388-515 WAC; or
   e. Alien medical as described in WAC 388-438-0110, if they:
      i. Have a documented emergency medical condition as defined in WAC 388-500-0005;
      ii. Have income more than three hundred percent FPL; or
      iii. Have income less than three hundred percent FPL, but do not qualify for premium-based coverage described in subsection (5) of this section because of creditable coverage.
12. Except for a child described in subsection (7), an inmate of a public institution, as defined in WAC 388-500-0005, is not eligible for any Apple Health for Kids program.

10-48 The Department of Social and Health Services' internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported.

Federal Awarding Agency:	US Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed/Unallowed, Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

The Department of Social and Health Services provides eligible Medicaid recipients transportation to and from non-emergency, medically-necessary appointments. Medicaid clients who qualify are either provided transportation or are reimbursed for their travel costs. The appointments must be for services eligible to be paid by the Medicaid program.

Transportation services include public transit, client and volunteer mileage reimbursement, wheel chair-equipped vans, taxis, ferries and fuel vouchers. In less frequent cases, if a client must travel to a distant provider, lodging and food may be included.

Since 1989, Washington State has used a brokerage system to provide non-emergency medical transportation for eligible Medicaid clients. Brokers contract with the Department to deal directly with the clients to arrange, authorize or deny transportation services. Brokers decide the form of transportation a client receives.

Brokers are expected to verify the client's eligibility in the Department database and to authorize or deny the transportation request based on whether it is medically necessary. Brokers are responsible for contracting with transportation providers. The brokers keep all documentation to support eligibility determinations; the providers keep documentation supporting the trip.

It is the responsibility of the Department to monitor the brokers to ensure they and the providers comply with federal and state Medicaid regulations and that transportation services are legitimate, allowable, reasonable and adequately supported.

The state has eight brokers in 13 regions and spent approximately $75 million on the program in fiscal year 2010.

Description of Condition

During the previous two audits, we reported that the Department did not adequately monitor brokers to ensure non-emergency transportation expenditures are allowable and supported. To address our concerns, the Department developed monitoring protocols and planned on performing on-site monitoring of the brokers. However, on-site monitoring did not occur during state fiscal year 2010.

Cause of Condition

The Department stated that travel restrictions imposed by the Governor due to budget cuts prevented it from performing on-site monitoring. Although the Department has offices across the state, due to program complexity only staff in the nonemergency medical transportation program located in Olympia have been trained to perform this monitoring.

Effect of Condition

Without adequate monitoring, the Department cannot ensure non-emergency medical transportation expenditures are legitimate, reasonable and adequately supported.

Recommendation

We recommend the Department monitor transportation broker contracts and operations to ensure all Medicaid rules are followed and services the brokers provided are legitimate, reasonable and adequately supported.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) partially concurs with this finding.

We acknowledge that on-site monitoring of activities for the transportation brokers was not completed according to the monitoring plan for 2010 which was primarily due to the state's freeze on all non-essential travel during the current fiscal crisis, temporary layoffs, work required for the re-procurement of these contracts.

However, the Department (MPA) was able to make improvements in the following areas:

- *Staff accomplished a less formal review of several components of the desk monitoring tool to include: communications with contractors regarding the Financial & Operating Reports and the fleet inventories/inspection schedules;*
- *Staff completed monthly reviews of the Broker A-19's and report packets;*
- *Broker reports of accidents and incidents (another component of the desk monitoring tool), were recorded in a separate risk management database;*
- *Copies of the annual independent audits of the brokers were requested and reviewed;*
- *Coordinated with federal partners regarding the monitoring and audit activities of another large broker;*
- *Developed an "individual trips" database to allow for improved monitoring capabilities which was necessitated by the fact that we received CMS's approval to change the transportation program from administrative to medical match. This database, for example, will allow us to match a client and their trip to a covered medical service; and*
- *During the development of the procurement products and the resulting new contracts, we have improved several quality standards in the contract requirements, and we will be adding these new elements to a revised monitoring tool.*

All these refinements will result in a dramatically improved desk monitoring capability, the effectiveness of which will be increased by the performance clauses contained in the new brokerage contracts. Finally, we are planning at least one on-site monitoring visit per broker in 2011.

Auditor's Concluding Remarks

We thank the Department for its response and commitment to monitoring brokers to ensure all Medicaid rules are followed and services the brokers provided are legitimate, reasonable and supported. We look forward to reviewing the improvements the Department has implemented during our next audit.

Applicable Laws and Regulations

Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225), states:

> Appendix A, Section C - Basic Guidelines:
>
> 1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
> a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
> d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
> j. Be adequately documented.
> 2. Reasonable costs. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:
> a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
> b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
> c. Market prices for comparable goods or services.
> d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
> e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

Washington Administrative Code (WAC) 388-546-5100 Nonemergency transportation program scope of coverage

> (1) The department's health and recovery services administration (HRSA) covers transportation that is necessary for its clients to receive medically necessary HRSA covered services. See WAC 388-546-0100 through 388-546-1000 for Ambulance transportation that covers emergency ambulance transportation and limited nonemergency ground ambulance transportation as medical services.
>
> (2) Licensed ambulance providers, who contract with HRSA's transportation brokers, may be reimbursed for nonemergency transportation services under WAC 388-546-5200 as administrative services.
>
> (3) HRSA covers nonemergency transportation under WAC 388-546-5000 through 388-546-5500 as an administrative service as provided by the Code of Federal Regulations (42 CFR 431.53 and 42 CFR 440.170 (a)(2)). As a result, clients may not select the transportation provider(s) or the mode of transportation (service mode).

(4) Prior authorization by HRSA is required for all out-of-state nonemergency transportation. Border areas as defined by WAC 388-501-0175 are considered in-state under this section and subsequent sections.
   (a) HRSA reviews requests for out-of-state nonemergency transportation in accordance with regulations for covered healthcare services, including WAC 388-501-0180, 388-501-0182 and 388-501-0184.
   (b) Nonemergency transportation is not provided to or from locations outside of the United States and U.S. territories, except for the limitations for British Columbia, Canada, identified in WAC 388-501-0184.
(5) HRSA requires all nonemergency transportation to and from covered services to meet the following:
   (a) The covered service must be medically necessary as defined in WAC 388-500-0005;
   (b) It must be the lowest cost available service mode that is both appropriate and accessible to the client's medical condition and personal capabilities; and
   (c) Be limited to the local provider of type as follows:
      (i) Clients receiving services provided under HRSA's fee-for-service program may be transported only to the local provider of type. HRSA's transportation broker is responsible for considering and authorizing exceptions.
      (ii) Clients enrolled in HRSA's managed care (healthy options) program may be transported to any provider supported by the client's managed care plan. Clients may be enrolled in a managed care plan but are obtaining a specific service not covered under the plan. The requirements in subsection (5)(c)(i) apply to these fee-for-service services.
(6) HRSA does not cover nonemergency transportation services if the covered medical services are within three-quarters of a mile walking distance from the client's residence. Exceptions to this rule may be granted by HRSA's transportation broker based on the client's documented medical condition or personal capabilities, or based on safety or physical accessibility concerns, as described in WAC 388-546-5400(1).
(7) A client must use personal or informal transportation alternatives if they are available and appropriate to the client's needs.
(8) If a fixed-route public transportation service is available to the client within three-quarters of a mile walking distance, the broker may require the client to use the fixed-route public transportation system unless the need for more specialized transportation is present and documented. Examples of such a need are the client's use of a portable ventilator, a walker or a quad cane.
(9) HRSA does not cover any nonemergency transportation service that is not addressed in WAC 388-546-1000 or in 388-546-5000 through 388-546-5500. See WAC 388-501-0160 for information about obtaining approval for noncovered transportation services, known as exception to rule (ETR).
(10) If a medical service is approved by ETR, both the broker and MAA must separately prior approve transportation to that service.
(11) HRSA may exempt members of federally recognized Indian tribes from the brokered transportation program. Where HRSA approves the request of a tribe or a tribal agency to administer or provide transportation services under WAC 388-546-5000 through 388-546-5400, tribal members obtain their transportation services as provided by the tribe or tribal agency.
(12) A client who is denied service under this chapter may request a fair hearing per chapter 388-02 WAC.

Washington Administrative Code (WAC) 388-546-5200 Nonemergency transportation program broker and provider requirements.

(1) MAA requires that all nonambulance transportation providers serving MAA clients be under subcontract with the department's contracted transportation broker. MAA's transportation brokers may subcontract with ambulance providers for nonemergency trips in licensed ground ambulance vehicles as administrative services. See WAC 388-546-5100(2).

(2) MAA requires all contracted and subcontracted transportation providers under this chapter to be licensed, equipped, and operated in accordance with applicable federal, state, and local laws.
(3) MAA's transportation brokers determine the level of transportation service needed by the client and the mode of transportation to be used for each authorized trip.
(4) MAA's transportation brokers must comply with the terms specified in their contracts.
(5) MAA's transportation brokers may require up to forty-eight hours advance notice of a requested trip (see WAC 388-546-5300(2)) with the exception of hospital requests or urgent care trips. MAA allows its transportation brokers to accommodate requests that provide less than forty-eight hours advance notice, within the limits of the resources available to a broker at the time of the request.
(6) If MAA's transportation broker is not open for business and unavailable to give advance approval for a hospital discharge or urgent care request as described in subsection (5), the subcontracted transportation provider must either:
(a) Provide the transportation in accordance with the broker's instructions and request an after-the-fact authorization from the transportation broker within seventy-two hours of the transport; or
(b) Deny the transportation, if the requirements of this section cannot be met.
(7) If the subcontracted transportation provider provides transportation as described in subsection (6), the broker may agree to grant retroactive authorization as provided in WAC 388-546-5300(3). Such retroactive authorization must be:
(a) Documented as to the reasons retroactive authorization is needed; and
(b) Agreed to by the broker within seventy-two hours after the transportation to a medical appointment.
(8) MAA, through its transportation brokers, does not pay for transportation under the following conditions:
(a) Clients are not eligible for transportation services when medical services are within reasonable walking distance (normally three-quarters of a mile actual traveling distance), taking into account the client's documented medical condition and personal capabilities (see WAC 388-546-5100(6));
(b) Clients must use personal or informal transportation alternatives if they are available and appropriate to the clients' needs (see WAC 388-546-5100(7));
(c) If a fixed-route public transportation service is available to the client within three-quarters of a mile walking distance, the broker may require the client to use the fixed route public transportation under the terms of WAC 388-546-5100(8);
(d) MAA or MAA's transportation broker may deny transportation services requested if the request is not necessary, suitable, or appropriate to the client's medical condition (see WAC 388-546-5100 (1) and (5)(a));
(e) The medical services requiring transportation must be services that are covered by the client's medical program (see WAC 488-546-5100(1)); or
(f) The transportation selected by the broker for the client must be the lowest cost available alternative that is both appropriate and accessible to the client's medical condition and personal capabilities.
(9) The transportation broker mails a written notice of denial to each client who is denied coverage of transportation within three business days of the denial.

Washington Administrative Code (WAC) 388-546-5300 Nonemergency transportation program client requirements.

(1) Clients must be compliant with MAA's transportation brokers, the brokers' subcontracted transportation providers, and MAA's medical services providers. A client who is in noncompliance may have limited transportation service mode options available. The broker mails the client a written notice of limited transportation service mode options within three business days of the broker's decision that transportation service mode options are limited.

(2) Clients must request, arrange and obtain authorization for transportation forty-eight hours in advance of a medical appointment. Exceptions to the forty-eight-hour advance arrangements are described in subsection (3) of this section and in WAC 388-546-5200 (5) and (6).
(3) If MAA's contracted broker is not open for business at the time nonemergency transportation is needed, the client must follow the transportation broker's instructions to obtain transportation service.
(4) MAA will cover a clients transportation to medically necessary covered services with local providers of type. Transportation services will be covered to nonlocal providers of type in the following circumstances:
  (a) The client is enrolled in a healthy options managed health care plan and the client's primary care provider (PCP) or a PCP referred provider is not the closest available provider;
  (b) The client's service is covered by a third party payer and the payer requires or refers the client to a specific provider;
  (c) A charitable or other voluntary program (e.g., Shriners) is paying for the client's medical service;
  (d) The medical service required by the client is not available within the local healthcare service area;
  (e) The total cost to MAA is lower when the services are obtained outside of the local healthcare service area; or
  (f) The out-of-area service is required to provide continuity of care for the client's ongoing care as:
    (i) Documented by the client's primary care provider; and
    (ii) Agreed to by MAA's contracted transportation broker.
(5) MAA may require transportation brokers to refer any of the exception categories listed in subsection (4) to MAA's medical director or the medical director's designee for review and/or prior authorization of the medical service.
(6) If local medical services are not available to a client because of noncompliance with MAA's transportation brokers, the brokers' subcontracted transportation providers, or MAA's medical services providers, MAA does not cover nonemergency transportation to out-of-area medical services for the client. MAA's contracted broker mails a written notice to the client within three business days of the broker's determination that the client's documented noncompliance results in a denial to out-of-area transportation services.

Washington Administrative Code (WAC) 388-546-5400 Nonemergency transportation program general reimbursement limitations.

(1) To be reimbursed, MAA requires that a trip be a minimum of three-quarters of a mile from pick-up point to drop off point (see WAC 388-546-5100(6)). MAA's transportation broker may grant exceptions to the minimum distance requirement for any of the following conditions:
  (a) When there is medical justification for a shorter trip;
  (b) When the trip involves an area that MAA's contracted broker considers to be unsafe for the client, other riders, or the driver; or
  (c) When the trip involves an area that the broker determines is not physically accessible to the client.
(2) MAA reimburses for return trips from covered medical services if the return trips are directly related to the original trips. MAA, through its transportation broker, may deny coverage of a return trip if any delays in the return trip are for reasons not directly related to the original trip.
(3) MAA does not reimburse any costs related to intermediate stops that are not directly related to the original approved trip.
(4) MAA's transportation broker may authorize intermediate stops that are directly related to the original approved trip if the broker determines that the intermediate stop is likely to limit or

eliminate the need for supplemental covered trips. MAA considers the following reasons to be related to the original trip:

(a) Transportation to and from an immediate subsequent medical referral; or

(b) Transportation to a pharmacy to obtain one or more prescriptions when the pharmacy is within a reasonable distance of the original medical appointment route.

(5) MAA may pay the costs of meals and lodging for clients who must be transported to out-of-area medical services. MAA's transportation brokers make the determination that meals and lodging are necessary based on client need and the reasonableness of costs (as measured against state per diem rates).

(6) MAA may pay transportation costs, including meals and lodging, for authorized escorts. MAA's transportation brokers make the determination that the costs of escorts are necessary based on client need and reasonableness of costs (as measured against state per diem rates).

(7) MAA does not provide escorts or pay the wages of escorts. MAA does not pay for the transportation of an escort when the client is not present unless the broker documents exceptional circumstances causing the broker to determine that the service is necessary to ensure that the client has access to medically necessary care.

(8) MAA may reimburse for the transportation of a guardian with or without the presence of the client if the broker documents its determination that such a service is necessary to ensure that the client has access to medically necessary care.

10-49 The Department of Social and Health Services did not have adequate controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government in an accurate and timely manner.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Most Medicaid expenditures are payments to providers of medical treatment, prescriptions, medical equipment, home health care, and other services. Providers submit payment claims to the Department of Social and Health Services. Since October 1, 2008, more federal dollars have been available for these payments, known as the Federal Medical Assistance Percentage (FMAP) due to the American Recovery and Reinvestment Act of 2009. This means the state has been receiving federal money to pay for more than 60 percent of Medicaid costs, up from the previous 50 percent.

The Department has a number of post-payment audits designed to identify and recover overpayments. When it finds overpayments, the Department has one year from the date of discovery to pay back to the federal government its share of overpayments, even if the state has not recovered the overpayment from the provider. The state does not have to refund the overpayment if the provider has filed for bankruptcy or has gone out of business.

When they find overpayments, Department Administrations are responsible for forwarding that information to the Office of Financial Recovery (OFR), the official collection agency for the Department . OFR tracks the overpayment recoupment process and works with the Office of Accounting Services (OAS) to ensure the federal share of overpayments is refunded. If overpayment information is not forwarded to OFR, the federal portion of the overpayment will not be refunded to the federal government.

The federal Medicaid program operates on a reimbursement basis, meaning the state pays program costs and then submits a claim to the federal government to recover the costs. Because of this, payments owed to the federal government are made by reducing the amount of the reimbursement requested.

The state had Medicaid expenditures of approximately $6.9 billion in fiscal year 2010, approximately $4.4 billion of which was federal dollars.

Description of Condition

In our audits for fiscal years 2005 through 2009, we reported findings relating to the Department's inadequate controls over overpayment refunding. To address our recommendation, the Department requiring OFR to send monthly notices to Department Administrations reminding them to provide timely referral of all overpayments to OFR for collection and reimbursement to the federal government. OFR was to request confirmation from each Administration that all overpayments had been forwarded.

However, the Department did not follow this policy.

Cause of Condition

OFR stated that due to staffing reductions, it discontinued the monthly notices.

Effect of Condition

Without adequate monitoring of overpayment reporting, the Department cannot ensure the federal share of overpayments is refunded to the federal government in an accurate and timely manner. By not reporting overpayments in a timely manner, the Department effectively denied the grantor the use of funds that otherwise would have been available for the Medicaid program.

Recommendation

We recommend the Department follow its own policy and monitor to ensure all overpayments discovered are forwarded to OFR and subsequently refunded to the federal government in a timely manner.

Department's Response

The Department concurs with the finding with qualifications. The Department's Office of Financial Recovery (OFR) has found that reminders have been ineffective in ensuring timely overpayment referrals. In addition, the reminders have not provided a good return on investment. OFR will comply with current requirements while working to revise the policy.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Patient Protection and Affordable Care; as amended by the Health Care and Education Reconciliation Act of 2010, together called the Affordable Care Act (ACA): SEC. 6506. "OVERPAYMENTS."

> (a) Extension of Period for Collection of Overpayments Due to Fraud-
>
> (1) IN GENERAL- Section 1903(d)(2) of the Social Security Act (42 U.S.C. 1396b(d)(2)) is amended-
>
> (A) in subparagraph (C)--
>
> (i) in the first sentence, by striking `60 days' and inserting `1 year'; and
>
> (ii) in the second sentence, by striking `60 days' and inserting `1-year period'; and
>
> (B) in subparagraph (D)--
>
> (i) in inserting `(i)' after `(D)'; and
>
> (ii) by adding at the end the following:
>
> `(ii) In any case where the State is unable to recover a debt which represents an overpayment (or any portion thereof) made to a person or other entity due to fraud within 1 year of discovery because there is not a final determination of the amount of the overpayment under an administrative or judicial process (as

applicable), including as a result of a judgment being under appeal, no adjustment shall be made in the Federal payment to such State on account of such overpayment (or portion thereof) before the date that is 30 days after the date on which a final judgment (including, if applicable, a final determination on an appeal) is made.'.

(2) EFFECTIVE DATE- The amendments made by this subsection take effect on the date of enactment of this Act and apply to overpayments discovered on or after that date.

(b) Corrective Action- The Secretary shall promulgate regulations that require States to correct Federally identified claims overpayments, of an ongoing or recurring nature, with new Medicaid Management Information System (MMIS) edits, audits, or other appropriate corrective action.

Title 42, Code of Federal Regulations, Section 433.312 - Basic requirements for refunds.

(a) Basic rules.
  (1) Except as provided in paragraph (b) of this section, the Medicaid agency has 60 days from the date of discovery of an overpayment to a provider to recover or seek to recover the overpayment before the Federal share must be refunded to CMS.
  (2) The agency must refund the Federal share of overpayments at the end of the 60-day period following discovery in accordance with the requirements of this subpart, whether or not the State has recovered the overpayment from the provider.

(b) Exception.
  The agency is not required to refund the Federal share of an overpayment made to a provider when the State is unable to recover the overpayment amount because the provider has been determined bankrupt or out of business in accordance with Sec. 433.318.

(c) Applicability.
  (1) The requirements of this subpart apply to overpayments made to Medicaid providers that occur and are discovered in any quarter that begins on or after October 1, 1985.
  (2) The date upon which an overpayment occurs is the date upon which a State, using its normal method of reimbursement for a particular class of provider (e.g., check, interfund transfer), makes the payment involving unallowable costs to a provider.

Title 42, Code of Federal Regulations, Section 433.318 - Overpayments involving providers who are bankrupt or out of business.

(a) Basic rules. (1) The agency is not required to refund the Federal share of an overpayment made to a provider as required by Sec. 433.312(a) to the extent that the State is unable to recover the overpayment because the provider has been determined bankrupt or out of business in accordance with the provisions of this section...

(b) Overpayment debts that the State need not refund. Overpayments are considered debts that the State is unable to recover within the 60-day period following discovery if the following criteria are met:
  (1) The provider has filed for bankruptcy, as specified in paragraph (c) of this section; or
  (2) The provider has gone out of business and the State is unable to locate the provider and its assets, as specified in paragraph (d) of this section...

(e) Circumstances requiring refunds. If the 60-day recovery period has expired before an overpayment is found to be uncollectible under the provisions of this section, if the State recovers an overpayment amount under a court-approved discharge of bankruptcy, or if a bankruptcy petition is denied, the agency must refund the Federal share of the overpayment in accordance with the procedures specified in Sec. 433.320.

Title 42, Code of Federal Regulations, Section 433.320 - Procedures for refunds to CMS.

(a) Basic requirements.
  (1) The agency must refund the Federal share of overpayments that are subject to recovery to CMS through a credit on its Quarterly Statement of Expenditures (Form CMS-64).

(2) The Federal share of overpayments subject to recovery must be credited on the Form CMS-64 report submitted for the quarter in which the 60-day period following discovery, established in accordance with Sec. 433.316, ends.
(3) A credit on the Form CMS-64 must be made whether or not the overpayment has been recovered by the State from the provider.

(b) Effect of reporting collections and submitting reduced expenditure claims.
(1) The State is not required to refund the Federal share of an overpayment when the State reports a collection or submits an expenditure claim reduced by a discrete amount to recover an overpayment prior to the end of the 60-day period following discovery.
(2) The State is not required to report on the Form CMS-64 any collections made on overpayment amounts for which the Federal share has been refunded previously.
(3) If a State has refunded the Federal share of an overpayment as required under this subpart and the State subsequently makes recovery by reducing future provider payments by a discrete amount, the State need not reflect that reduction in its claim for Federal financial participation...

Office of Financial Recovery: Financial Policy No. 002 states in part:

PURPOSE:
This policy describes administrative and legal authorities which require the Department to identify and collect all overpayments from clients or vendors and the administrative requirement that the Department provide timely overpayment notices to the Office of Financial Recovery (OFR).

SCOPE:
The scope of this policy applies to all overpayments identified and assessed by the Department.

POLICY:
1. Department Administrations shall be responsible for providing timely overpayment referrals as they occur to OFR for collection.
2. OFR will be responsible for providing monthly notices to Department Administrations reminding them to submit all overpayments to OFR for collection and reimbursement to the federal government as required by administrative policy and law.
3. Each month, the OFR Chief will request confirmation from each Department Administration that they are in compliance with this policy.

10-50 The Department of Social and Health Services paid Medicaid providers for services that were not provided to Medicaid beneficiaries.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed
Questioned Cost Amount:	$ 30,408.79 Non-ARRA $ 7,622.59 ARRA

Background

Medicaid is a state and federal partnership that provides coverage for certain low–income individuals who might otherwise go without medical care. The state Medicaid program spent more than $6.9 billion in state and federal dollars during fiscal year 2010.

Federal regulations state an overpayment is the amount a Medicaid agency paid to a provider in excess of the amount allowable for furnished services. Therefore, most payments to providers after the date of a Medicaid client's death are classified as overpayments.

The Department of Social and Health Services receives data from the state Department of Health quarterly that it uses to identify deceased Medicaid clients. These clients are to be removed from the program. The Department also runs a data query that identifies Medicaid services paid after a client's date of death. Once identified, the Department starts a process to recoup the payments made after the client's date of death.

Description of Condition

We analyzed Medicaid claims paid through the Department's Medicaid claim processing systems: Medicaid Management Information system (MMIS) and Social Service Payment System (SSPS) from July 1, 2009, to April 30, 2010 and identified 2,637 Medicaid beneficiaries who appeared to receive Medicaid services after their deaths. The Department paid $2,577,367.32 for those services.

We selected 351 of those Medicaid beneficiaries based on the number of payments and the total amount paid. The Department paid a total of $809,517.91 to providers for services to these Medicaid beneficiaries. We reviewed all detailed transactions and noted services had been provided to 269 of these clients prior to their death. We also noted the Department paid a total of $4,099.18 for allowable services such as monthly insurance premiums and monthly medical emergency response services in the month of beneficiaries' deaths. These expenditures are allowable because services are charged for a month.

The table below summarizes the results of our work:

Description	MMIS			SSPS		
	Clients	Payments	Questioned Costs	Clients	Payments	Questioned Costs
Services provided before date of death. Payments allowable	17*	$187,167.80	0	252*	$474,396.93	0
Services provided after date of death. Recoupment started.	8	$28,265.87	0	21	$55,163.31	0
Payments covered for the month of beneficiaries' deaths. Allowable	6	$998.77	$0.00	68	$3,100.41	$0.00
Services provided after date of death. Payments unallowable		$3,266.47	$3,266.47		$57,158.35	$57,158.35
Total	30*	$219,698.91	$3,266.47	321	$589,819.00	$57,158.35

*Clients possible in more than one category, which is why the number of exceptions is higher than the number of clients reviewed. Related expenditures are not duplicated.

The Department paid a total of $60,424.82 for services that providers claimed for 74 deceased Medicaid beneficiaries.

Cause of Condition

Although the Department conducts quarterly review to identify deceased clients and payments made after client's date of death, the review is not preventing or detecting all unallowable payments.

Effect of Condition and Questioned Costs

The Department paid $60,424.82 to providers for services for deceased Medicaid beneficiaries. We are questioning $38,031.38, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Continue to strengthen procedures for identifying deceased beneficiaries to prevent overpayments in the future.
- Recover $60,424.82 in unallowable payments from providers.
- Refund $38,031.38 to the federal government.

Department's Response

This finding involved the Aging and Disability Services Administration and the Medicaid Purchasing Administration. Both provided individual responses.

Aging and Disability Services Administration

The Aging and Disability Services Administration (ADSA) concurs with this finding.

The Department will continue its work to strengthen processes that may provide a timelier and more consistent way to inform field staff about deceased clients. Currently field staff receive this information from a variety of sources, including relatives, death notices in the papers, ACES-Social Security Data

Exchange matches, and other sources. There is no departmental or legal requirement to notify field offices. The availability and consistency of this information will improve when phase two of Provider One is completed. At that time staff should have uniform access to the same data sources for information about client deaths.

Medicaid Purchasing Administration

The Medicaid Purchasing Administration (MPA) concurs with this finding.

The audit identified transactions totaling $3,266 in payments made through the Medicaid Management Information System (MMIS) that were paid after the date of death. The Date of Death in the MMIS has since been verified and the payments have been recouped in SFY 2011.

The audit recommended that MPA "continue to strengthen procedures for identifying deceased beneficiaries to prevent overpayments in the future." MPA continues to be a stakeholder in a Department of Health (DOH) initiative that will provide on-line access to DOH death data. The initiative will provide death data in a timelier manner, but has yet to be implemented. DOH remains dependent upon counties for receipt of death data, resulting in a lag in receipt of the information. Due to this lag, DSHS will continue its successful post-pay review activities by using the quarterly DOH death data file to identify and recoup claims paid for deceased clients.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-87: Cost Principles for State, Local and Indian Tribal Governments; Attachment A - General Principles for Determining Allowable Costs; Section C - Basic Guidelines state in part:

1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
   - u. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
   - v. Be allocable to Federal awards under the provisions of 2 CFR part 225.
   - w. Be authorized or not prohibited under State or local laws or regulations.
   - x. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
   - y. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
   - z. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

aa. Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.
bb. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
cc. Be the net of all applicable credits.
dd. Be adequately documented.

Title 42, Code of Federal Regulations, Part 433.304 defines an overpayment as following;

> *Overpayment* means the amount paid by a Medicaid agency to a provider which is in excess of the amount that is allowable for services furnished under section 1902 of the Act and which is required to be refunded under section 1903 of the Act.

10-51 The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate procedures to ensure Medicaid is the payer of last resort for pharmacies.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed/Unallowed, Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Medicaid is the "payer of last resort", meaning those who administer it are to identify and bill other payment sources prior to submitting claims to Medicaid. Third-party liability refers to the legal obligation of third-party resources, usually insurance companies, to pay medical and pharmaceutical claims of Medicaid recipients prior to Medicaid coverage. Pharmacies submit claims for Medicaid client prescriptions through an electronic point-of-sale system, which processes requests for payment through a series of criteria within the system, or edits. Claims are paid if they successfully pass all edits.

Pharmacies that submit claims to Medicaid must document third-party payers that may be liable. If a provider submits a claim on behalf of a client who has other insurance without accurately entering the third-party resource, the point-of-sale system will deny the claim. However, the pharmacy may use manual override codes to override the system edits intended to identify and deny these claims. Override codes are recognized nationally as part of electronic claims processing standards. However, they were established for uses such as processing payment for a drug the client's insurance does not cover, but which is covered by Medicaid.

The pharmacy can enter either accurate third-party information or override codes to bypass the system. Due to this significant, inherent control weakness, claims for pharmaceutical payments are susceptible to errors or abuse. The Medicaid program could pay claims that should have been paid in whole or in part by third parties.

The Department paid more than $420 million to pharmacies for services to Medicaid clients in fiscal year 2010. Of that, more than $14.7 million was paid for claims using various override codes.

Description of Condition

In our audits for fiscal years 2006 through 2009, we reported a lack of adequate controls over use of override codes. To compensate, the Department established a post-payment audit program to identify and recover payments made to providers who inappropriately billed Medicaid.

The Department paid more than $14 million for claims processed using override codes in fiscal year 2010. It audited only 4.65 percent of the claims. The table below provides details.

	2008	2009	2010
Total Pharmacy Medicaid Claims Paid Using Override Codes	$19,560,496.82	$20,627,840.66	$14,772,065.00
Total Pharmacy Medicaid Claims Audited	$1,333,714.07	$507,781.44	$687,632.50
% of Claims Audited	6.82%	2.46%	4.65%

We also analyzed post-payment audit data. As shown in the table below, a significant portion of the payments audited by the Department are found to be inappropriate and are recovered. These recoveries include state and federal money.

	2008	2009	2010	Total
Total audits completed	12	15	*61 (11)	38
Total Pharmacy Medicaid Claims Audited	$1,333,714.07	$507,781.44	$687,632.50	$2,529,128.01
Overpayments Identified	$624,164.18	$333,287.57	$340,074.77	$1,297,526.52
Overpayments Recovered as of 6/21/2010	$550,848.58	$241,302.24	$220,193.93	$1,012,344.75
Overpayment Percentage	46.80%	65.64%	49.46%	51.30%
Recovery Percentage	41.30%	47.52%	32.02%	40.03%
Collection Percentage	88.25%	72.40%	64.75%	78.02%

Auditor Notes: *51 of the 61 were individual pharmacies in a single company.

We found that while a significant portion of overpayments audited are inappropriate, only a small portion of payments are audited. The Department could not demonstrate the amount of audit coverage is adequate to address the risk of overpayments.

Cause of Condition

The Department stated it has compensating controls in place to provide reasonable assurance that improper payments will be recovered through its post-payment audit process.

The Department has not performed a cost-benefit analysis to determine what would be an appropriate amount of post-payment audit coverage to maximize recovery of overpayment.

Effect of Condition

Inaccurate third-party liability coverage information can be entered into the point-of-sale system causing Medicaid dollars to be spent on pharmacy services that should have been paid by third parties. Due to the lack of an analysis to determine the appropriate level of post-payment audits, the Department cannot reasonably ensure it is maximizing the identification and recovery of improper payments.

The Department's own audit work shows approximately $1.3 million, or more than 51 percent, of the amount audited over the past three years was improperly billed to Medicaid. The Department had recovered more than $1 million of those overpayments from pharmacies as of June 21, 2010. Approximately half of the funds recovered are federal, and half are state.

Recommendation

We recommend the Department:

- Strengthen controls over entry of claims into the payment system to ensure third-party payers are properly billed, as required by federal regulations.

- Perform on-going cost benefit analysis and assessment to determine the appropriate level of post-payment audit coverage for third-party liability claims to ensure improper payments will be identified and recovered.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) does not concur with this finding.

The Department (MPA) currently allows providers to make eligibility checks with ProviderOne that includes known third party payer information as stated in the first part of last year's Corrective Action Plan. The Department (MPA) did not implement the 270/271 transaction between health plans as targeted in the Corrective Action Plan since the Deficit Reduction Act of 2005 requires that the Secretary of Health and Human Services specify a manner in which the state Medicaid agencies and health plans may exchange eligibility and coverage data. The Secretary of Health and Human Services issued her recommendations in June of 2010 so states could use the new format as a tool to enable all states and all payers to comply with the Act's data exchange requirements. This includes the Payer Initiated Eligibility/Benefit (PIE) Transaction and the Accredited Standards Committee (ASC) X12 270/271 Health Care Eligibility/Benefit Inquiry and Response Standard Transactions (270/271 Transaction). The Department (MPA) will be pursuing implementation of these transactions.

The Department (MPA) will continue to explore other ways to enhance third party liability information in ProviderOne, including a new vendor who will perform automated data matches of MPA enrollment data against extended carrier files. This will enhance the Department's (MPA) third party liability cost avoidance and recovery and will enhance relevant data available in the pharmacy Point of Sale system at the time that a claim is adjudicated.

The Department (MPA) disagrees with a statement in the Effect of Condition: "…due to the lack of an analysis to determine the appropriate level of post-payment audits, the Department cannot reasonably ensure it is maximizing the identification and recovery of improper payments…" and the resulting audit recommendation. The 2009 State Government Performance Review Opportunities for Washington report of the State Auditor acknowledges that "the Department uses a risk assessment to prioritize and target pharmacy claims with a high potential for a return on investment." The report further states that the risk assessment process is effective in identifying high-risk payments, but current Department resources are limited. They identified an opportunity for additional funding for auditors to perform this work. The Department (MPA) agrees that more post-payment third party liability reviews could be performed if more resources were allocated to this task.

Auditor's Concluding Remarks

We thank the Department for its response, and will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the

provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42 Code of Federal Regulations, Section 433.139 (b) (1) states:

> If the agency has established the probable existence of third party liability at the time the claim is filed, the agency must reject the claim and return it to the provider for a determination of the amount of liability. The establishment of third party liability takes place when the agency receives confirmation from the provider or a third party resource indicating the extent of third party liability. When the amount of liability is determined, the agency must then pay the claim to the extent that payment allowed under the agency's payment schedule exceeds the amount of the third party's payment.

Title 42 Code of Federal Regulations, Section 433.140 FFP and repayment of Federal share, states in part.

(a) FFP is not available in Medicaid payments if—
  (1) The agency failed to fulfill the requirements of §§433.138 and 433.139 with regard to establishing liability and seeking reimbursement from a third party;
  (2) The agency received reimbursement from a liable third party; or
  (3) A private insurer would have been obligated to pay for the service except that its insurance contract limits or excludes payments if the individual is eligible for Medicaid.
(b) FFP is available at the 50 percent rate for the agency's expenditures in carrying out the requirements of this subpart.

Washington Administrative Code (WAC) 388-501-0200 states:

(1) MAA requires a provider to seek timely reimbursement from a third party when a client has available third-party resources, except as described under subsections (2) and (3) of this section.
(2) MAA pays for medical services and seeks reimbursement from the liable third party when the claim is for any of the following:
  (a) Prenatal care;
  (b) Labor, delivery, and postpartum care (except inpatient hospital costs) for a pregnant woman; or
  (c) Preventive pediatric services as covered under the EPSDT program.
(3) MAA pays for medical services and seeks reimbursement from any liable third party when both of the following apply:
  (a) The provider submits to MAA documentation of billing the third party and the provider has not received payment after thirty days from the date of services; and
  (b) The claim is for a covered service provided to a client on whose behalf the office of support enforcement is enforcing an absent parent to pay support. For the purpose of this section, "is enforcing" means the absent parent either:
    (i) Is not complying with an existing court order; or
    (ii) Received payment directly from the third party and did not pay for the medical services.
(4) The provider may not bill MAA or the client for a covered service when a third party pays a provider the same amount as or more than the MAA rate.
(5) When the provider receives payment from the third party after receiving reimbursement from MAA, the provider must refund to MAA the amount of the:
  (a) Third-party payment when the payment is less than MAA's maximum allowable rate; or
  (b) MAA payment when the third-party payment is equal to or greater than MAA's maximum allowable rate.
(6) MAA is not responsible to pay for medical services when the third-party benefits are available to pay for the client's medical services at the time the provider bills MAA, except as described under subsections (2) and (3) of this section.

(7) The client is liable for charges for covered medical services that would be paid by the third party payment when the client either:
   (a) Receives direct third-party reimbursement for such services; or
   (b) Fails to execute legal signatures on insurance forms, billing documents, or other forms necessary to receive insurance payments for services rendered. See WAC 388-505-0540 for assignment of rights.
(8) MAA considers an adoptive family to be a third-party resource for the medical expenses of the birth mother and child only when there is a written contract between the adopting family and either the birth mother, the attorney, the provider, or the adoption service. The contract must specify that the adopting family will pay for the medical care associated with the pregnancy.
(9) A provider cannot refuse to furnish covered services to a client because of a third party's potential liability for the services.
(10) For third-party liability on personal injury litigation claims, MAA is responsible for providing medical services as described under WAC 388-501-0100.

10-52 The Department of Social and Health Services, Medicaid Purchasing Administration[5], does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Provider Eligibility
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing coverage for low-income individuals who otherwise might go without medical care. The state Medicaid program spent more than $6.9 billion during fiscal year 2010. It paid more than $6.1 billion of that directly to providers.

The Department of Social and Health Services' Medicaid Purchasing Administration Provider Enrollment Unit reviews the qualifications of health care providers who want to participate in the state's Medicaid program.

Eighty-one different types of providers, such as durable medical equipment suppliers, physicians, pharmacists, and others, provide services to Medicaid beneficiaries. Federal regulations require any Medicaid provider to have current, valid licenses for their field of service. Each provider must complete and sign a Core Provider Agreement and submit information about their business and what services they provide. Typically, the provide copies of:

- Business license(s).
- Current professional license.
- Internal Revenue Service W-9 (tax identification) form.
- Liability insurance (if applicable).
- Medicare certification (if applicable).
- Drug Enforcement Administration certification (if applicable).

Providers submit these documents to the Provider Enrollment Unit, which reviews them for accuracy and completeness. When the enrollment process is completed, the Unit assigns the provider an identification number.

Certain requirements also apply to specific types of providers, such as those who distribute durable medical equipment. This refers to any piece of equipment, such as wheel chairs, hearing aids and breathing devices, designed to assist those suffering from an illness or injury which restricts their normal functions. Federal law requires these providers to maintain a physical facility from which to do business to ensure clients receive support associated with medical equipment needs. Post office boxes are not considered a physical facility.

[5] Formerly Health and Recovery Services Administration

Additionally, federal law requires these providers to be accredited by an organization approved by the Centers for Medicare and Medicaid Services (CMS). The accreditation must identify specific products and services the provider may supply in order for payment to occur. The accreditation process helps ensure these providers are able to provide appropriate, quality equipment and assistance to clients.

During fiscal year 2010, more than 21,000 providers participated in Medicaid programs.

Description of Condition

We reviewed what systems are in place at the Provider Enrollment Unit to ensure providers meet Medicaid eligibility requirements.

We found the Unit ensures providers have appropriate licenses when first determining their eligibility. However, it does no verification subsequent to that determination. This can allow for providers with expired licenses to continue providing services to Medicaid clients.

We also reviewed how the Unit ensures durable medical equipment providers meet eligibility requirements for their field of service and accreditation. We found the Unit did not have adequate procedures to verify accreditation.

The Unit relies on the Office of Program Integrity's Medical and Hospital Audit Unit to ensure equipment providers have a physical location. That Office has a procedure requiring drive-bys to verify locations. It reports any negative results to the Unit. During our audit, we found that staff did not do these drive-by verifications during fiscal year 2010.

Cause of Condition

The Provider Enrollment Unit uses a computer system that has the capability to deny payment claims from providers who have expired licenses. The Department stated it intends to use this function in the future, but does not now have procedures in place to review for expired licenses. It does not know when it will begin using these procedures.

The Unit was unaware of the federal requirement to ensure medical equipment providers are accredited by an approved organization, and did not do so. The requirement came into effect in 2008.

With regards to drive-by verifications, the Office of Program Integrity changed its focus during fiscal year 2010 and assigned fewer staff to field audits. Those field audits were not focused on durable medical equipment provider verifications or drive-bys.

Effect of Condition

Provider eligibility requirements help ensure Medicaid clients receive qualified care and services. Inadequate controls to ensure providers meet eligibility requirements throughout their enrollment increases the risk of ineligible providers being paid for providing services to Medicaid clients and not being identified in a timely manner, if at all.

Recommendation

We recommend the Department:

- Strengthen controls to ensure all providers participating in the Medicaid program meet eligibility requirements initially and throughout their enrollment. This includes general requirements and requirements specific to medical equipment providers.
- Implement controls to ensure providers with expired licenses are not paid for services.
- Ensure equipment providers maintain an appropriate physical location for providing services.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) does not concur with the finding.

The Department (MPA) does ensure that all requirements for Durable Medical Equipment providers are met. Regarding accreditation, the federal citation noted by the audit team applies to "Conditions for Medicare Payment" and is not relevant to Medicaid payments. The specific notation referenced is 42 CFR 424.57 (c)(22). This citation is under Subchapter B, Medicare Program, Part 424, Conditions for Medicare Payment. The accreditation process is a Medicare requirement.

Medicaid also has a Change Request in process with the ProviderOne vendor, CNSI. It will allow a data exchange of professional and facility license information between Medicaid and the Department of Health. With the implementation of this Change Request, updated license information will be automatically uploaded into the ProviderOne system from the Department of Health database. This will ensure that claims for expired professional and facility licenses will not pay. We expect this Change Request to be in effect within the next six months. Business licenses were not captured in the legacy payment system, so the business license field is new to the ProviderOne system. It is a requirement for enrollment to document the business license dates in ProviderOne. ProviderOne automatically sends the provider a letter 30 days prior to the expiration date of a business license. The provider is required to then send the Provider Enrollment Unit proof of an updated license. There is currently no edit to deny claims on business license end dates, though a Change Request will be submitted to request this type of edit.

We also require these providers to have a physical location in order to be enrolled as a provider; we do not accept a Post Office Box as a valid physical address.

The Department's (MPA) Office of Program Integrity does not have an official policy or procedure requiring auditors to do drive-by verification of Durable Medical Equipment providers, since there is no federal or state rules or regulations requiring drive-by verification. Historically, if the Office of Program Integrity auditors were going to be out in the field doing on-site audits, then they would try to do some drive-by verification of provider facilities in the same geographical region as their assigned audits. This was not possible during 2010 due to system conversion to ProviderOne, and the changeover from the old Fraud and Abuse Detection System (FADS) to a second generation FADS system. Instead, we focused on desk reviews of older audits in order clear backlogs. In addition, our staffing resources are much more limited due to hiring freezes, temporary layoffs and attrition.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
>
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 42, Code of Federal Regulations, Section 424.57 - Special payment rules for items furnished by DMEPOS suppliers and issuance of DMEPOS supplier billing privileges.

(c) Application certification standards. The supplier must meet and must certify in its application for billing privileges that it meets and will continue to meet the following standards. The supplier:
  (7) Maintains a physical facility on an appropriate site. The physical facility must contain space for storing business records including the supplier's delivery, maintenance, and beneficiary communication records. For purposes of this standard, a post office box or commercial mailbox is not considered a physical facility. In the case of a multi-site supplier, records may be maintained at a centralized location;
  (22) All suppliers of DMEPOS and other items and services must be accredited by a CMS-approved accreditation organization in order to receive and retain a supplier billing number. The accreditation must indicate the specific products and services, for which the supplier is accredited in order for the supplier to receive payment for those specific products and services.

Title 42, Code of Federal Regulations, Section 424.510, Requirements for enrolling in the Medicare program.

(d) Providers and suppliers must meet the following enrollment requirements:
  (2) *Content of the enrollment application*. Each submitted enrollment application must include the following:
    (iii) Submission of all documentation, including all applicable Federal and State licensure and regulatory requirements that apply to the specific provider or supplier type that relate to providing health care services, required by CMS under this or other statutory or regulatory authority, or under the Paperwork Reduction Act of 1995, to establish the provider or supplier's eligibility to furnish Medicare covered items or services to beneficiaries in the Medicare program.

Washington Administrative Code (WAC) 388-502-0010 - Payment – Eligible providers defined.

The department pays enrolled providers for covered healthcare services, equipment and supplies they provide to eligible clients.
  (1) To be eligible for enrollment, a provider must:
    (a) Be licensed, certified, accredited, or registered according to Washington state laws and rules; and
    (b) Meet the conditions in this chapter and chapters regulating the specific type of provider, program, and/or service.

Washington Administrative Code (WAC) 388-543-1200 - Providers who are eligible to provide services.

(1) The department requires a provider who supplies DME and related supplies, prosthetics, orthotics, medical supplies and related services to a client to meet all of the following. The provider must:
  (a) Have the proper business license; and
  (b) Be certified, licensed and/or bonded if required, to perform the services billed to the department. Out-of-state prosthetic and orthotics providers must meet their state regulatory requirements.
(2) The department may reimburse qualified providers for DME and related supplies, prosthetics, orthotics, medical supplies, repairs, and related services on a fee-for-service (FFS) basis as follows:
  (a) DME providers for DME and related repair services;
  (b) Medical equipment dealers, pharmacies, and home health agencies under their medical vendor provider number for medical supplies, subject to the limitations in this section;

(c) Licensed prosthetics and orthotics providers who are licensed by the Washington state department of health in prosthetics and orthotics. This does not apply to medical equipment dealers and pharmacies that do not require licensure to provide selected prosthetics and orthotics;

(d) Physicians who provide medical equipment and supplies in the physician's office. The department may pay separately for medical supplies, subject to the provisions in the department's resource based relative value scale (RBRVS) fee schedule; and

(e) Out-of-state orthotics and prosthetics providers who meet their state regulations.

(3) The department terminates from medicaid participation any provider who violates program regulations and policies, as described in WAC 388-502-0020.

10-53 The Department of Social and Health Services Medicaid Purchasing Administration[6] does not perform a retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal law.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Medicaid is a state and federal partnership that provides coverage for certain low–income individuals who might otherwise go without medical care. One significant cost to Medicaid is prescription drugs. The Department paid more than $420 million to pharmacies for services to Medicaid clients in fiscal year 2010. The Department's Point-of-Sale System (POS) processes pharmaceutical claims for Medicaid client prescriptions. It runs each request for payment through a series of criteria, known as edits, within the system. The Department pays the claims if they successfully pass all edits.

Federal laws require state Medicaid programs to have a retrospective drug use review program to identify patterns of fraud, abuse, gross overuse or inappropriate or medically unnecessary use. Medicaid administrators such as the Department must do these reviews at least quarterly to examine the activities of physicians, pharmacists and Medicaid recipients. Federal law requires this examination to include an analysis of physicians' prescribing practices, drug use by patients and, where appropriate, dispensing practices of pharmacies.

In a report issued in September 2009, the U.S. Government Accountability Office found tens of thousands of Medicaid beneficiaries and providers involved in potential fraudulent purchases of controlled substances, abusive purchases of controlled substances, or both, in five states: California, Illinois, New York, North Carolina, and Texas[7]. In our audits for fiscal years 2008 and 2009, we reported concerns regarding the Department's noncompliance with federal law that requires a retrospective drug use review of pharmaceutical claims date at least quarterly.

Description of Condition

During our audit, we found no changes in the conditions that we reported in our previous audits. The Department does not perform a retrospective drug use review of pharmaceutical claims data at least quarterly as required by federal regulation.

Cause of Condition

The Department believes its review of prescription drug activity in order to analyze the medical appropriateness of prescribing and dispensing is sufficient to fulfill the requirements of federal law.

[6] Formerly Health and Recovery Services Administration (HRSA)
[7] GAO-09-957

Effect of Condition

The Department is not using available resources to identify patterns of fraud, abuse, and misuse of pharmaceutical claims paid with Medicaid funds, increasing the risk these situations could occur and not be detected in a timely manner.

Recommendation

We recommend the Department comply with federal law regarding quarterly analysis of pharmaceutical claims data to identify patterns of fraud, abuse, and misuse of pharmaceuticals paid for with Medicaid funds.

Department's Response

The Department (Medicaid Purchasing Administration (MPA)) does not concur with this finding.

This audit area continues to be one in which the auditors and the Department (MPA) disagree on the intent and focus of the CFR requirements. The Department's (MPA) focus is on the appropriateness of prescribing physicians drug selection, and its clinical appropriateness while the auditors' focus continues to be on the usefulness of the utilization review in detecting fraud.

Title 42 CFR stipulates the Department (MPA) must perform quarterly retrospective Drug Utilization Review (DUR) via:

> *"(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following:*
>
> > *(1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards.*
> > *(2) Overutilization and underutilization, as defined in Sec. 456.702.*
> > *(3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws.*
> > *(4) Therapeutic duplication as described in Sec. 456.705(b)(1).*
> > *(5) Drug-disease contraindication as described in Sec. 456.705(b)(2).*
> > *(6) Drug-drug interaction as described in Sec. 456.705(b)(3).*
> > *(7) Incorrect drug dosage as described in Sec. 456.705(b)(4).*
> > *(8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5).*
> > *(9) Clinical abuse or misuse as described in Sec. 456.705(b)(7)"*

The Pharmacy Policy Section uses data to determine which drug or classes (if any) require additional clinical oversight or provider education. Predetermined standards are used along with a professional drug advisory committee to monitor all the measures cited above, including overutilization and abuse and misuse of any medication for that quarter. If "Abuse" and "Misuse" is identified in the process, the "suspected" abuser is referred to our internal resources of the Department (MPA): Office of Patient Review and Coordination (PRC), the Quality Management Team Unit (QMT), the Payment Review Program Unit (PRP) and the Office of Payment Review and Audit (OPRA). The Department (MPA) has designated the Office of Payment Review and Audit (OPRA), part of our payment integrity division, as the Department's (MPA) contact point for referrals to the Medicaid Fraud and Control Unit (MFCU). This was an internal protocol put into place in 2004 so there would be coordination and one source for this external body to interface with.

The Department (MPA) conducts retrospective reviews for this purpose on an ongoing basis with multiple reviews occurring each quarter. Each of the measures cited above is analyzed on the basis of utilization trends, new drugs available in the marketplace, and new medically accepted indications for covered outpatient drugs. Analysis is completed and any significant results of that analysis are reported to the Centers for Medicare and Medicaid Services (CMS) Region 10. These results are reported on forms CMS

specifically created for reporting the results of the analysis on each of these measures, including overutilization and abuse and misuse.

The Department (MPA) believes it has presented reports to the SAO which document our compliance with the CFR and will continue to work with the SAO to understand what additional documentation would meet their needs.

The CFR does not stipulate which drug class or specific drug(s) should be reviewed each quarter. It does not stipulate these reviews must be done looking at every physician's prescribing practices every quarter. Nor does it say the DUR must be conducted on every drug every quarter. The Department (MPA) meets this requirement by looking at drug utilization by types of drugs or groups of drugs in a systematic way designed to identify the flags outlined above.

The Department (MPA) has previously contacted the pharmacist with CMS, in September 2009 to confirm that Washington Medicaid was in compliance with the federal requirements regarding retrospective and prospective DUR. The pharmacist sent an email that verifies Washington's compliance.

Finally, the Department maintains that it is in compliance with these regulations based on 42 CFR Ch. IV sec. 456.714, which states:

> *§ 456.714 DUR/surveillance and utilization review relationship.*
> *(a) The retrospective DUR requirements in this subpart parallel a portion of the surveillance and utilization review (SUR) requirements in subpart A of this part and in part 455 of this chapter.*
> *(b) A State agency may direct DUR staffs to limit review activities to those that focus on what constitutes appropriate and medically necessary care to avoid duplication of activities relating to fraud and abuse under the SUR program."*

Auditor's Concluding Remarks

We thank the Department for its response and commitment to continuing discussions on this issue.

Retrospective Drug Utilization Review (DUR) is a two-part system. The first component is the ongoing periodic examination of claims data and other records to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists and Medicaid recipients associated with specific drugs or groups of drugs. The purpose of this component of retrospective DUR is to reduce the frequency of misuse and overuse of Medicaid drug benefits.

The second component of retrospective DUR is an ongoing periodic examination of claims data and other records to assess the clinical quality of prescribing and dispensing of Medicaid-covered drugs. The purpose of this component of retrospective DUR is to reduce the frequency of therapeutic problems associated with the use of those drugs.

The Department did not perform a retrospective drug use review of pharmaceutical claims data in order to identify patterns of fraud, abuse, or gross overuse among physicians, pharmacists, and Medicaid recipients, or associated with specific drugs or groups of drugs.

The Department established procedures to perform the second component of retrospective DUR, believing this was sufficient. We re-affirm our finding, and look forward to continuing discussions with the Department and its grantor in order to achieve resolution.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, Code of Federal Regulations, Section 456.703 states in part:

(a) *General.* Except as provided in paragraphs (b) and (c) of this section, in order for FFP to be paid or made available under section 1903 of the Act for covered outpatient drugs, the State must have in operation, by not later than January 1, 1993, a DUR program consisting of prospective drug review, retrospective drug use review, and an educational program that meets the requirements of this subpart. The goal of the State's DUR program must be to ensure appropriate drug therapy, while permitting sufficient professional prerogatives to allow for individualized drug therapy.

Title 42, Code of Federal Regulations, Section 456.709 states:

(a) General. The State plan must provide for a retrospective DUR program for ongoing periodic examination (no less frequently than quarterly) of claims data and other records in order to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and Medicaid recipients, or associated with specific drugs or groups of drugs. This examination must involve pattern analysis, using predetermined standards, of physician prescribing practices, drug use by individual patients and, where appropriate, dispensing practices of pharmacies. This program must be provided through the State's mechanized drug claims processing and information retrieval systems approved by CMS (that is, the Medicaid Management Information System (MMIS)) or an electronic drug claims processing system that is integrated with MMIS. States that do not have MMIS systems may use existing systems provided that the results of the examination of drug claims as described in this section are integrated within their existing system.

(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following:
   (1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards.
   (2) Overutilization and underutilization, as defined in Sec. 456.702.
   (3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws.
   (4) Therapeutic duplication as described in Sec. 456.705(b)(1).
   (5) Drug-disease contraindication as described in Sec. 456.705(b)(2).
   (6) Drug-drug interaction as described in Sec. 456.705(b)(3).
   (7) Incorrect drug dosage as described in Sec. 456.705(b)(4).
   (8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5).
   (9) Clinical abuse or misuse as described in Sec. 456.705(b)(7).

Title 42 Code of Federal Regulations 455.2 states in part:

Abuse means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary cost to the Medicaid program.

Title 42 Code of Federal Regulations 455.14 Preliminary investigation states:

If the agency receives a complaint of Medicaid fraud or abuse from any source or identifies any questionable practices, it must conduct a preliminary investigation to determine whether there is sufficient basis to warrant a full investigation.

Title 42 Code of Federal Regulations 455.15 Full investigation states in part:

If the findings of a preliminary investigation give the agency reason to believe that an incident of fraud or abuse has occurred in the Medicaid program, the agency must take the following action, as appropriate:

(a) If a provider is suspected of fraud or abuse, the agency must—
  (1) In States with a State Medicaid fraud control unit certified under subpart C of part 1002 of this title, refer the case to the unit under the terms of its agreement with the unit entered into under Sec.1002.309 of this title; or
  (2) In States with no certified Medicaid fraud control unit, or in cases where no referral to the State Medicaid fraud control unit is required under paragraph (a)(1) of this section, conduct a full investigation or refer the case to the appropriate law enforcement agency.
(b) If there is reason to believe that a recipient has defrauded the Medicaid program, the agency must refer the case to an appropriate law enforcement agency.
(c) If there is reason to believe that a recipient has abused the Medicaid program, the agency must conduct a full investigation of the abuse.

Title 42 Code of Federal Regulations 455.16 Resolution of full investigation states in part:

A full investigation must continue until—

(a) Appropriate legal action is initiated;
(b) The case is closed or dropped because of insufficient evidence to support the allegations of fraud or abuse; or
(c) The matter is resolved between the agency and the provider or recipient. This resolution may include but is not limited to—
  (1) Sending a warning letter to the provider or recipient, giving notice that continuation of the activity in question will result in further action;
  (2) Suspending or terminating the provider from participation in the Medicaid program;
  (3) Seeking recovery of payments made to the provider; or
  (4) Imposing other sanctions provided under the State plan.

Washington Administrative Code (WAC) 388-530-4050 Drug use and claims review states:

(1) The department's drug use review (DUR) consists of:
  (a) A prospective drug use review (Pro-DUR) that requires all pharmacy providers to:
    (i) Obtain patient histories of allergies, idiosyncrasies, or chronic condition(s) which may relate to drug utilization;
    (ii) Screen for potential drug therapy problems; and
    (iii) Counsel the patient in accordance with existing state pharmacy laws and federal regulations
  (b) A retrospective drug use review (Retro-DUR), in which the department provides for the ongoing periodic examination of claims data and other records in order to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and individuals receiving benefits.
(2) The department reviews a periodic sampling of claims to determine if drugs are appropriately dispensed and billed. If a review of the sample finds that a provider is inappropriately dispensing or billing for drugs, the department may implement corrective action that includes, but is not limited to:
  (a) Educating the provider regarding the problem practice(s);
  (b) Requiring the provider to maintain specific documentation in addition to the normal documentation requirements regarding the provider's dispensing or billing actions;
  (c) Recouping the payment for the drug(s); and/or
  (d) Terminating the provider's core provider agreement (CPA).

10-54 The Department of Social and Health Services, Aging and Disability Services Administration, billed approximately $600,000 to the Medicaid program for services provided to ineligible individuals.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	$ 322,204.66 Non-ARRA $ 80,767.25 ARRA

Background

The Medicaid program pays for medical assistance for certain individuals and families with low income and resources. Federal and state laws, regulations and other requirements establish Medicaid eligibility. Generally, an individual must, among other things, not exceed state-established income and resource thresholds, meet citizenship requirements, submit a written application for Medicaid benefits, furnish his or her Social Security number and be eligible for the services received.

In Washington, the Medicaid program covers children up to age 19 in families whose income is up to 200 percent of the Federal Poverty Level.

Description of Condition

During our audit, we found expenditures for personal care services provided to 102 Children's Health Insurance Program (CHIP) beneficiaries were charged to the Medicaid program. CHIP covers children up to age 19 in families whose income falls between 201 and 300 percent of the Federal Poverty Level. CHIP beneficiaries are not eligible for the Medicaid program. More than 16,000 children are enrolled in CHIP. The table below summarizes the results of our work;

Service Description	Questioned Costs	Federal Share
Personal Care Services	$640,247.71*	$402,971.91

* Incurred during the period from October 1, 2008 through June 30, 2010.

Cause of Condition

Staff at the Aging and Disability Services Administration, which administers personal care services for children with developmental disabilities, was not aware expenditures for services provided to CHIP beneficiaries should be fully charged to the CHIP, instead of Medicaid.

Effect of Condition and Questioned Costs

The Department charged $640,247.71 to the Medicaid program for services provided to ineligible individuals. We are questioning $402,971.91, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Establish and follow adequate procedures to ensure CHIP expenditures are not charged to Medicaid.

- Refund to the federal government $402,971.91 in unallowable costs charged to Medicaid.

Department's Response

The Department concurs with this finding that Medicaid funds were used to serve CHIP beneficiaries in error.

Department staff within Aging and Disability Services Administration (ADSA) was not aware of the correct process and client eligibility criteria for charging funds to the SCHIP grant. ADSA is now working with Medicaid Purchasing Administration and Economic Services Administration staff to establish methodologies to ensure that expenditures are properly charged to the SCHIP grant and not Medicaid.

ADSA will work with CMS regarding these questioned costs.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Compliance Supplement, Part 4 (March 2009)- Department of Health and Human Services (HHS), Medicaid Cluster, III. Compliance Requirements, states in part:

> To be allowable, Medicaid costs for medical services must be:
> (1) covered by the State plan and waivers;
> (2) for an allowable service rendered (including supported by medical records or other evidence indicating that the service was actually provided and consistent with the medical diagnosis);
> (3) properly coded; and
> (4) paid at the rate allowed by the State plan. Additionally, Medicaid costs must be net of applicable credits (e.g., insurance, recoveries from other third parties who are responsible for covering the Medicaid costs, and drug rebates), paid to eligible providers, and only provided on behalf of eligible individuals.

Title 42, Code of Federal Regulations, Section 435.1002 FFP for services, states:

(a) Except for the limitations and conditions specified in §§435.1007, 35.1008, 435.1009, and 438.814 of this chapter, FFP is available in expenditures for Medicaid services for all recipients whose coverage is required or allowed under this part.
(b) FFP is available in expenditures for services provided to recipients who were eligible for Medicaid in the month in which the medical care or services were provided except that, for recipients who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the recipient's liability. (See §§435.914 and 436.901 of this subchapter for regulations on retroactive eligibility for Medicaid.)
(c) FFP is available in expenditures for services covered under the plan that are furnished—
    (1) To children who are determined by a qualified entity to be presumptively eligible;
    (2) During a period of presumptive eligibility;
    (3) By a provider that is eligible for payment under the plan; and
    (4) Regardless of whether the children are determined eligible for Medicaid following the period of presumptive eligibility.

10-55 The Department of Social and Health Services, Medicaid Purchasing Administration[8], did not ensure managed care premium payments were paid only for Medicaid eligible clients, resulting in the loss of approximately $1 million of public funds.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	Medicaid Cluster 93.775 State Medicaid Fraud Control Units 93.776 Hurricane Katrina Relief 93.777 State Survey and Certification of Health Care Providers and Suppliers 93.778 Medical Assistance Program (Medicaid; Title XIX) 93.778 Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1005WA5MAP, 5-1005W5ADM, 5-1005WAARRA
Applicable Compliance Component:	Activities Allowed/Cost Principles
Questioned Cost Amount:	$ 474,387.67 Non-ARRA $ 118,915.06 ARRA

Background

Medicaid services are provided to clients through fee-for-service and managed care. Those using traditional fee-for-service health care access medical service providers directly. Providers submit bills for payment directly to the state. In managed care, a managed care organization (MCO) receives a fixed monthly payment for each Medicaid recipient enrolled in the plan and is responsible for ensuring patients have access to a wide range of medical services.

The managed care system in Washington state is known as Healthy Options. Through the program, the Medicaid Purchasing Administration contracts with MCOs to provide a defined benefits to Medicaid beneficiaries. Approximately 60 percent of Medicaid clients are enrolled in managed care plans. The Department paid more than $1.2 billion for MCO premiums during state fiscal year 2010.

The contract between the Department and MCOs states the Department is allowed to recoup, retroactively, premium payments should a client die or if the Department identifies other coverage, such as private insurance or Supplemental Security Income for newborns up to two months old. In all other cases, the Department cannot recoup premium payments for clients no longer eligible for Medicaid unless the Department notifies the MCOs before the first day of the benefit month.

Description of Condition

We reviewed Medicaid MCO premium payments in state fiscal year 2010 to determine whether premium payments were made only for eligible clients.

We found the Department paid premium payments for 53 individuals who were disenrolled from the Medicaid program. Thirty-eight of those individuals had been disenrolled for more than a year, some as far back as 2005.

We also noted the Department paid managed care premium payments in state fiscal year 2010 for 3,344 individuals who were disenrolled or terminated from Medicaid prior to the benefit month. The Department did not reconcile the list of clients it used to make payments to MCOs to the Automated Client Eligibility System prior to the benefit period to ensure all clients were still eligible for Medicaid. Due to the lack of

[8] Formerly Health and Recovery Services Administration (HRSA)

proper reconciliation, the Department failed to notify MCOs of individuals who were no longer eligible for Medicaid before the first day of the benefit month.

Cause of Condition

Premium payments were made through the Medicaid Management Information System, which was designed to interface with the Departments client eligibility database. This interface is supposed to help ensure such payments are not made for individuals who are not eligible for Medicaid. However, we found the eligibility information in the two systems did not match. The Department does not know why there were discrepancies.

The Department did not reconcile the list of eligible Medicaid clients it used to pay MCOs to ensure all clients are still eligible for the Medicaid program.

Effect of Condition and Questioned Costs

The Department made premium payments of $323,795.65 for 53 individuals who were disenrolled from the Medicaid program. Of those 53 individuals, 38 individuals were disenrolled before July 1, 2009 but the Department continued paying the premiums.

The table below summarizes payments the Department made since 2005 for those individuals:

Fiscal Year	Number of Disenrolled Clients	Number of Payments	Total Payments
2005	20	310	$58,788.46
2006	19	153	$29,530.71
2007	18	302	$62,347.67
2008	18	293	$66,152.71
2009	20	132	$29,871.96
2010	53	235	$77,104.14
Total	53*	1,425	$323,795.65

*: Individuals possible in more than one fiscal year

We also identified 3,344 clients who were eligible for the Medicaid program at the time premiums were paid, but that were subsequently disenrolled, so they were not eligible for Medicaid for the month in which the premium was paid.

The table below summarizes the results of our review:

Fiscal Year	Number of Clients	Total Payments
2010	3,344	$618,852.47

In summary, the Department paid a total of $942,648.12 to MCOs for individuals no longer eligible for Medicaid. The Department cannot recoup those amounts from the MCOs since it did not notify them of the eligibility changes in a timely manner.

We are questioning $593,302.73, which is the federal portion of the expenditures.

Recommendation

We recommend the Department:

- Perform a reconciliation between the Medicaid payment system and the client eligibility system prior to the beginning of the benefit month to ensure that MCO premium payments are made only for eligible clients.

- Refund $593,302.73 to the federal government.

Department's Response

The Department (Medicaid Purchasing Administration (MPA) concurs with this finding.

- *The Department (MPA) conducted a thorough analyses of the data submitted to us by SAO and concluded that the small group of cases cited was accurately described. The findings were a result of limitations within the legacy MMIS system.*
- *This limitation has been resolved with the implementation of Provider One. Currently, we have established business rules that will disenroll ineligible clients when their eligibility changes between cutoff and premium payment.*

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* Section 300, states in part:

> The auditee shall:
> (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Title 42, Code of Federal Regulations, Section 435.1002 FFP for services, states:

> (a) Except for the limitations and conditions specified in §§435.1007, 35.1008, 435.1009, and 438.814 of this chapter, FFP is available in expenditures for Medicaid services for all recipients whose coverage is required or allowed under this part.
> (b) FFP is available in expenditures for services provided to recipients who were eligible for Medicaid in the month in which the medical care or services were provided except that, for recipients who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the recipient's liability. (See §§435.914 and 436.901 of this subchapter for regulations on retroactive eligibility for Medicaid.)
> (c) FFP is available in expenditures for services covered under the plan that are furnished—
> (1) To children who are determined by a qualified entity to be presumptively eligible;
> (2) During a period of presumptive eligibility;
> (3) By a provider that is eligible for payment under the plan; and
> (4) Regardless of whether the children are determined eligible for Medicaid following the period of presumptive eligibility.

10-56 The Department of Health charged federal grants for expenditures after the grant period had closed.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.889 National Bioterrorism Hospital Preparedness Program
Federal Award Number:	4 U3RHS007562-01-04; 4 U3REP070019-01-03
Applicable Compliance Component:	Period of Availability
Questioned Cost Amount:	$154,991.62

Background

The Washington State Department of Health administers the federal National Bioterrorism Hospital Preparedness Program grant that enhances the ability of hospitals and health care systems to prepare for and respond to biological and other public health emergencies. The Department distributes this money to public and private entities that provide these services and retains a portion to pay administrative costs. The Department spent approximately $11,450,000 in grant funds in fiscal year 2010.

Grant money is awarded for predefined project periods during which funds may be expended or obligated for allowable program activities. Once a project period has ended, the Department has 90 days to pay any expenses that were incurred during the project period. Within 90 days of the project period ending the Department must file a financial status report with the U.S. Department of Health and Human Services. From that point forward no further charges may be made to the grant unless the grantor approves an extension.

Description of Condition

The Department had two federal grants whose project periods ended during the period under audit. One ended on August 8, 2009 and one ended on August 31, 2009. Federal regulations allow expenses incurred prior to these dates to be paid through November 6, 2009 and November 29, 2009 respectively. We determined that $154,991.62 in expenditures were paid after theses dates. We examined the supporting documentation for these expenditures and determined they were otherwise allowable.

Cause of Condition

Department management focused on ensuring grant funds were obligated during the project period, but did not monitor to ensure those obligations were paid prior to the 90 day period expiring.

Effect of Condition and Questioned Costs

By not ensuring all obligations were paid in accordance with federal requirements, the Department improperly charged expenditures to the federal grants. This could jeopardize future federal funding to the Department.

Additionally, because the Department continued to charge the grant after the closing date, it was unable to file all required financial reports in a timely manner. The report due November 29, 2009 was filed on April 16, 2010.

We identified $154,991.62 in expenditures that were improperly charged to the National Bioterrorism Hospital Preparedness Program. We are questioning those costs as unallowable charges. The federal grantor could disallow these charges and require the Department to pay back the money.

Recommendations

We recommend the Department ensure grants are not charged more than 90 days after a grant project period has ended unless an extension has been approved by the grantee.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

We concur with the State Auditor's office finding to the extent that a number of grant obligations were paid past the 90 days following the end of grant availability period. We will review our controls governing grant billing and work to ensure that proper cut-off procedures are implemented.

In addition we will work with the federal grantor to resolve the questions costs associated with these transactions which were otherwise allowable.

We thank the State Auditor's Office for the professional work by their staff.

Auditor's Concluding Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300 states in part:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 45 Code of Federal Regulations, Part 92 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments --Table of Contents

> Sec. 92.23 Period of availability of funds.
>
> (a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.
>
> (b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

10-57 The Department of Social and Health Services, Aging and Disability Services Administration, Division of Behavioral Health and Recovery, did not comply with the federal requirement for independent peer reviews for the Substance Abuse Prevention and Treatment Block Grant.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.959 Substance Abuse Prevention and Treatment Block Grant
Federal Award Number:	B08T1010056
Applicable Compliance Component:	Special Test and Provisions
Questioned Cost Amount:	None

Background

The Substance Abuse Prevention and Treatment Block Grant is the primary tool the federal government uses to fund state substance abuse prevention and treatment programs designed by the states. For federal fiscal year 2009 and 2010, the state Department of Social and Health Services received $34.9 million through this grant.

The Department provides residential and outpatient treatment services to clients through various contractors. Federal requirements state the Department must have an annual independent peer review of at least 5 percent of these contractors to assess the quality, appropriateness, and efficacy of treatment services. That process is designed to ensure continuous improvements to the services.

Prior to June 30, 2010, the Department relied on the Citizen's Advisory Council on Alcoholism and Drug Addiction to do the independent peer reviews. The Legislature eliminated the Council effective June 30, 2010.

Description of Condition

The Department did not comply with the peer review requirement in 2010. The most recent review was completed in June 2009 by the Citizen's Council.

Cause of Condition

The Citizen's Council was scheduled to perform the independent peer review during 2010. However, it was focused on the impending elimination and could not do the review. The Department was unable to find another party to conduct the peer review prior to the end of the fiscal year. The Department is working with the Mental Health Policy Advisory Committee to complete the peer review in the future.

Effect

Without an annual peer review the Department misses the opportunity to identify and make improvements to the program. Independent peer reviews help ensure clients receive quality, effective treatment programs. Additionally, the lack of an appropriate required peer review could jeopardize future federal funding.

Recommendations

We recommend the Department ensure the annual peer review is performed as required. We also recommend the Department identify more than one option to ensure the required annual independent peer review is completed.

Department's Response

The Department concurs with this finding.

A newly created Behavioral Health Advisory Council will be responsible for facilitating and overseeing the peer review process. A contract with Accumentra will be extended to perform oversight of all peer review functions.

Auditor's Concluding Remarks

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

Applicable Laws and Regulations

U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states:

> The auditee shall:
>
> (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 45, Code of Federal Regulations, Section 96.136 Independent Peer Review

(a) The State shall for the fiscal year for which the grant is provided, provide for independent peer review to assess the quality, appropriateness, and efficacy of treatment services provided in the State to individuals under the program involved, and ensure that at least 5 percent of the entities providing services in the State under such program are reviewed. The programs reviewed shall be representative of the total population of such entities.

(b) The purpose of independent peer review is to review the quality and appropriateness of treatment services. The review will focus on treatment programs and the substance abuse service system rather than on the individual practitioners. The intent of the independent peer review process is to continuously improve the treatment services to alcohol and drug abusers within the State system. ``Quality," for purposes of this section, is the provision of treatment services which, within the constraints of technology, resources, and patient/client circumstances, will meet accepted standards and practices which will improve patient/client health and safety status in the context of recovery. ``Appropriateness," for purposes of this section, means the provision of treatment services consistent with the individual's identified clinical needs and level of functioning.

(c) The independent peer reviewers shall be individuals with expertise in the field of alcohol and drug abuse treatment. Because treatment services may be provided by multiple disciplines, States will make every effort to ensure that individual peer reviewers are representative of the various disciplines utilized by the program under review. Individual peer reviewers must also be knowledgeable about the modality being reviewed and its underlying theoretical approach to addictions treatment, and must be sensitive to the cultural and environmental issues that may influence the quality of the services provided.

(d) As part of the independent peer review, the reviewers shall review a representative sample of patient/client records to determine quality and appropriateness of treatment services, while adhering to all Federal and State confidentiality requirements, including 42 CFR Part 2. The reviewers shall examine the following:

    (1) Admission criteria/intake process;
    (2) Assessments;
    (3) Treatment planning, including appropriate referral, e.g., prenatal care and tuberculosis and HIV services;
    (4) Documentation of implementation of treatment services;
    (5) Discharge and continuing care planning; and

(6) Indications of treatment outcomes.

(e) The State shall ensure that the independent peer review will not involve practitioners/providers reviewing their own programs, or programs in which they have administrative oversight, and that there be a separation of peer review personnel from funding decision makers. In addition, the State shall ensure that independent peer review is not conducted as part of the licensing/certification process.

(f) The States shall develop procedures for the implementation of this section and such procedures shall be developed in consultation with the State Medical Director for Substance Abuse Services.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

Institute for Museum Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
03.000	IMS - Contract Number Only Provided	61-5202A	3600	61,155	0	PT
	Federal Program 03.000 Total			**61,155**	**0**	
03.307	21st Century Museum Professionals		3600	114,413	15,493	
	Federal Program 03.307 Total			**114,413**	**15,493**	
03.310	Grants to States		0850	3,596,746	0	
	Federal Program 03.310 Total			**3,596,746**	**0**	
03.312	National Leadership Grants		0850	3,300	0	
03.312			3600	361,102	17,195	
03.312			3700	9,571	0	
	Federal Program 03.312 Total			**373,973**	**17,195**	
03.313	Laura Bush 21st Century Librarian Program		3600	204,769	0	
	Federal Program 03.313 Total			**204,769**	**0**	
	Institute for Museum Services Total			**4,351,056**	**32,688**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

National Endowment for the Arts

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
05.000	Nea - Contract Number Only Provided	TW20090059	3600	2,500	0	PT
	Federal Program 05.000 Total			**2,500**	**0**	
05.024	Promo Grant Arts to Org		3600	41,236	0	
05.024			3700	3,000	0	
05.024			3760	50,000	0	
05.024			3800	14,393	0	
05.024			4650	33,835	0	
	Federal Program 05.024 Total			**142,464**	**0**	
05.024A	ARRA - Promo Grant Arts to Org		3600	50,029	0	
05.024A			4650	37,218	0	
	Federal Program 05.024A Total			**87,247**	**0**	
05.025	Promo of Arts Partnership Agreements	TW20090058	3600	2,500	0	PT
05.025			3870	748,048	0	
	Federal Program 05.025 Total			**750,548**	**0**	
05.025A	ARRA - Promo of Arts Partnership Agreements		3870	270,043	0	
	Federal Program 05.025A Total			**270,043**	**0**	
	National Endowment for the Arts Total			**1,252,802**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

National Endowment for the Humanities

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
06.000	Neh - Contract Number Only Provided	FA52567	3650	17,947	0	
	Federal Program 06.000 Total			**17,947**	**0**	
06.130	Promotion of the Humanities Challenge Grants		3600	179,138	0	
	Federal Program 06.130 Total			**179,138**	**0**	
06.149	Promotion of the Humanities Division of Preservati		3600	30,039	0	
06.149		G10102	3650	21,228	0	PT
06.149			3800	4,680	0	
	Federal Program 06.149 Total			**55,947**	**0**	
06.168	Promotion of the Humanities We the People	GA02662	3650	7,381	0	PT
	Federal Program 06.168 Total			**7,381**	**0**	
06.169	Promotion of the Humanities Office of Digital Huma		0850	192,245	0	
06.169			3650	686	0	
	Federal Program 06.169 Total			**192,931**	**0**	
	National Endowment for the Humanities Total			**453,344**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

Office of National Drug Control Policy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
07.000	Ondcp - Contract Number Only Provided	9007000120	0800	8,520	0	PT
07.000		9008000083	0800	43,178	0	PT
	Federal Program 07.000 Total			**51,698**	**0**	
07.000	Ondcp - Contract Number Only Provided	C071069FED-DME7	2250	4,656	0	
07.000		C081592FED-HMI8	2250	51,302	0	
07.000		C081592FED-INX8	2250	223,872	0	
07.000		C081592FED-MTX8	2250	15,363	0	
07.000		C090207FED-NMI9	2250	264,023	0	PT
07.000		C090665FED-DME9	2250	21,457	0	
07.000		C090665FED-HIX9	2250	1,101,601	0	
07.000		C090665FED-INX9	2250	93,836	0	
07.000		C090665FED-MTX9	2250	60,000	0	
07.000		C100658FED-HI10	2250	112,431	0	
07.000		C100658FED-MT10	2250	5,085	0	
	Federal Program 07.000 Total			**1,953,626**	**0**	
	Office of National Drug Control Policy Total			**2,005,324**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

Peace Corps

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
08.000	Peace Corps - Contract Number Only Provided	PC0981010	3650	6,021	0	
	Federal Program 08.000 Total			**6,021**	**0**	
	Peace Corps Total			**6,021**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Programs Not Clustered

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.000	Agriculture - Contract Number Only Provided	05JV11052007028MOD07	3600	25,389	0	
10.000		06JV11272164063AM05	3600	69,220	0	
10.000		07JV11221609281MOD02	3600	64,330	0	
10.000		07JV11221622367MOD01	3600	57,069	0	
10.000		07JV11242300157	3600	36,264	0	
10.000		08CS11021006019MOD01	3600	5,018	0	
10.000		09-JV-11015600-039	3600	72,834	0	
10.000		09CR11060600014MOD1	3600	80,869	0	
10.000		09JV11261900039MOD01	3600	18,300	0	
10.000		10-JV-11261989-019	3600	5,431	0	
10.000		2007-35203-18082	3600	21,801	0	
10.000		2008-CA-11062765-005	3600	5,243	0	
10.000		35540	3600	18,629	0	PT
10.000		FFFRTI0801	3600	80,834	0	PT
10.000		NRCS 69-0546-8-001	3600	291	0	
10.000		PNW 07-JV-11261985-162	3600	288	0	
10.000		PNW 08-JV-11261900-080	3600	2,072	0	
10.000		PNW 08-JV-11261935-048	3600	3,914	0	
10.000		PNW 08-JV-11261975-355	3600	(731)	0	
10.000		PNW 09-JV-11261935-064	3600	15,222	0	
10.000		PNW 09-JV-11261976-016	3600	14,971	0	
10.000		PNW 09-JV-11261976-035	3600	20,353	0	
10.000		PNW 09-JV-11261985-005	3600	7,706	0	
10.000		PNW 09-JV-11261985-036	3600	22,226	0	
10.000		PNW07CR11261987170MOD1	3600	17,100	0	
10.000		PNW07JV11261935046MOD0	3600	29,999	0	
10.000		PNW08JV11261993167MOD0	3600	134,328	0	
10.000		PNW09JV11261987002MOD0	3600	972,294	0	
10.000		RMRS-99602-RJVA	3600	(764)	0	
10.000		SUBCONTRACT #310B	3600	85,153	0	PT
10.000		UW BUD# 638421	3600	8,493	0	PT
10.000		05IE08310224	3650	21,671	17,878	
10.000		05JV11231300021	3650	1,082	0	
10.000		05JV11272138053	3650	16,086	0	
10.000		06JV11221662221	3650	5,894	0	
10.000		06JV11231300072	3650	85,870	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.000	Agriculture - Contract Number Only Provided	07CS11020000078	3650	10,000	0	
10.000		07JV11221609276	3650	12,231	0	
10.000		07JV11221665077	3650	(1)	0	
10.000		0881001300CA	3650	31,519	0	
10.000		08JV11221636133	3650	5,069	0	
10.000		08JV11272138056	3650	75,360	0	
10.000		0971000308CA	3650	9,775	0	
10.000		0981001421CA	3650	13,690	0	
10.000		09CS11221636217	3650	12,247	0	
10.000		09JV11221634308	3650	24,615	0	
10.000		09JV11261900006	3650	7,088	2,823	
10.000		09JV11261975028	3650	23,954	22,897	
10.000		20065120003501	3650	54,522	0	
10.000		20091000105110	3650	178,288	0	
10.000		3310WSUNASULGC0114	3650	1,889	0	PT
10.000		433AEU480093	3650	70,540	0	
10.000		433EAU580039	3650	170,474	0	
10.000		5853547660	3650	190,335	0	
10.000		AES00792300104	3650	2,159	0	PT
10.000		AG6395B070037	3650	105,156	0	
10.000		AG6395B090038	3650	129,135	0	
10.000		AG6395P090274	3650	18,143	0	
10.000		AG6395P100186	3650	30,627	0	
10.000		BAK465SB001	3650	2,940	0	PT
10.000		BJKF48WSU	3650	(8)	0	PT
10.000		NRCS693A759130	3650	24,338	0	
10.000		PNW07JV11261987169	3650	29,233	0	
10.000		PNW08JV11261975364	3650	4,015	0	
10.000		WSU001099	3650	2,576	0	PT
10.000		06-CR-11132427-114	3750	35,229	0	PT
10.000		07-CS-11062200-012	4600	13,851	0	
10.000		10-CS-11060300-01	4770	256	0	
	Federal Program 10.000 Total			**3,313,994**	**43,598**	
10.025	Plant and Animal Disease, Pest Control, and Animal		3650	1,057,053	0	
10.025			4770	53,319	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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10.025	Plant and Animal Disease, Pest Control, and Animal		4950	2,413,810	0	
	Federal Program 10.025 Total			**3,524,182**	**0**	
10.028	Wildlife Services		3650	4,381	0	
10.028			4770	70,000	0	
	Federal Program 10.028 Total			**74,381**	**0**	
10.069	Conservation Reserve Program		4770	6,233	0	
	Federal Program 10.069 Total			**6,233**	**0**	
10.072	Wetlands Reserve Program		4770	25,432	0	
	Federal Program 10.072 Total			**25,432**	**0**	
10.086	ARRA - Aquaculture Grants Program (Agp)		4950	280,085	0	
	Federal Program 10.086 Total			**280,085**	**0**	
10.156	Federal-State Marketing Improvement Program		4950	62,170	0	
	Federal Program 10.156 Total			**62,170**	**0**	
10.163	Market Protection and Promotion		4950	1,919,387	0	
	Federal Program 10.163 Total			**1,919,387**	**0**	
10.167	Transportation Services		3650	45,468	0	
	Federal Program 10.167 Total			**45,468**	**0**	
10.169	Specialty Crop Block Grant Program		4950	221,524	0	
	Federal Program 10.169 Total			**221,524**	**0**	
10.170	Specialty Crop Block Grant Program - Farm Bill		4950	1,080,550	0	
	Federal Program 10.170 Total			**1,080,550**	**0**	
10.210	Food and Agricultural Sciences National Needs Grad		3650	126,379	3,658	
	Federal Program 10.210 Total			**126,379**	**3,658**	
10.217	Higher Education Challenge Grants	G23309W2325	3650	56,893	0	PT
	Federal Program 10.217 Total			**56,893**	**0**	
10.223	Hispanic Serving Institutions Education Grants		6990	134,870	0	
	Federal Program 10.223 Total			**134,870**	**0**	
10.303	Integrated Programs		3650	835,339	70,153	
10.303		07001492WA2	3650	72,225	0	PT

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10.303	Integrated Programs	2563210113004	3650	2,136	0	PT
10.303		BJKE27WSUCES	3650	(2,878)	0	PT
10.303		BJKH03SB001	3650	56,430	0	PT
10.303		BJKH03SB002	3650	225	0	PT
10.303		BJKH15SB001	3650	130,436	0	PT
10.303		BJKH15SB002	3650	41,233	0	PT
10.303		BLK594SB001	3650	90,810	0	PT
10.303		C0368AA	3650	5,033	0	PT
10.303		FAR0014806	3650	13,968	0	PT
	Federal Program 10.303 Total			**1,244,957**	**70,153**	
10.304	Homeland Security_agricultural		3650	192,517	0	
10.304		8700255817	3650	13,945	0	PT
	Federal Program 10.304 Total			**206,462**	**0**	
10.305	International Science and Education Grants		3600	57,276	0	
10.305			3650	18,961	0	
	Federal Program 10.305 Total			**76,237**	**0**	
10.309	Specialty Crop Research Initiative		3650	1,544,512	489,734	
10.309		00006986	3650	49,130	0	PT
10.309		0800399602	3650	16,668	0	PT
10.309		1080198219090	3650	107,648	0	PT
10.309		3651	3650	19,066	0	PT
10.309		3826WSUUSDA9561	3650	39,621	0	PT
10.309		614296A	3650	193,803	0	PT
	Federal Program 10.309 Total			**1,970,448**	**489,734**	
10.310	Agriculture and Food Research Initiative (Afri)		3650	245,491	0	
10.310		50300805500000108	3650	51,042	0	PT
10.310		614202A	3650	4,487	0	PT
10.310		BJKH55SB001	3650	336	0	PT
10.310		C0414CB	3650	4,394	0	PT
10.310		FAR00156802	3650	17,570	0	PT
10.310		H000972009	3650	32,162	0	PT
	Federal Program 10.310 Total			**355,482**	**0**	
10.311	Beginning Farmer and Rancher Development Program		3650	107,467	1,074	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Agriculture

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	Federal Program 10.311 Total			**107,467**	**1,074**	
10.315	ARRA - Trade Adj Assist for Farmers Training Coord	H001344204	3650	92,057	0	PT
	Federal Program 10.315 Total			**92,057**	**0**	
10.443	Outreach and Assistance for Socially Disadvantaged		3650	83,346	0	
	Federal Program 10.443 Total			**83,346**	**0**	
10.450	Crop Insurance		3650	78	71	
	Federal Program 10.450 Total			**78**	**71**	
10.455	Community Outreach and Assistance Partnership Prog		3650	(586)	0	
10.455			4950	41,239	0	
	Federal Program 10.455 Total			**40,653**	**0**	
10.456	Partnership Agreements to Develop Non-Insurance Ri		3650	52,180	0	
	Federal Program 10.456 Total			**52,180**	**0**	
10.479	Food Safety Cooperative Agreements		3030	482,602	0	
	Federal Program 10.479 Total			**482,602**	**0**	
10.500	Cooperative Extension Service		3650	9,654,465	584,833	
10.500		080018003	3650	45,437	0	PT
10.500		080827002	3650	4,870	0	PT
10.500		548748872	3650	1,294	0	PT
10.500		8000020482AG	3650	16,083	0	PT
10.500		8000025986AG	3650	2,356	0	PT
10.500		S09160	3650	76,682	0	PT
10.500		S10088	3650	21,753	0	PT
10.500		S10174	3650	1,641	0	PT
10.500		S4079036501	3650	463,190	0	PT
10.500		SL061AA	3650	4,320	0	PT
10.500		TCEIRAQ1	3650	231,185	0	PT
10.500		UTSTUNV46442WA	3650	1,889	0	PT
10.500		UTSTUNV46448	3650	4,176	0	PT
10.500		UTSTUNV46460EES	3650	21,564	0	PT
10.500		UTSTUNV46466WA	3650	9,630	0	PT
10.500		UTSTUNV46467WA2	3650	290	0	PT
10.500		UTSTUNV46471EES	3650	7,500	0	PT

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10.500	Cooperative Extension Service	Y550112	3650	4,526	0	PT
10.500		Z885827	3650	15,273	0	PT
	Federal Program 10.500 Total			**10,588,124**	**584,833**	
10.557	Suppl Nutri Prog for WIC		3030	130,849,847	118,655,112	
	Federal Program 10.557 Total			**130,849,847**	**118,655,112**	
10.558	Child and Adult Care Food Program		3500	43,404,441	42,917,575	
	Federal Program 10.558 Total			**43,404,441**	**42,917,575**	
10.560	State Administrative Expenses for Child Nutrition		3500	4,661,161	1,669,663	
	Federal Program 10.560 Total			**4,661,161**	**1,669,663**	
10.565	Commodity Supplemental Food Program		1500	266,768	251,100	
10.565			3000	60,494	0	
10.565			3500	18,898,682	0	
	Federal Program 10.565 Total			**19,225,944**	**251,100**	
10.567	Food Distribution Program on Indian Reservations	WSU001011	3650	10,024	0	PT
10.567		WSU001160	3650	7,873	0	PT
	Federal Program 10.567 Total			**17,897**	**0**	
10.572	WIC Farmers' Market Nutrition Program (Fmnp)		3030	593,856	522,975	
	Federal Program 10.572 Total			**593,856**	**522,975**	
10.576	Senior Farmers Market Nutrition Program		3000	234,514	10,314	
	Federal Program 10.576 Total			**234,514**	**10,314**	
10.578	WIC Grants to States (Wgs)		3030	22,767	0	
	Federal Program 10.578 Total			**22,767**	**0**	
10.579A	ARRA - Child Nutrition Discretionary Grants		3500	1,486,439	1,486,439	
	Federal Program 10.579A Total			**1,486,439**	**1,486,439**	
10.582	Fresh Fruit and Vegetable Program		3500	1,300,045	1,234,484	
	Federal Program 10.582 Total			**1,300,045**	**1,234,484**	
10.604	Technical Assistance for Specialty Crops Program		3650	61,984	0	
	Federal Program 10.604 Total			**61,984**	**0**	
10.664	Cooperative Forestry Assistance		3650	88,656	0	
10.664			4900	5,604,322	0	

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Dept of Agriculture

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	Federal Program 10.664 Total			**5,692,978**	**0**	
10.672	Rural Development, Forestry, and Communities		4900	4,996	0	
	Federal Program 10.672 Total			**4,996**	**0**	
10.675	Urban and Community Forestry Program		3600	18,714	0	
	Federal Program 10.675 Total			**18,714**	**0**	
10.676	Forest Legacy Program		4900	3,413,040	0	
	Federal Program 10.676 Total			**3,413,040**	**0**	
10.677	Forest Land Enhancement Program		4770	1,539	0	
	Federal Program 10.677 Total			**1,539**	**0**	
10.678	Forest Stewardship Program		4770	8,983	0	
10.678			4900	213,366	0	
	Federal Program 10.678 Total			**222,349**	**0**	
10.680	Forest Health Protection		3650	48,930	0	
10.680			4900	833,587	0	
10.680			4950	204,203	0	
	Federal Program 10.680 Total			**1,086,720**	**0**	
10.687	ARRA - Usfs Olympic National Forest		4610	214,441	0	
	Federal Program 10.687 Total			**214,441**	**0**	
10.688	ARRA - Priortize Fuel Treatments		3600	410,380	0	
10.688			3650	5,891	0	
10.688			4900	306,562	0	
	Federal Program 10.688 Total			**722,833**	**0**	
10.693	Watershed Restoration & Enhancement Agreement Auth		4770	23,613	0	
	Federal Program 10.693 Total			**23,613**	**0**	
10.769	Rural Business Enterprise Grants		3750	91,548	0	
	Federal Program 10.769 Total			**91,548**	**0**	
10.773	Rural Business Opportunity Grants	UW BUD# 662090	3600	101	0	PT
	Federal Program 10.773 Total			**101**	**0**	
10.855	Distance Learning and Telemedicine Loans and Grant		6990	157,218	0	

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Dept of Agriculture

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	Federal Program 10.855 Total			**157,218**	**0**	
10.912	Environmental Quality Incentives Program		3650	435,920	19,097	
10.912		20080116039	3650	107,418	0	PT
10.912		DA525AA	3650	15,566	0	PT
10.912			4710	334,182	0	
	Federal Program 10.912 Total			**893,086**	**19,097**	
10.914	Wildlife Habitat Incentive Program		4770	61,217	0	
10.914			4900	46,571	0	
	Federal Program 10.914 Total			**107,788**	**0**	
10.960	Technical Agricultural Assistance		3650	28,230	0	
	Federal Program 10.960 Total			**28,230**	**0**	
10.962	Cochran Fellowship Program-International Training-		3650	225,537	9,738	
	Federal Program 10.962 Total			**225,537**	**9,738**	
10.999	Department of Agriculture - Undetermined		3600	100,577	0	
10.999			4770	2,775	0	
	Federal Program 10.999 Total			**103,352**	**0**	
	Dept of Agriculture Total			**241,038,619**	**167,969,618**	

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11.000	Commerce - Contract Number Only Provided	0980NOAAHA133F09SE0725	3600	21,294	0	PT
11.000		553-3975-003	3600	13,583	0	PT
11.000		AB133F-08-SE-2317	3600	9,618	0	
11.000		AB133F05SE5034	3600	(1)	0	
11.000		AB133F05SE6805	3600	17,530	0	
11.000		AB133F06CN0297	3600	124,090	0	
11.000		AB133F06SE5404	3600	29,449	0	
11.000		AB133F07CN0155MOD0005	3600	110,472	0	
11.000		AB133F07CN0246	3600	40,657	0	
11.000		AB133F07CN0256	3600	175,444	0	
11.000		AB133F07SE3933	3600	89,698	0	
11.000		AB133F07SE4130MOD0003	3600	10,924	0	
11.000		AB133F07SE4155	3600	(2,003)	0	
11.000		AB133F07SE4322	3600	10,821	0	
11.000		AB133F07SE4413	3600	18,586	0	
11.000		AB133F07SE5052	3600	476	0	
11.000		AB133F07SE5083	3600	4,798	0	
11.000		AB133F07SE5116	3600	8,831	0	
11.000		AB133F07SE5376	3600	(2,158)	0	
11.000		AB133F07SE5502AM01	3600	5,091	0	
11.000		AB133F08SE3079	3600	25,205	0	
11.000		AB133F08SE3225	3600	2,367	0	
11.000		AB133F08SE3510	3600	9,579	0	
11.000		AB133F08SE4030	3600	48,415	0	
11.000		AB133F08SE4424	3600	8,135	0	
11.000		AB133F08SE4681	3600	5,894	0	
11.000		AB133F08SE4726NFFP7100	3600	11,536	0	
11.000		AB133F08SE4748	3600	7,717	0	
11.000		AB133F08SE4833MOD0001	3600	62,635	0	
11.000		AB133F08SE4877	3600	7,044	0	
11.000		AB133F08SE4991	3600	6,911	0	
11.000		AB133F08SE5057	3600	18,412	0	
11.000		AB133F09CN0063	3600	51,460	0	
11.000		AB133F09SE3408	3600	66,839	0	
11.000		AB133F09SE3707	3600	16,887	0	
11.000		AB133F09SE4216	3600	30,044	0	

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11.000	Commerce - Contract Number Only Provided	AB133F09SE4255	3600	25,741	0	
11.000		AB133F09SE4323AMEND100	3600	13,379	0	
11.000		AB133F09SE4542AMEND1	3600	17,447	0	
11.000		AB133F09SE4556	3600	11,229	0	
11.000		AB133F09SE4651	3600	28,499	0	
11.000		COOP 09-012,AM 2	3600	32,511	0	PT
11.000		COOP 09-015	3600	102,598	0	PT
11.000		CTC-2009	3600	59,625	0	PT
11.000		DG133E09SE2615	3600	100,107	0	
11.000		DG133E09SE4471	3600	9,721	0	
11.000		F3813-00	3600	16,616	0	PT
11.000		HA133F-07-SE-3917	3600	10,733	0	
11.000		IPA#1004	3600	57,808	0	
11.000		NA07SEC4690001	3600	(2,522)	0	PT
11.000		NFFP7100-8-46673	3600	2,909	0	
11.000		NFFP7100-9-17996	3600	20,866	0	
11.000		NFFP7500500031ANDMOD1	3600	(4)	0	
11.000		NMFS-FHQ-2009-2001464	3600	26,954	0	PT
11.000		PO FP00983	3600	46,591	0	PT
11.000		PO#S1142140	3600	114	0	PT
11.000		R/FISH-208	3600	33,903	0	PT
11.000		RA133F-09-SE-4602	3600	4,688	0	
11.000		UW BUD# 637733	3600	14,000	0	PT
11.000		UW BUD# 637814	3600	8,939	0	PT
11.000		UW BUD# 669062	3600	(53)	0	PT
11.000		UW BUD# 801191	3600	7,326	0	PT
11.000		UW BUD# 801214	3600	8,660	0	PT
11.000		UW BUD# 801215	3600	649	0	PT
11.000		AB133F05SE4633	3650	27	0	
11.000		AB133F08SE3485	3650	591	0	
11.000		020-8275-ISA-FISH	4770	169,610	0	PT
11.000		06-09	4770	58,767	0	PT
11.000		06-10	4770	111,016	0	PT
11.000		10-44	4770	122,864	0	PT
11.000		10-79	4770	3,683	0	PT
11.000		10-80	4770	3,360	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.000	Commerce - Contract Number Only Provided	10-81	4770	15,399	0	PT
11.000		2009-3	4770	12,827	0	PT
11.000		2010-3	4770	22,729	0	PT
11.000		6F1IPA01	4770	85,691	0	
11.000		6FP1IPA01	4770	2,391	0	
11.000		G8LPM7A-P00	4770	57,532	0	
11.000		NI-2005-3	4770	19,576	0	PT
	Federal Program 11.000 Total			**2,411,377**	**0**	
11.302	Economic Development_support for Planning Organiza		6990	36,000	0	
	Federal Program 11.302 Total			**36,000**	**0**	
11.303	Economic Development_technical Assistance		1030	50,000	0	
11.303			3650	147,909	0	
	Federal Program 11.303 Total			**197,909**	**0**	
11.400	Geodetic Surveys and Services (Geodesy and Applica		4900	193,292	0	
	Federal Program 11.400 Total			**193,292**	**0**	
11.405	Dept of Commerce		4770	292,055	0	
	Federal Program 11.405 Total			**292,055**	**0**	
11.407	Interjurisdictional Fisheries Act of 1986		4770	84,707	0	
	Federal Program 11.407 Total			**84,707**	**0**	
11.419	Coastal Zone Management Administration Awards		4610	10,106,107	0	
	Federal Program 11.419 Total			**10,106,107**	**0**	
11.436	Columbia River Fisheries Development Program		4670	306,169	300,891	
11.436			4770	4,376,491	0	
	Federal Program 11.436 Total			**4,682,660**	**300,891**	
11.437	Pacific Fisheries Data Program	09-115	4770	246,183	0	PT
11.437		09-116	4770	178,379	0	PT
11.437		09-117	4770	15,744	0	PT
11.437		09-17	4770	13,634	0	PT
11.437		10-35	4770	200,277	0	PT
11.437		10-59	4770	50,000	0	PT
11.437		Agreement-UBE	4770	318,175	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 11.437 Total			**1,022,392**	**0**	
11.438	Pacific Coast Salmon Recovery_pacific Salmon Treat	COOP 08-083	3600	(279)	0	PT
11.438		COOP 10-029	3600	45,038	0	PT
11.438		COOP-09-009	3600	206,761	0	PT
11.438		COOP-10-008, AMEND #1	3600	26,718	0	PT
11.438		PROJ # 11145128	3600	183,126	0	PT
11.438			4670	25,256,555	23,968,676	
11.438			4770	1,398,541	0	
	Federal Program 11.438 Total			**27,116,460**	**23,968,676**	
11.439	Marine Mammal Data Program	NA05NMF4391068	3600	10,902	0	PT
11.439			4770	56,825	0	
	Federal Program 11.439 Total			**67,727**	**0**	
11.460	Special Oceanic and Atmospheric Projects		3600	11,045	0	
11.460		A100609,AMEND#2	3600	106,341	0	PT
	Federal Program 11.460 Total			**117,386**	**0**	
11.463	Habitat Conservation		3650	7,376	0	
11.463			4770	292,150	0	
	Federal Program 11.463 Total			**299,526**	**0**	
11.469	Congressionally Identified Awards and Projects		4610	72,024	0	
11.469			6990	69,041	0	
	Federal Program 11.469 Total			**141,065**	**0**	
11.473	Coastal Services Center		3600	1,695,222	840,952	
	Federal Program 11.473 Total			**1,695,222**	**840,952**	
11.478	Center for Sponsored Coastal Ocean Research_coasta		3600	335,338	0	
11.478			3800	127,015	0	
	Federal Program 11.478 Total			**462,353**	**0**	
11.550	Public Telecommunications Facilities Planning And		3650	114,972	0	
	Federal Program 11.550 Total			**114,972**	**0**	
11.555	Public Safety Interoperable Communications Grant P		2450	6,486,356	6,397,460	
	Federal Program 11.555 Total			**6,486,356**	**6,397,460**	
11.557	ARRA - Broad Tech Opportunities Prog (Btop)		1550	1,016,169	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 11.557 Total			**1,016,169**	**0**	
11.999	Department of Commerce - Undetermined		3600	48,730	0	
11.999			4770	916,809	0	
11.999		None	4770	138,160	0	PT
	Federal Program 11.999 Total			**1,103,699**	**0**	
	Dept of Commerce Total			**57,647,434**	**31,507,979**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.112	Payments to States In Lieu of Real Estate Taxes		0050	45,044	0	
	Federal Program 12.112 Total			**45,044**	**0**	
12.351	Basic Scientific Research - Combating Weapons of M		3650	245,965	0	
	Federal Program 12.351 Total			**245,965**	**0**	
12.400	Military Construction, National Guard		2450	1,124,290	0	
12.400		669610 AM01	3600	111,185	0	PT
	Federal Program 12.400 Total			**1,235,475**	**0**	
12.401	Natl Guard Military Oper & Maint		2450	17,521,824	0	
	Federal Program 12.401 Total			**17,521,824**	**0**	
12.401A	ARRA - Natl Guard Military Oper & Maint		2450	1,856,728	0	
	Federal Program 12.401A Total			**1,856,728**	**0**	
12.404	National Guard Civilian Youth Opportunities		2450	2,234,657	0	
	Federal Program 12.404 Total			**2,234,657**	**0**	
12.431A	ARRA - Basic Scientific Research	W911NF-04-1-0001	6990	7,540	0	PT
	Federal Program 12.431A Total			**7,540**	**0**	
12.901	Mathematical Sciences Grants Program		3600	(59)	0	
	Federal Program 12.901 Total			**(59)**	**0**	
12.999	Department of Defense - Undetermined		3500	163,808	0	
12.999			3600	1,451,601	0	
	Federal Program 12.999 Total			**1,615,409**	**0**	
	Dept of Defense Total			**24,762,583**	**0**	

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Federal Programs Not Clustered

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.000	HUD - Contract Number Only Provided	RED092008-02	3600	69,239	0	PT
14.000		SUBGRANT #9920 ORDER#8	3600	(10)	0	PT
14.000		KC10410	3650	2,130	0	PT
	Federal Program 14.000 Total			**71,359**	**0**	
14.169	Housing Counseling Assistance Program		1480	444,857	413,591	
14.169		D37862F	1480	9,464	0	PT
	Federal Program 14.169 Total			**454,321**	**413,591**	
14.171	Manufactured Home Construction and Safety Standard		2350	78,820	0	
	Federal Program 14.171 Total			**78,820**	**0**	
14.231	ARRA - Emergency Shelter Grants Pgm		1030	1,350,991	1,350,060	
	Federal Program 14.231 Total			**1,350,991**	**1,350,060**	
14.235	Supportive Housing Program		1030	163,989	0	
	Federal Program 14.235 Total			**163,989**	**0**	
14.239	ARRA - Home Inv Partnership Program		1030	11,758,259	11,065,237	
14.239		D37862F	1480	469,504	0	PT
14.239		FY 2009-2010 ARCH DPA	1480	124,260	0	PT
14.239		FY 2009-2010 HKPS	1480	1,524,415	0	PT
14.239		FY 2010 DPA Bremerton	1480	18,127	0	PT
	Federal Program 14.239 Total			**13,894,565**	**11,065,237**	
14.241	Housing Opportunities for Persons With AIDS		1030	1,015,036	976,802	
	Federal Program 14.241 Total			**1,015,036**	**976,802**	
14.257	ARRA - Homeless Prev & Rapid Re-Housing Prog		1030	2,865,217	2,785,979	
	Federal Program 14.257 Total			**2,865,217**	**2,785,979**	
14.258	ARRA - Tax Credit Assistance Program		1480	9,510,717	9,510,717	
	Federal Program 14.258 Total			**9,510,717**	**9,510,717**	
14.401	Fair Housing Assistance Program_state and Local		1200	409,380	0	
	Federal Program 14.401 Total			**409,380**	**0**	
14.514	Hispanic-Serving Institutions Assisting Communitie		6990	274,355	0	
	Federal Program 14.514 Total			**274,355**	**0**	
14.907A	ARRA - Lead-Based Paint Haz Control		1030	1,007,246	906,600	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 14.907A Total			**1,007,246**	**906,600**	
	Housing & Urban Development Total			**31,095,996**	**27,008,986**	

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Dept of the Interior

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15.000	Doi - Contract Number Only Provided	0106PO39861	3600	10,005	0	
15.000		10100-0-J001MOD3	3600	26,803	0	
15.000		13410-7-J038	3600	5,410	0	
15.000		13580-90-J087	3600	134,664	0	
15.000		1434-04HQRU1587 WO90	3600	21,502	0	
15.000		1981	3600	17,121	0	PT
15.000		30728-13	3600	19,961	0	PT
15.000		70181-9-J194 MOD08	3600	(555)	0	
15.000		701816J984	3600	19,912	0	
15.000		CA48W070600001TAJ8W070	3600	3,637	0	
15.000		CA9088A0008J9W88030027	3600	1,102	0	
15.000		G09AC00454	3600	74,998	0	
15.000		G10PX00905 MOD01	3600	8,925	0	
15.000		H262303W060	3600	1,628	0	PT
15.000		H8W07060001J8W07070027	3600	611	0	
15.000		H8W07060001J8W07100003	3600	6,806	0	
15.000		J8W07060017,H8W0706001	3600	1,236	0	
15.000		J8W07070004H8W07060001	3600	73,067	0	
15.000		J8W07070008	3600	2,726	0	
15.000		J8W07070010H8W07060001	3600	11,310	0	
15.000		J8W07070032 MOD02	3600	133,026	0	
15.000		J8W07070034H8W07060001	3600	16,449	0	
15.000		J8W07080005 MOD 2	3600	33,473	0	
15.000		J8W07080008NPSH8W07060	3600	813	0	
15.000		J8W07080009CAH8W070600	3600	522	0	
15.000		J8W07080015H8W07060001	3600	16,871	0	
15.000		J8W07080023 MOD01	3600	8,646	0	
15.000		J8W07080026	3600	35,554	0	
15.000		J8W07080027H8W07060001	3600	33,177	0	
15.000		J8W07090012H8W07060001	3600	43,247	0	
15.000		J8W07090020H8W07060001	3600	7,784	0	
15.000		J8W07090024	3600	44,104	0	
15.000		J8W07090027H8W07060001	3600	3,615	0	
15.000		J8W07090030	3600	19,777	0	
15.000		J8W07090031	3600	2,894	0	
15.000		J8W07100005H8W07060001	3600	1,430	0	

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Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.000	Doi - Contract Number Only Provided	J9088020006MOD04CA9088	3600	(128)	0	
15.000		J9W88030019CA9088A0008	3600	53,736	0	
15.000		J9W88030020 MOD#04	3600	(7)	0	
15.000		J9W88040027MOD06CA9088	3600	122,219	0	
15.000		J9W88040030CA9088A0008	3600	15,696	0	
15.000		J9W88050025CA9088A0008	3600	11,840	0	
15.000		L08PX02812	3600	9,404	0	
15.000		L09PX01310/0010013954	3600	5,176	0	
15.000		PO701819M330REQ7450090	3600	39,891	0	
15.000		TAJ8W07060008H82070600	3600	779	0	
15.000		UW BUD# 637288	3600	26,567	0	PT
15.000		UW BUD# 637514	3600	2,726	0	PT
15.000		0118109ISAWILDLIFE	3650	694	0	PT
15.000		050C108240	3650	27	0	
15.000		101000J001	3650	7,044	0	
15.000		101808M799	3650	3,138	0	
15.000		101816M108	3650	34	0	
15.000		101819M503	3650	10,498	0	
15.000		134209J939	3650	40,081	0	
15.000		135808J079	3650	10,270	0	
15.000		1448134209J923	3650	4,533	0	
15.000		601819Z301	3650	8,500	0	
15.000		701819M279	3650	4,812	0	
15.000		701819M322	3650	13,357	0	
15.000		814208J122	3650	29,103	0	
15.000		E647WSU52211534	3650	(111)	0	PT
15.000		E655WSU52211589	3650	19,406	0	PT
15.000		G09PX00643	3650	23,228	0	
15.000		H1200040001	3650	15,479	0	
15.000		H8W07060001	3650	9,984	0	
15.000		HVP080075	3650	5,695	0	
15.000		L08AC14837	3650	354	301	
15.000		L08PX03454	3650	5,038	0	
15.000		L09PX00628	3650	4,671	0	
15.000		L09PX01074	3650	18,748	0	
15.000		L09PXOI711	3650	4,788	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.000	Doi - Contract Number Only Provided	L09X00863	3650	27,955	0	
15.000		L10PX02164	3650	275	0	
15.000		R09AC20043	3650	24,281	0	PT
15.000		07-FG-81-1314	3750	4,450	0	
15.000		H9453070012	3750	11,548	0	
15.000		10154-6-J107	4770	31,861	0	
15.000		H9504070023	4770	13,465	0	
15.000		13410-7-J051	4900	8,738	0	
	Federal Program 15.000 Total			**1,492,094**	**301**	
15.114	Indian Education_higher Education Grant Program		3650	365,170	0	
	Federal Program 15.114 Total			**365,170**	**0**	
15.222	Cooperative Inspection Agreements With States And		4950	21,980	0	
	Federal Program 15.222 Total			**21,980**	**0**	
15.224	Cultural Resource Management		3650	(1,778)	0	
	Federal Program 15.224 Total			**(1,778)**	**0**	
15.225A	ARRA - Recreational Resources Management		4610	10,667	0	
	Federal Program 15.225A Total			**10,667**	**0**	
15.226	Payments In Lieu of Taxes		0050	472,038	0	
	Federal Program 15.226 Total			**472,038**	**0**	
15.227	Distribution of Receipts to State and Local Govern		0050	17,587	0	
	Federal Program 15.227 Total			**17,587**	**0**	
15.228	National Fire Plan - Wildland Urban Interface Comm		4900	418,694	0	
	Federal Program 15.228 Total			**418,694**	**0**	
15.231	Fish Wildlife & Plant Conserv Res Mgt		3600	48,349	0	
15.231			3800	2,388	0	
	Federal Program 15.231 Total			**50,737**	**0**	
15.231A	ARRA - Fish Wildlife & Plant Conserv Res Mgt		3600	21,765	0	
15.231A			4610	7,492	0	
	Federal Program 15.231A Total			**29,257**	**0**	
15.232	Wildland Fire Research and Studies Program		3600	89,109	0	
15.232			3650	68,995	0	

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	Federal Program 15.232 Total			**158,104**	**0**	
15.238	Challenge Cost Share		3650	37,538	0	
	Federal Program 15.238 Total			**37,538**	**0**	
15.242	National Fire Plan - Rural Fire Assistance		4900	48,157	0	
	Federal Program 15.242 Total			**48,157**	**0**	
15.255	Applied Science Program Cooperative Agreements Rel		3600	60,070	0	
15.255			3650	37,005	76	
	Federal Program 15.255 Total			**97,075**	**76**	
15.531	Yakima Rv Basin Water Enhanc Proj(Yrbwep)		4050	25,839	0	
	Federal Program 15.531 Total			**25,839**	**0**	
15.608	Fish and Wildlife Management Assistance		3600	181,003	98,277	
15.608			3650	132,064	17,388	
15.608			4670	12,471	12,338	
15.608			4770	307,787	0	
15.608			4900	15,133	0	
	Federal Program 15.608 Total			**648,458**	**128,003**	
15.612	Dept of the Interior		4900	67,520	0	
	Federal Program 15.612 Total			**67,520**	**0**	
15.614	Coastal Wetlands Planning, Protection and Restorat		4610	3,087,831	0	
15.614			4650	3,000,000	0	
15.614			4770	2,697,288	0	
	Federal Program 15.614 Total			**8,785,119**	**0**	
15.615	Cooperative Endangered Species Conservation Fund	438401-OC, AM06	3600	273,834	0	PT
15.615			4770	4,129,144	0	
15.615			4900	8,385,068	0	
	Federal Program 15.615 Total			**12,788,046**	**0**	
15.616	Clean Vessel Act		4650	1,023,856	0	
	Federal Program 15.616 Total			**1,023,856**	**0**	
15.620	African Elephant Conservation Fund		3600	4,972	0	
	Federal Program 15.620 Total			**4,972**	**0**	

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Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.622	Sportfishing and Boating Safety Act		4670	66,246	66,246	
	Federal Program 15.622 Total			**66,246**	**66,246**	
15.626	Firearm and Bow Hunter Education and Safety Progra		4770	6,454	0	
	Federal Program 15.626 Total			**6,454**	**0**	
15.630	Coastal Program		4770	8,122	0	
	Federal Program 15.630 Total			**8,122**	**0**	
15.631	Partners for Fish and Wildlife		4770	2,384,660	0	
15.631			4950	150,850	0	
	Federal Program 15.631 Total			**2,535,510**	**0**	
15.633	Dept of the Interior		4770	254,404	0	
	Federal Program 15.633 Total			**254,404**	**0**	
15.634	State Wildlife Grants		4770	1,275,680	0	
	Federal Program 15.634 Total			**1,275,680**	**0**	
15.639	Tribal Wildlife Grants Program	C08322	3650	4,726	0	PT
	Federal Program 15.639 Total			**4,726**	**0**	
15.642	Challenge Cost Share		4770	37,174	0	
	Federal Program 15.642 Total			**37,174**	**0**	
15.647	Migratory Bird Conservation		4770	155,235	0	
	Federal Program 15.647 Total			**155,235**	**0**	
15.649	Service Training and Technical Assistance (Generic		3600	9,429	0	
15.649			3700	5,194	0	
15.649			3800	4,613	0	
15.649			4770	2,951,028	0	
15.649			4900	3,360	0	
	Federal Program 15.649 Total			**2,973,624**	**0**	
15.650	Research Grants (Generic)		4770	115,365	0	
	Federal Program 15.650 Total			**115,365**	**0**	
15.655	Migratory Bird Monitoring, Assessment and Conserva		4770	34,694	0	
	Federal Program 15.655 Total			**34,694**	**0**	
15.657	Endangered Species Conservation		3600	34,067	0	

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Federal Programs Not Clustered

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.657	Endangered Species Conservation		4900	66,698	0	
	Federal Program 15.657 Total			**100,765**	**0**	
15.807A	ARRA - Rocky Boy's/North Central Montana Regional		3600	89,873	0	
	Federal Program 15.807A Total			**89,873**	**0**	
15.809	National Spatial Data Infrastructure Cooperative A		1550	45,243	0	
	Federal Program 15.809 Total			**45,243**	**0**	
15.810	National Cooperative Geologic Mapping Program		3650	9,443	0	
15.810			3750	9,060	0	
15.810			3800	4,224	0	
15.810			4900	204,551	0	
	Federal Program 15.810 Total			**227,278**	**0**	
15.811	Gap Analysis Program		3600	21,549	0	
15.811			4900	24,692	0	
	Federal Program 15.811 Total			**46,241**	**0**	
15.812	Cooperative Research Units Program		3800	21,159	0	
	Federal Program 15.812 Total			**21,159**	**0**	
15.904	Historic Preservation Fund Grants-In-Aid		3550	893,282	0	
	Federal Program 15.904 Total			**893,282**	**0**	
15.916	Outdoor Recreation_acquisition, Development and Pl		4670	145,740	116,987	
	Federal Program 15.916 Total			**145,740**	**116,987**	
15.921	Rivers, Trails and Conservation Assistance		4050	44,060	0	
15.921			4770	1,566,582	0	
	Federal Program 15.921 Total			**1,610,642**	**0**	
15.923	National Center for Preservation Technology and Tr		3800	26,994	0	
	Federal Program 15.923 Total			**26,994**	**0**	
15.931A	ARRA - Conserv Activities By Youth Service Orga		4610	111,414	0	
	Federal Program 15.931A Total			**111,414**	**0**	
15.999	Department of Interior - Undetermined		4610	57,655	0	
	Federal Program 15.999 Total			**57,655**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Federal Programs Not Clustered

Dept of the Interior Total	**37,404,650**	**311,613**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.000	Justice - Contract Number Only Provided	WA034110	1950	56,444	0	
	Federal Program 16.000 Total			**56,444**	**0**	
16.000	Justice - Contract Number Only Provided	C050439FED-TFA8	2250	23,116	0	
16.000		C080430GSC-TFD2	2250	14,381	0	
16.000		C080733FED-TFD4	2250	16,320	0	
16.000		C080769FED-TFD5	2250	13,787	0	
16.000		C090226FED-TFE1	2250	16,534	0	
16.000		C090270FED-TFD8	2250	794	0	
16.000		C090398FED-TFE3	2250	3,572	0	
16.000		C090706FED-MJX9	2250	1,059,550	0	
16.000		C090739FED-TFE5	2250	5,679	0	
16.000		C100155FED-TFE7	2250	13,950	0	
16.000		C100234FED-TFE8	2250	15,398	0	
16.000		C100280FED-TFE9	2250	9,521	0	
16.000		C100281FED-TFF1	2250	9,367	0	
16.000		C100480FED-TFF2	2250	9,855	0	
16.000		C100638FED-MJ10	2250	269,662	0	
16.000		Federal Seizure (LF)	2250	407,975	0	
	Federal Program 16.000 Total			**1,889,461**	**0**	
16.000	Justice - Contract Number Only Provided	WSU001017	3650	166,751	0	PT
	Federal Program 16.000 Total			**166,751**	**0**	
16.004	Law Enforcement Assistance_narcotics and Dangerous		3650	2,034	0	
	Federal Program 16.004 Total			**2,034**	**0**	
16.202	Prisoner Reentry Initiative Demonstration (Offende		3100	49,995	0	
	Federal Program 16.202 Total			**49,995**	**0**	
16.302	Law Enforcement Assistance_fbi Field Police Traini	UW BUD# 632779	3600	82,421	0	PT
	Federal Program 16.302 Total			**82,421**	**0**	
16.523	Juvenile Accountability Block Grants		3000	1,003,350	736,217	
	Federal Program 16.523 Total			**1,003,350**	**736,217**	
16.540	Juvenile Justice and Delinquency Prevention_alloca		3000	985,391	0	
	Federal Program 16.540 Total			**985,391**	**0**	
16.543	Missing Children's Assistance	C100357FED-ICCI	2250	10,000	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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(Expressed in whole dollars)

Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 16.543 Total			**10,000**	**0**	
16.548	Title V_delinquency Prevention Program		3000	42,347	0	
	Federal Program 16.548 Total			**42,347**	**0**	
16.550	State Justice Statistics Program for Statistical A		1050	50,875	0	
	Federal Program 16.550 Total			**50,875**	**0**	
16.554	National Criminal History Improvement Program (Nch		1550	469,293	0	
	Federal Program 16.554 Total			**469,293**	**0**	
16.575	ARRA - Crime Victim Assistance		1030	8,096,109	5,017,439	
	Federal Program 16.575 Total			**8,096,109**	**5,017,439**	
16.576	Crime Victim Compensation		2350	3,611,892	0	
	Federal Program 16.576 Total			**3,611,892**	**0**	
16.580	Edward Byrne Memorial State and Local Law Enforcem	C080195FED-WQA8	2250	32,175	0	PT
	Federal Program 16.580 Total			**32,175**	**0**	
16.585	Drug Court Discretionary Grant Program		3000	3,168	0	
	Federal Program 16.585 Total			**3,168**	**0**	
16.588	Violence Against Women - Form Grnts		1030	2,457,001	2,032,997	
	Federal Program 16.588 Total			**2,457,001**	**2,032,997**	
16.588A	ARRA - Violence Against Women - Form Grnts		1030	1,681,350	1,479,841	
	Federal Program 16.588A Total			**1,681,350**	**1,479,841**	
16.590	Grants to Encourage Arrest Policies and Enforcemen		1030	548,677	470,360	
	Federal Program 16.590 Total			**548,677**	**470,360**	
16.593	Residential Substance Abuse Treatment for State Pr		1030	125,564	114,234	
	Federal Program 16.593 Total			**125,564**	**114,234**	
16.606	State Criminal Alien Assistance Program		3100	2,143,000	0	
	Federal Program 16.606 Total			**2,143,000**	**0**	
16.609	Community Prosecution and Project Safe Neighborhoo		1030	61,686	43,587	
	Federal Program 16.609 Total			**61,686**	**43,587**	
16.610	Regional Information Sharing Systems	C090541FED-WSX9	2250	201,729	0	PT
16.610		C100584FED-WS10	2250	61,044	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.610	Regional Information Sharing Systems	C101015GSC-WS11	2250	131,201	0	PT
	Federal Program 16.610 Total			**393,974**	**0**	
16.710	Pub Safety Partn & Comm Policing Grnt	09-66100-154	1030	10,897	0	PT
16.710			2250	27,711	0	
16.710			3650	522,695	0	
	Federal Program 16.710 Total			**561,303**	**0**	
16.727	Enforcing Underage Drinking Laws Program		3000	214,165	124,722	
	Federal Program 16.727 Total			**214,165**	**124,722**	
16.734	Special Data Collections and Statistical Studies		1030	63,963	0	
	Federal Program 16.734 Total			**63,963**	**0**	
16.738	Edwrd Byrne Mem Justice Asst Grant Pgm		1030	2,309,469	2,157,571	
	Federal Program 16.738 Total			**2,309,469**	**2,157,571**	
16.741	Forensic DNA Backlog Reduction Program		2250	788,288	0	
	Federal Program 16.741 Total			**788,288**	**0**	
16.742	Paul Coverdell Forensic Sciences Improvement Grant		1030	103,031	26,088	
	Federal Program 16.742 Total			**103,031**	**26,088**	
16.744	Anti-Gang Initiative		1030	16,258	16,258	
	Federal Program 16.744 Total			**16,258**	**16,258**	
16.748	Convicted Offender And/Or Arrestee DNA Backlog Red		2250	874,458	0	
	Federal Program 16.748 Total			**874,458**	**0**	
16.801A	ARRA - State Victim Assist Formula Grant		1030	532,979	323,840	
	Federal Program 16.801A Total			**532,979**	**323,840**	
16.803A	ARRA - Edwd Byrne Memorial Jag Prog		1030	21,615,684	13,953,816	
	Federal Program 16.803A Total			**21,615,684**	**13,953,816**	
16.808	ARRA - Edwd Byrne Mem Comp Grant		2250	76,242	0	
	Federal Program 16.808 Total			**76,242**	**0**	
	Dept of Justice Total			**51,118,798**	**26,496,970**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Federal Programs Not Clustered

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.000	Labor - Contract Number Only Provided	KC134-10	6990	47,278	0	PT
	Federal Program 17.000 Total			**47,278**	**0**	
17.002	Labor Force Statistics		5400	1,929,470	0	
	Federal Program 17.002 Total			**1,929,470**	**0**	
17.005	Compensation and Working Conditions		2350	297,696	0	
	Federal Program 17.005 Total			**297,696**	**0**	
17.201	Registered Apprenticeship and Other Training		2350	74,177	0	
	Federal Program 17.201 Total			**74,177**	**0**	
17.225	Unemployment Insurance		5400	4,600,527,667	0	
	Federal Program 17.225 Total			**4,600,527,667**	**0**	
17.225A	ARRA - Unemployment Insurance		5400	280,248,475	0	
	Federal Program 17.225A Total			**280,248,475**	**0**	
17.235	Senior Comm Service Emply Pgm		3000	1,712,054	1,488,776	
17.235		7389	5400	119,153	0	PT
	Federal Program 17.235 Total			**1,831,207**	**1,488,776**	
17.235A	ARRA - Senior Comm Service Emply Pgm		3000	332,481	283,751	
	Federal Program 17.235A Total			**332,481**	**283,751**	
17.245	Trade Adjustment Assistance		5400	16,584,300	0	
	Federal Program 17.245 Total			**16,584,300**	**0**	
17.253	Welfare-To-Work Grants to States & Localities	7469	5400	142,607	0	PT
	Federal Program 17.253 Total			**142,607**	**0**	
17.257	One-Stop Career Center Initiative		5400	648,451	0	
	Federal Program 17.257 Total			**648,451**	**0**	
17.261	WIA Pilots, Demonstrations, and Research Projects		3000	812,508	0	
17.261			6990	165,259	0	
	Federal Program 17.261 Total			**977,767**	**0**	
17.266	Work Incentive Grants		5400	465,701	0	
	Federal Program 17.266 Total			**465,701**	**0**	
17.267	Incentive Grants - WIA Section 503		5400	9,509	9,471	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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For the Year Ended
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Federal Programs Not Clustered

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 17.267 Total			**9,509**	**9,471**	
17.268	H-1b Job Training Grants	WFF09C795	3650	25,599	0	PT
17.268			5400	2,393,706	2,376,571	
17.268		SUB090072	6990	3,574	0	PT
17.268		T9SSC-476-ROW	6990	3,133	0	PT
17.268		WF08-C794-SPSCC	6990	936	0	PT
17.268		WFF08-C773-	6990	18,184	0	PT
	Federal Program 17.268 Total			**2,445,132**	**2,376,571**	
17.269	Community Based Job Training Grants		6990	3,830,021	0	
	Federal Program 17.269 Total			**3,830,021**	**0**	
17.271	Work Opportunity Tax Credit Program (Wotc)		5400	388,783	0	
	Federal Program 17.271 Total			**388,783**	**0**	
17.273	Temporary Labor Certification for Foreign Workers		5400	205,176	0	
	Federal Program 17.273 Total			**205,176**	**0**	
17.274	Youthbuild	09-EDC-O-761-YB	6990	51,906	0	PT
	Federal Program 17.274 Total			**51,906**	**0**	
17.275	ARRA - Comp Grants for Worker Train		3540	189,793	0	
17.275			5400	75,455	0	
17.275		09-EDC-O-783-SEED	6990	1,164	0	PT
17.275		GJ-19860-10-60-A-36	6990	6,485	0	PT
	Federal Program 17.275 Total			**272,897**	**0**	
17.276	ARRA - Health Coverage Tax Credit (Hctc)		5400	37,583	0	
	Federal Program 17.276 Total			**37,583**	**0**	
17.502	Occupational Safety and Health_susan Harwood Train		6990	4,908	0	
	Federal Program 17.502 Total			**4,908**	**0**	
17.503	Occupational Safety &health State Prog		2350	6,959,967	0	
	Federal Program 17.503 Total			**6,959,967**	**0**	
17.600	Mine Health and Safety Grants		3700	153,899	0	
	Federal Program 17.600 Total			**153,899**	**0**	
17.805	Homeless Veterans Reintegration Project		3050	365,521	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 17.805 Total			**365,521**	**0**	
Dept of Labor Total				**4,918,832,579**	**4,158,569**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

Dept of State

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
19.000	State - Contract Number Only Provided	3879-UW-01, TO#4 MOD01	3600	58,531	0	PT
19.000		AID.1365-07476-CRT TO1	3600	387,186	0	PT
19.000		CSA-99-271 AMO1	3600	(1,642)	0	PT
19.000		GPOA00070000400MOD7	3600	5,864	0	PT
19.000		MSA-06-442	3600	428	0	PT
19.000		MSA-06-442 AMEND#2	3600	377,008	0	PT
19.000		PPA-10-069	3600	29,305	0	PT
19.000		RPM-09-001 AMD01	3600	(20)	0	PT
19.000		S-ECAAS-08-CA-005	3600	(4)	0	PT
19.000		S-ECAAS-09-CA-012	3600	202,013	0	PT
19.000		S-UZ800-08-GR184A	3600	6,936	0	
19.000		SINLEC08CA009	3600	154,283	0	
19.000		SINLEC08CA009-A002	3600	1,116,959	0	
19.000		SPS08009AM03	3600	200,433	0	PT
19.000		UW BUD# 636261	3600	52,320	0	PT
19.000		UW BUD# 636885	3600	24,644	0	PT
19.000		UW BUD# 671589	3600	(540)	0	PT
19.000		UW-RX2050-896-08-E	3600	326	0	PT
19.000		SECAPY08GR131SM	3650	8,477	8,477	
	Federal Program 19.000 Total			**2,622,507**	**8,477**	
19.009	Academic Exchange Programs - Undergraduate Program		6990	1,189,505	0	
	Federal Program 19.009 Total			**1,189,505**	**0**	
19.345	International Prog to Support Democ, Human Rgts &		3600	383,251	355,160	
	Federal Program 19.345 Total			**383,251**	**355,160**	
	Dept of State Total			**4,195,263**	**363,637**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Programs Not Clustered

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.000	DOT - Contract Number Only Provided	DTNH22-06-H-00037	2280	49,972	49,972	
20.000		DTNH22-07-H-00153	2280	160,426	0	
20.000		DTNH22-09-00263	2280	6,761	507	
20.000		04-C-AM-UW AM18	3600	22,013	0	
20.000		425942-19124	3600	52,092	0	PT
20.000		DDEGRD-07-X-00404	3600	31,458	0	
20.000		DDEGRD-09-X-00440	3600	1,500	0	PT
20.000		DDEGRD-09-X00430	3600	1,500	0	
20.000		DTFH70-08-E00016	3600	56,832	0	
20.000		DTFH70-09-E-00033	3600	20,826	0	
20.000		DTNH22-06-H-00014	3600	64,868	0	
20.000		DTNH22-06-H-0063 MOD#2	3600	48,719	0	
20.000		L000025.00013	3600	49,273	0	PT
20.000		Q222801	3600	27,424	0	PT
20.000		S090026	3600	(3,111)	0	PT
20.000		UW BUD# 633178	3600	11,505	0	PT
20.000		UW BUD# 651418	3600	(2,862)	0	PT
20.000		W000172109	3600	18,682	0	PT
20.000		24800	3650	57,730	0	PT
20.000		HR0436	3650	63,345	0	PT
20.000		M025	3650	176,616	0	PT
20.000		T0013GA	3650	101,824	0	PT
20.000		WSU000305	3650	21,568	0	PT
	Federal Program 20.000 Total			**1,038,961**	**50,479**	
20.106	Airport Improvement Program		4050	10,490	0	
	Federal Program 20.106 Total			**10,490**	**0**	
20.109	Air Transportation Centers of Excellence		6990	323,197	0	
	Federal Program 20.109 Total			**323,197**	**0**	
20.200	Highway Research and Development Program		3650	169,243	0	
20.200		KLK262SB003	3650	14,555	0	PT
20.200			3700	281,063	0	
	Federal Program 20.200 Total			**464,861**	**0**	
20.215	Highway Training and Education		3700	25,014	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 20.215 Total			**25,014**	**0**	
20.218	National Motor Carrier Safety		2250	3,902,426	0	
20.218			2400	519,137	0	
20.218			4050	445,078	0	
	Federal Program 20.218 Total			**4,866,641**	**0**	
20.235	Commercial Motor Vehicle Operator Training Grants	C100009FED-HIG1	2250	8,394	0	PT
	Federal Program 20.235 Total			**8,394**	**0**	
20.303	Grants-In-Aid for Railroad Safety_state Participat		4050	6,602,836	5,864,772	
	Federal Program 20.303 Total			**6,602,836**	**5,864,772**	
20.314	Railroad Development		4050	254,589	254,589	
	Federal Program 20.314 Total			**254,589**	**254,589**	
20.505	Federal Transit Metropolitan Planning		4050	29,093	800	
	Federal Program 20.505 Total			**29,093**	**800**	
20.509	Formula Grants for Other Than Urbanized		4050	6,971,912	6,224,241	
	Federal Program 20.509 Total			**6,971,912**	**6,224,241**	
20.509A	ARRA - Formula Grants for Other Than Urbanized		4050	3,234,849	2,628,515	
	Federal Program 20.509A Total			**3,234,849**	**2,628,515**	
20.614	Nhtsa Discretionary Safety Grants		3600	40,195	0	
	Federal Program 20.614 Total			**40,195**	**0**	
20.700	Pipeline Safety Program Base Grants		2150	1,029,689	0	
	Federal Program 20.700 Total			**1,029,689**	**0**	
20.701	University Transportation Centers Program		3600	2,125,155	312,284	
20.701		080116	3650	7,316	0	PT
20.701		KLK714SB001	3650	16,820	0	PT
20.701		UAF080032	3650	49,894	0	PT
	Federal Program 20.701 Total			**2,199,185**	**312,284**	
20.703	Interagency Hazardous Materials Public Sector Trai		2450	312,762	309,096	
	Federal Program 20.703 Total			**312,762**	**309,096**	
20.999	Department of Transportation - Undetermined		3700	(471)	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 20.999 Total			**(471)**	**0**	
	Dept of Transportation Total			**27,412,197**	**15,644,776**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of the Treasury

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
21.000	Department of Treasury - Undetermined	161:95x1350	1480	17,570	0	PT
21.000		PL110-289:95X1350	1480	542,380	0	PT
21.000		PL111-8:95X1350	1480	68,336	0	PT
21.000		Training grant 09 & 10	1480	9,229	0	PT
	Federal Program 21.000 Total			**637,515**	**0**	
21.008	Low-Income Taxpayer Clinics		3600	88,701	0	
	Federal Program 21.008 Total			**88,701**	**0**	
21.999	Department of Treasury - Undetermined		1170	2,421,468	0	
	Federal Program 21.999 Total			**2,421,468**	**0**	
	Dept of the Treasury Total			**3,147,684**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Equal Employment Opportunity

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
30.002	Employment Discrimination_state and Local Fair Emp		1200	394,100	0	
	Federal Program 30.002 Total			**394,100**	**0**	
	Equal Employment Opportunity Total			**394,100**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

General Services Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
39.003	Donation of Federal Surplus Personal Property		1500	2,837	0	NC
39.003			2250	143	0	NC
39.003			2450	2,674	0	NC
39.003			3100	6,876	0	NC
39.003			4050	691	0	NC
39.003			4650	2,035	0	NC
39.003			6990	215,361	0	NC
	Federal Program 39.003 Total			**230,617**	**0**	
	General Services Administration Total			**230,617**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Library of Congress

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
42.999	Library of Congress - Undetermined		0850	187,712	0	
	Federal Program 42.999 Total			**187,712**	**0**	
	Library of Congress Total			**187,712**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

National Aeronautics & Space Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.000	Nasa - Contract Number Only Provided	03-DEES-04 AM01 & AM02	3600	(1)	0	PT
43.000		08-964 AM03	3600	31,009	0	PT
43.000		10234024-004	3600	1,676	0	PT
43.000		107-2007, MOD2	3600	(1,218)	0	PT
43.000		1285662	3600	149,420	0	PT
43.000		1285662 MOD.9	3600	236,601	0	PT
43.000		1285663 MOD 8	3600	167,529	0	PT
43.000		1303809 MOD07	3600	55,355	0	PT
43.000		1315034, MOD 03	3600	2,635	0	PT
43.000		1317617	3600	69,327	0	PT
43.000		1317624 MOD01	3600	27,147	0	PT
43.000		1318943,MOD07	3600	52,074	0	PT
43.000		1318945 MOD07	3600	94,088	0	PT
43.000		1320389	3600	14,448	0	PT
43.000		1331892 MOD 3	3600	(875)	0	PT
43.000		1332735 MOD 3	3600	88,995	0	PT
43.000		1355111 MOD #2	3600	20,061	0	PT
43.000		1359623	3600	56,852	0	PT
43.000		1369586	3600	110,469	0	PT
43.000		1375272	3600	2,846	0	PT
43.000		1377557AM001	3600	76,942	0	PT
43.000		1380685	3600	32,461	0	PT
43.000		2-1087551	3600	96,386	0	PT
43.000		2000613225AM02	3600	56,013	0	PT
43.000		4-10067-4051	3600	100,639	0	PT
43.000		500497202HU130691AM02	3600	14,330	0	PT
43.000		935531 AM05	3600	3,728	0	PT
43.000		935532 AM05	3600	29,062	0	PT
43.000		AR9-0015X AM01	3600	399	0	PT
43.000		BL00408	3600	158,789	0	PT
43.000		BL01301	3600	46,720	0	PT
43.000		BLO1301	3600	98,114	0	PT
43.000		DTM-3159-07, AM10	3600	16,393	0	PT
43.000		G06-7058X AM02	3600	3,345	0	PT
43.000		GO0-111129B	3600	15,497	0	PT
43.000		GO9-0011X	3600	24,382	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

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43.000	Nasa - Contract Number Only Provided	GO90126XNAS803060AM01	3600	8,439	0	PT
43.000		HST GO 10907 01A AM01	3600	23,069	0	PT
43.000		HST GO 11163 01-A AM01	3600	16,889	0	PT
43.000		HST-AR-10637-01-A	3600	(2,435)	0	PT
43.000		HST-AR-10646.04-A AM01	3600	39,795	0	PT
43.000		HST-AR-10945.01-A AM03	3600	158,530	0	PT
43.000		HST-AR-11251.02-A	3600	(155)	0	PT
43.000		HST-AR-11255.01.A AM01	3600	13,718	0	PT
43.000		HST-AR-11750.01-A	3600	27,042	0	PT
43.000		HST-AR-11767.03-A	3600	29,963	0	PT
43.000		HST-GO-09444.06-A AM04	3600	2,490	0	PT
43.000		HST-GO-09799.08-A04	3600	1,055	0	PT
43.000		HST-GO-10424.10-A AM03	3600	1,156	0	PT
43.000		HST-GO-10500.01-A AM04	3600	3,229	0	PT
43.000		HST-GO-10615.01-A AM03	3600	10,359	0	PT
43.000		HST-GO-10775.09-A AM02	3600	14,566	0	PT
43.000		HST-GO-10889.05-AAM01	3600	101,345	0	PT
43.000		HST-GO-10915.01-A AM04	3600	152,386	0	PT
43.000		HST-GO-11079.02-A	3600	2,922	0	PT
43.000		HST-GO-11122.01-A AM01	3600	19,111	0	PT
43.000		HST-GO-11162.01-A	3600	11,079	0	PT
43.000		HST-GO-11214.05-AAM01	3600	10,669	0	PT
43.000		HST-GO-11215.01-A AM01	3600	53,224	0	PT
43.000		HST-GO-11221.01-A	3600	5,474	0	PT
43.000		HST-GO-11225-02-A AM02	3600	10,008	0	PT
43.000		HST-GO-11233.01-A AM02	3600	18,724	0	PT
43.000		HST-GO-11580.01-A AM01	3600	14,883	0	PT
43.000		HST-GO-11633.08-A	3600	981	0	PT
43.000		HST-GO-11677.09-A	3600	7,192	0	PT
43.000		HST-GO-11718.01-A	3600	10,710	0	PT
43.000		HST-GO-11719.01A AM01	3600	9,897	0	PT
43.000		HST-GO-11982.01-A	3600	60,603	0	PT
43.000		HST-GO-11986.01-A	3600	43,705	0	PT
43.000		HSTG00981501AAMEND3	3600	1,096	0	PT
43.000		MA01603	3600	207,038	0	PT
43.000		MA01603 AM01	3600	179,684	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Aeronautics & Space Admin

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43.000	Nasa - Contract Number Only Provided	MA01604	3600	3,241	0	PT
43.000		NAS5-03075 MOD2	3600	(1,317)	0	
43.000		NCC 2-1273	3600	278	0	
43.000		NCC 2-1273, SUPP 7	3600	1	0	
43.000		NNA08CN87A	3600	9,271	0	
43.000		NNA08CN87A SUP04	3600	69,250	0	
43.000		NNA08CN87A SUP05	3600	781	0	
43.000		NNA08CN87ASUP06	3600	48,367	0	
43.000		NNA08CN87ASUP07	3600	623,629	256,353	
43.000		NNCO8QA14P	3600	(152)	0	PT
43.000		NNG04GB36G SUPP7	3600	183,448	168,059	
43.000		NNG05GF42H,SUP 14	3600	710,965	212,649	
43.000		NNG05GF74G, SUP01	3600	5,106	0	
43.000		NNG05GF74G, SUP03	3600	68,363	0	
43.000		NNG05GN37G AM05	3600	35,017	0	
43.000		NNG05GN88G S03	3600	839	1,261	
43.000		NNG05GO09G	3600	26,823	0	
43.000		NNG05GO40G	3600	22,149	0	
43.000		NNG05GQ25G, S03	3600	45,167	0	
43.000		NNG05WC22G SUP05	3600	108,614	74,558	
43.000		NNG06GA76G	3600	68,870	0	
43.000		NNG06GA84G	3600	59,552	0	
43.000		NNG06GD79G	3600	196,476	124,192	
43.000		NNG06GE24G	3600	160,348	0	
43.000		NNG06GG00G-S01	3600	36,841	0	
43.000		NNG06GG00G-S04	3600	39,016	0	
43.000		NNG06GG25G	3600	41,254	0	
43.000		NNG06GG47G	3600	9,281	0	
43.000		NNG06GH02G,SUP04	3600	1,821	0	
43.000		NNS06AA78G S0 2&3	3600	126,771	7,143	
43.000		NNX06AB26G	3600	16,088	0	
43.000		NNX06AC10GSUPPLEMENT1	3600	75,814	2,042	
43.000		NNX06AC71G SUPP1	3600	(127)	0	
43.000		NNX06AD99G	3600	4,497	0	
43.000		NNX06AE34G	3600	59,257	0	
43.000		NNX06AE80G SUPP02	3600	(2,787)	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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43.000	Nasa - Contract Number Only Provided	NNX06AF17H SUP02	3600	(397)	0	
43.000		NNX06AF58GAM03	3600	12,295	0	
43.000		NNX06AF69H SUP02	3600	13,292	0	
43.000		NNX06AF74G	3600	55,030	0	
43.000		NNX06AF74G-000007	3600	197,884	110,692	
43.000		NNX06AH19G	3600	8,324	5,211	
43.000		NNX06AI03G	3600	52,845	0	
43.000		NNX07AD59G, S02	3600	95,040	0	
43.000		NNX07AE50A SUP03	3600	32,538	0	
43.000		NNX07AE56G SUP01	3600	47,565	0	
43.000		NNX07AH03G SUP04	3600	153,147	0	
43.000		NNX07AI58G	3600	2,538	0	
43.000		NNX07AI58G S01	3600	16,914	0	
43.000		NNX07AJ59G	3600	3,547	0	
43.000		NNX07AJ80G	3600	21,287	0	
43.000		NNX07AL78G SUPP 05	3600	296,279	6,214	
43.000		NNX07AL95G SUP02	3600	19,091	0	
43.000		NNX07AM93G, SUP002	3600	388,398	0	
43.000		NNX07AN40A SUPP01	3600	16,885	0	
43.000		NNX07AN72H SUP02	3600	32,690	0	
43.000		NNX07AN75H	3600	31,275	0	
43.000		NNX07AO35G	3600	2,428	0	
43.000		NNX07AP66G SUP03	3600	81,226	9,357	
43.000		NNX07AQ89G S05	3600	181,103	0	
43.000		NNX07AR18G	3600	131,497	76,129	
43.000		NNX07AR44G	3600	60,588	0	
43.000		NNX07AR98G S05	3600	171,398	0	
43.000		NNX07AT12G, P000002	3600	13,734	0	
43.000		NNX07AU84H S02	3600	21,287	0	
43.000		NNX07AV77G SUP01	3600	53,105	0	
43.000		NNX08AD12G S02	3600	16,679	0	
43.000		NNX08AD19G SO2	3600	174,312	128,317	
43.000		NNX08AD64G	3600	48,644	0	
43.000		NNX08AF21A S04	3600	116,532	0	
43.000		NNX08AF66G	3600	11,713	11,713	
43.000		NNX08AF66G SUP02	3600	94,460	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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43.000	Nasa - Contract Number Only Provided	NNX08AF71G	3600	80,967	0	
43.000		NNX08AG08G	3600	105,562	0	
43.000		NNX08AG84G SUP01	3600	10,954	0	
43.000		NNX08AG91G S01	3600	(7)	0	
43.000		NNX08AH33G SUP01	3600	31,815	0	
43.000		NNX08AH62G 000002	3600	167,865	0	
43.000		NNX08AH97G	3600	53,305	0	
43.000		NNX08AI73G	3600	100,570	0	
43.000		NNX08AI93G S02	3600	41,591	0	
43.000		NNX08AJ72G	3600	24,422	0	
43.000		NNX08AJ80G	3600	154,669	58,366	
43.000		NNX08AK49G SUP04	3600	86,427	0	
43.000		NNX08AK52G SUP02	3600	26,134	0	
43.000		NNX08AL88G	3600	86,718	0	
43.000		NNX08AL98A SUPPL.03	3600	236,329	59,098	
43.000		NNX08AM07G	3600	38,775	0	
43.000		NNX08AN58G	3600	173,649	34,661	
43.000		NNX08AO34G	3600	32,845	0	
43.000		NNX08AO67G AM01	3600	27,801	0	
43.000		NNX08AP56G S01	3600	85,690	0	
43.000		NNX08AP63G,S1	3600	153,875	0	
43.000		NNX08AQ07G SUP02	3600	81,429	0	
43.000		NNX08AQ51G SUP02	3600	53,933	0	
43.000		NNX08AR16G S01	3600	62,188	0	
43.000		NNX08AR30G	3600	198,482	0	
43.000		NNX08AT46G	3600	52,624	0	
43.000		NNX08AT73G S02	3600	89,313	0	
43.000		NNX08AT87G	3600	96,334	0	
43.000		NNX08AU43GS02	3600	7,513	0	
43.000		NNX08AU68G	3600	22,476	523	
43.000		NNX08AU82HS01	3600	20,461	0	
43.000		NNX08AU96H	3600	35,398	0	
43.000		NNX08AX59HS01	3600	36,937	0	
43.000		NNX08AY03G	3600	20,087	260	
43.000		NNX08AY66G	3600	28,120	0	
43.000		NNX08AY72G	3600	59,915	0	

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43.000	Nasa - Contract Number Only Provided	NNX08BA58G,SUP05	3600	125,616	384	
43.000		NNX08BA82HS01	3600	33,186	0	
43.000		NNX09AB32GS03	3600	27,910	0	
43.000		NNX09AC77G	3600	3,888	0	
43.000		NNX09AE47G SUP000002	3600	58,906	0	
43.000		NNX09AE65G	3600	18,713	0	
43.000		NNX09AF89G	3600	13,878	0	
43.000		NNX09AF91G	3600	34,083	0	
43.000		NNX09AH10G	3600	131,505	22,500	
43.000		NNX09AH73G S01	3600	286,249	0	
43.000		NNX09AI48G	3600	78,477	8,476	
43.000		NNX09AK08H	3600	22,968	0	
43.000		NNX09AK84GS01	3600	12,047	0	
43.000		NNX09AK89GSUPP01	3600	21,251	0	
43.000		NNX09AL02G	3600	77,285	0	
43.000		NNX09AM73G	3600	4,176	0	
43.000		NNX09AN90H	3600	6,484	0	
43.000		NNX09AO22H	3600	27,443	0	
43.000		NNX09AO96G	3600	202,695	0	
43.000		NNX09AQ95GSUPPL000001	3600	101,104	0	
43.000		NNX09AR19G	3600	100,755	0	
43.000		NNX09AU30G, MOD 1	3600	82,978	0	
43.000		NNX09AU71G	3600	60,960	0	
43.000		NNX09AU71G, 000002	3600	21,172	0	
43.000		NNX09AU73G	3600	123,474	0	
43.000		NNX09AV78G	3600	30,426	0	
43.000		NNX10AC88G	3600	69,170	0	
43.000		NNX10AE59G	3600	25,552	0	
43.000		NNX10AE98G	3600	7,802	0	
43.000		NNX10AG51G	3600	12,735	0	
43.000		NNX10AG87G	3600	4,986	0	
43.000		NNX10AH70G	3600	37,440	0	
43.000		NNX10AI33G	3600	1,710	0	
43.000		NNX10AI89G	3600	17,128	0	
43.000		NNXO6AF55H	3600	5,000	0	
43.000		PO2023778547974MOD01	3600	69,872	0	PT

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43.000	Nasa - Contract Number Only Provided	PROJ1065012/43876AM02	3600	2,729	0	PT
43.000		PROJ1065588AW44148AM01	3600	6,539	0	PT
43.000		PY-2426-22727-D AM19	3600	209,454	0	PT
43.000		RSA NO 1368483	3600	3,432	0	PT
43.000		SA4347-24309 AMEND 5	3600	(9)	0	PT
43.000		SA5800-11838 AM04	3600	3,883	0	PT
43.000		SMS00701, AMEND 9	3600	151,078	0	PT
43.000		SMS00701, AMEND. #8	3600	(86)	0	PT
43.000		SMST01601	3600	445,918	0	PT
43.000		UW BUD# 636586	3600	8,400	0	PT
43.000		UW BUD# 637092	3600	897	0	PT
43.000		UW BUD# 637293	3600	179,475	0	PT
43.000		UW BUD# 638456	3600	24,160	0	PT
43.000		UW BUD# 801329	3600	37,776	0	PT
43.000		1236947	3650	37,516	0	PT
43.000		3890	3650	81,029	0	PT
43.000		HSTG01042906A	3650	2,026	0	PT
43.000		HSTG01108301A	3650	26,661	0	PT
43.000		HSTGO1021712A	3650	2,981	0	PT
43.000		HSTGO1091101A	3650	30,390	0	PT
43.000		NNA06CN04A	3650	182,826	76,310	
43.000		NNG06GH82G	3650	26,260	0	
43.000		NNX06AD69G	3650	15,244	0	
43.000		NNX06AE42G	3650	181,505	0	
43.000		NNX07AH47G	3650	63,251	0	
43.000		NNX08AB02G	3650	13,201	0	
43.000		NNX09AI82G	3650	95,374	0	
43.000		NNX09AJ28G	3650	146,297	0	
43.000		STI909046	3650	30,357	0	PT
43.000		NNX10AD15G	3750	33,289	0	
	Federal Program 43.000 Total			**15,334,107**	**1,454,468**	
43.000A	ARRA - Nasa Contract Number Only Provided	NNG10HP04C	3600	36,827	0	
	Federal Program 43.000A Total			**36,827**	**0**	
43.001	Aerospace Education Services Program	1070841-2-46542, AM001	3600	24,016	0	PT
43.001		510 AM01	3600	63,716	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
43.001	Aerospace Education Services Program	510 AM05	3600	132,942	0	PT
43.001			3650	83,050	0	
43.001		WSU001014	3650	30,999	0	PT
43.001		PS02180	3800	977	0	PT
	Federal Program 43.001 Total			**335,700**	**0**	
43.002	Technology Transfer	UW BUD# 635042	3600	62,856	0	PT
	Federal Program 43.002 Total			**62,856**	**0**	
	National Aeronautics & Space Admin Total			**15,769,490**	**1,454,468**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.000	Nsf - Contract Number Only Provided	06-201630-02 AM 4	3600	299,163	0	PT
47.000		0637190	3600	265,718	0	PT
47.000		1120959-214342 AM2	3600	24,063	0	PT
47.000		1288051 MO 01	3600	(548)	0	PT
47.000		3084601	3600	24,972	0	PT
47.000		58007-9069	3600	31,232	0	PT
47.000		AST-0802230	3600	4,803	0	
47.000		BCS0909553	3600	(1,386)	0	
47.000		C44044LAM02	3600	64,844	0	PT
47.000		C44068L	3600	78,926	0	PT
47.000		DEB0733991	3600	(1,687)	0	
47.000		DMS9810726	3600	594	0	
47.000		DMS9810726, AMEND. 007	3600	(594)	0	
47.000		IIP-0750508	3600	63,518	0	PT
47.000		IIS0852908 AM01	3600	134,216	0	
47.000		JSA 07-08	3600	1,283,137	0	PT
47.000		NWRA-9-S-115MOD1	3600	23,926	0	PT
47.000		OCE0918256	3600	(19,589)	0	
47.000		PO007014	3600	13,850	0	PT
47.000		R5661721073996247834	3600	71,650	0	PT
47.000		SBE-0850774	3600	6,112	0	
47.000		SES0851555	3600	(9,594)	0	
47.000		UW BUD# 635893	3600	128,161	0	PT
47.000		UW BUD# 637209	3600	114,403	0	PT
47.000		UW BUD# 637341	3600	8,914	0	PT
47.000		ZZZ9999999	3600	(3,366)	0	
47.000		09MESADUE0324218553	3650	6,250	0	PT
47.000		CHE0723997	3650	129,390	0	
47.000		DBI0605016	3650	435,540	0	
47.000		GUAR30374765	3650	19,657	0	
47.000		WSU000407	3650	(1,993)	0	PT
47.000		WSU000453	3650	(870)	0	
47.000		WSU000831	3650	15,496	0	PT
47.000		NNAA06CN06A	6990	45,934	0	PT
	Federal Program 47.000 Total			**3,254,842**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.041	Engineering Grants	260118A	6990	25,000	0	PT
	Federal Program 47.041 Total			**25,000**	**0**	
47.049	Mathematical and Physical Sciences	DUE 0532618	6990	11,201	0	PT
	Federal Program 47.049 Total			**11,201**	**0**	
47.074	Biological Sciences		6990	55,578	0	
	Federal Program 47.074 Total			**55,578**	**0**	
47.076	Education and Human Resources		6990	1,854,734	0	
47.076		0000013064	6990	6,319	0	PT
47.076		DUE 0442439	6990	13,643	0	PT
47.076		DUE 0702912	6990	33,726	0	PT
	Federal Program 47.076 Total			**1,908,422**	**0**	
47.999	Nsf - Undetermined		3600	8,368	0	
	Federal Program 47.999 Total			**8,368**	**0**	
	National Science Foundation Total			**5,263,411**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Small Business Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
59.000	Sba - Contract Number Only Provided	SBAHQ-10-I-0005	3700	95,941	0	
59.000		SBAHQ-08-I-0028	6990	201,542	0	
59.000		SBAHQ-09-I-0023	6990	28,874	0	
	Federal Program 59.000 Total			**326,357**	**0**	
59.037	Small Business Development Centers		3650	2,031,075	172,049	
	Federal Program 59.037 Total			**2,031,075**	**172,049**	
59.050	Prime Technical Assistance		3750	623,936	0	
	Federal Program 59.050 Total			**623,936**	**0**	
	Small Business Administration Total			**2,981,368**	**172,049**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Tennessee Valley Authority

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
62.000	Tva - Contract Number Only Provided	00070223	3650	68,784	0	
	Federal Program 62.000 Total			**68,784**	**0**	
	Tennessee Valley Authority Total			**68,784**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.000	VA - Contract Number Only Provided	663-C00065	3600	21,822	0	
64.000		663-C00237	3600	59,301	0	
64.000		663-C60875	3600	(5,842)	0	
64.000		663-C70786 AM01	3600	1	0	
64.000		663-C70825	3600	(4)	0	
64.000		663-C90103 VA260P0536	3600	34,433	0	
64.000		663-C90114	3600	3,843	0	
64.000		663-C90122 V663P-5935	3600	159,615	0	
64.000		663-D80050	3600	25,810	0	
64.000		663/151	3600	316,428	0	
64.000		6630810470008PO663C804	3600	(5,527)	0	
64.000		66309191410013AMEND6	3600	55,457	0	
64.000		6631010470001663C00014	3600	116,614	0	
64.000		6631010470003C00017	3600	103,298	0	
64.000		6631011410011AMD16	3600	190,233	0	
64.000		6631015310004C00001	3600	42,024	0	
64.000		663C00224 VA260-P-0188	3600	31,926	0	
64.000		663C80001VA260P207	3600	135,312	0	
64.000		663C80003VA260P0188AMD	3600	35,282	0	
64.000		663C90057VA260P207	3600	43,777	0	
64.000		663D96125VA260P0477	3600	113,841	0	
64.000		A36570	3600	4,558	0	
64.000		AMENDMENT	3600	69,242	0	
64.000		IPA	3600	1,616	0	
64.000		IPA #08-003	3600	5,374	0	
64.000		IPA 2009-2011	3600	67,411	0	
64.000		IPA FOR BLOUGH R&D 151	3600	9,287	0	
64.000		IPA-ZAVOSH	3600	55,386	0	
64.000		PO 3 663-C80701	3600	9	0	
64.000		PO 663-C00020	3600	102,141	0	
64.000		PO 663-C90869	3600	67,125	0	
64.000		PO 663C90056	3600	8,679	0	
64.000		PO# 518-C05259	3600	5,957	0	
64.000		PO# 663-C00112	3600	4,362	0	
64.000		PO#663C08201	3600	66,969	0	
64.000		PO663C9034866309123500	3600	9,013	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.000	VA - Contract Number Only Provided	ROHDE, KIRSTEN	3600	12,203	0	
64.000		V260P-00362	3600	19,903	0	
64.000		V260P00355MODIFICATION	3600	21,938	0	
64.000		V260P00363MODS7COC	3600	(45)	0	
64.000		V260P00414	3600	12,386	0	
64.000		V260P00414 663-D06008	3600	37,157	0	
64.000		V260P0516PO663C90111	3600	114,218	0	
64.000		V663-C00067	3600	111,938	0	
64.000		V663-C90014	3600	37,313	0	
64.000		V663P-5579, S/A #6	3600	1	0	
64.000		V663P-5936-05 PROJ 2	3600	230,096	0	
64.000		V663P-5979-05 S/A-3	3600	(357)	0	
64.000		V663P589005MODCOC	3600	(8)	0	
64.000		V663P589005MODIFICATIO	3600	7,198	0	
64.000		V663P591004663C90125	3600	64,166	0	
64.000		V663P591004PO663C70218	3600	(881)	0	
64.000		V663PC599705MODCOB	3600	1,395	0	
64.000		VA 260 P 0498	3600	60,806	0	
64.000		VA-260-07-RQ-0034 AM02	3600	30,415	0	
64.000		VA-260-08-RQ-0047	3600	(2,767)	0	
64.000		VA248P-1170	3600	7,988	0	
64.000		VA260-P-0117, MOD 4	3600	75,840	0	
64.000		VA260-P-0704	3600	50,285	0	
64.000		VA260-P-0716	3600	1,238	0	
64.000		VA260-P-0717	3600	29,762	0	
64.000		VA260-P-0718	3600	77,037	0	
64.000		VA260-P-0741	3600	54,304	0	
64.000		VA260-P-0743	3600	6,534	0	
64.000		VA260-P-0753	3600	24,769	0	
64.000		VA260P0353POVA663C9021	3600	90,060	0	
64.000		VA260P0377 663-C-90042	3600	34,047	0	
64.000		VA260P0397PO663C00024	3600	476,489	0	
64.000		VA260P0768 MOD01	3600	8,645	0	
64.000		VA663-C00581	3600	17,460	0	
64.000		VA663C00424VA260P0651A	3600	24,137	0	
64.000		VA663P-5935	3600	478,844	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
64.000	VA - Contract Number Only Provided	VA663P5936, 663-C00002	3600	54,347	0	
	Federal Program 64.000 Total			**4,223,634**	**0**	
64.012	Veterans Prescription Service		3050	243,981	0	
	Federal Program 64.012 Total			**243,981**	**0**	
64.014	Veterans State Domiciliary Care		3050	279,278	0	
	Federal Program 64.014 Total			**279,278**	**0**	
64.015	Veterans State Nursing Home Care		3050	13,797,561	0	
	Federal Program 64.015 Total			**13,797,561**	**0**	
64.024	VA Homeless Providers Grant and Per Diem Program		3050	424,087	0	
	Federal Program 64.024 Total			**424,087**	**0**	
64.027	ARRA - Post 911 Veterans Educational Assistance		6990	630,133	0	
	Federal Program 64.027 Total			**630,133**	**0**	
64.101	Burial Expenses Allowance for Veterans		3050	9,300	0	
	Federal Program 64.101 Total			**9,300**	**0**	
64.110	Veterans Dependency and Indemnity Compensation For		6990	1,471	0	
	Federal Program 64.110 Total			**1,471**	**0**	
64.115	Veterans Information and Assistance		3050	15,322	0	
	Federal Program 64.115 Total			**15,322**	**0**	
64.116	Vocational Rehabilitation for Disabled Veterans		6990	1,474	0	
	Federal Program 64.116 Total			**1,474**	**0**	
64.117	Survivors and Dependents Educational Assistance		6990	3,847	0	
	Federal Program 64.117 Total			**3,847**	**0**	
64.120	Post-Vietnam Era Veterans' Educational Assistance		6990	362,821	0	
	Federal Program 64.120 Total			**362,821**	**0**	
64.124	All-Volunteer Force Educational Assistance		3430	303,335	0	
64.124			3540	174,107	0	
64.124			6990	1,433	0	
	Federal Program 64.124 Total			**478,875**	**0**	
64.203	State Cemetery Grants		3050	7,871,227	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Department of Veterans Affairs

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 64.203 Total			**7,871,227**		**0**
64.999	Veterans Affairs - Undetermined		3600	1,920,680		0
64.999			6990	928,039		0
	Federal Program 64.999 Total			**2,848,719**		**0**
	Department of Veterans Affairs Total			**31,191,730**		**0**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Environmental Protection Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.000	Epa - Contract Number Only Provided	C20090028	3600	80,640	0	PT
66.000		C796 AM01	3600	191,584	0	PT
66.000		EP09D000029 AM01	3600	11,829	0	
66.000		HQ-571-09-11N	3600	16,219	0	
66.000		UW BUD# 636497	3600	15,272	0	PT
66.000		UW BUD# 637078	3600	46,305	0	PT
66.000		UW BUD# 638165	3600	11	0	PT
66.000		UW BUD# 672248	3600	10,277	0	PT
66.000		058UW1	3650	67,930	0	PT
66.000		CEL410826WSU09282007	3650	(1)	0	PT
66.000		R10200803	3650	2,768	0	PT
66.000		R10200901	3650	29,918	0	PT
66.000		R10200904	3650	(2,316)	0	PT
66.000		WAFO149042806	3650	5,949	0	PT
66.000		WAFO162052306	3650	4,736	0	PT
66.000		WSU000847	3650	19,431	0	PT
66.000		WSU001173	3650	1,378	0	PT
	Federal Program 66.000 Total			**501,930**	**0**	
66.032	State Indoor Radon Grants		3030	48,805	0	
	Federal Program 66.032 Total			**48,805**	**0**	
66.034	Surveys, Studies, Research, Investigations, Demons		3030	102,333	18	
66.034			3650	32,794	0	
66.034			4610	787,936	0	
	Federal Program 66.034 Total			**923,063**	**18**	
66.039	National Clean Diesel Funding Assist		4610	3,528	0	
	Federal Program 66.039 Total			**3,528**	**0**	
66.040	State Clean Diesel Grant Program		4610	3,060	0	
	Federal Program 66.040 Total			**3,060**	**0**	
66.040A	ARRA - State Clean Diesel Grant Program		4610	1,005,969	0	
	Federal Program 66.040A Total			**1,005,969**	**0**	
66.418	Construction Grants for Wastewater Treatmen		4610	5,014	0	
	Federal Program 66.418 Total			**5,014**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Environmental Protection Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.419	Water Pollution Control State, Interstate, and Tri		3030	240,582	0	
66.419			4610	355,604	0	
	Federal Program 66.419 Total			**596,186**	**0**	
66.432	State Public Water System Supervision		3030	2,609,305	3,804	
	Federal Program 66.432 Total			**2,609,305**	**3,804**	
66.436	Surveys, Studies, Investigations, Demonstrations,		4610	130,972	0	
	Federal Program 66.436 Total			**130,972**	**0**	
66.439	Targeted Watersheds Grants	429-46-21	3600	17,787	0	PT
	Federal Program 66.439 Total			**17,787**	**0**	
66.454	Water Quality Mgmt Planning		4610	130,288	0	
	Federal Program 66.454 Total			**130,288**	**0**	
66.454A	ARRA - Water Quality Mgmt Planning		4610	306,234	0	
	Federal Program 66.454A Total			**306,234**	**0**	
66.456	National Estuary Program		3650	217,045	9,355	
66.456			4610	2,584,171	0	
66.456			4670	138,619	0	
66.456			4780	2,481,328	0	
	Federal Program 66.456 Total			**5,421,163**	**9,355**	
66.458	Cap Grnts for Clean Water ST Revolving Funds		4610	17,834,107	0	
	Federal Program 66.458 Total			**17,834,107**	**0**	
66.458A	ARRA - Cap Grnts for Clean Water ST Revolving Fund		4610	22,427,814	0	
	Federal Program 66.458A Total			**22,427,814**	**0**	
66.460	Nonpoint Source Implementation Grants		4610	3,795,811	0	
	Federal Program 66.460 Total			**3,795,811**	**0**	
66.461	Regional Wetland Program Development Grants		4610	126,981	0	
	Federal Program 66.461 Total			**126,981**	**0**	
66.468	Cap Grants for Drink Water State Rev		3030	10,634,337	6,848,889	
	Federal Program 66.468 Total			**10,634,337**	**6,848,889**	
66.468A	ARRA - Cap Grants for Drink Water State Rev		3030	19,360,269	18,685,536	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Environmental Protection Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 66.468A Total			**19,360,269**	**18,685,536**	
66.472	Beach Monitoring and Notification Program Implemen		4610	233,082	0	
	Federal Program 66.472 Total			**233,082**	**0**	
66.474	Water Protection Grants to the States		3030	152,123	31,403	
	Federal Program 66.474 Total			**152,123**	**31,403**	
66.514	Science to Achieve Results (Star) Fellowship Progr		3650	18,276	0	
	Federal Program 66.514 Total			**18,276**	**0**	
66.605	Performance Partnership Grants	C794	3650	73,807	0	PT
66.605			4610	7,946,126	0	
	Federal Program 66.605 Total			**8,019,933**	**0**	
66.606	Surveys, Studies & Specl Purpose Grnts		1030	632,557	364,442	
66.606			3650	353	0	
66.606			4610	284,616	0	
	Federal Program 66.606 Total			**917,526**	**364,442**	
66.607	Environmental Protection Agy		3600	112,535	0	
	Federal Program 66.607 Total			**112,535**	**0**	
66.608	Environmental Information Exchange Network Grant P		4610	138,379	0	
66.608			4670	39,677	39,677	
	Federal Program 66.608 Total			**178,056**	**39,677**	
66.700	Consolidated Pesticide Enforcement Cooperative Agr		4950	634,136	0	
	Federal Program 66.700 Total			**634,136**	**0**	
66.708	Pollution Prevention Grants Program		4610	208,383	0	
	Federal Program 66.708 Total			**208,383**	**0**	
66.716	Research, Development, Monitoring, Public Educatio		3030	8,126	0	
	Federal Program 66.716 Total			**8,126**	**0**	
66.801	Hazardous Waste Management State Program Support		4610	1,855,584	0	
	Federal Program 66.801 Total			**1,855,584**	**0**	
66.802	Superfund State Political Subdivision & Ind		4610	157,568	0	
	Federal Program 66.802 Total			**157,568**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Environmental Protection Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.804	State and Tribal Underground Storage Tanks Program		4610	845,729	0	
	Federal Program 66.804 Total			**845,729**	**0**	
66.805	Leaking Underg Stor Tank Trust Fund		4610	904,796	0	
	Federal Program 66.805 Total			**904,796**	**0**	
66.805A	ARRA - Leaking Underg Stor Tank Trust Fund		4610	1,008,976	0	
	Federal Program 66.805A Total			**1,008,976**	**0**	
66.808	Solid Waste Management Assistance Grants		3030	2,596	0	
66.808			3650	3,324	0	
	Federal Program 66.808 Total			**5,920**	**0**	
66.809	Superfund State and Indian Tribe CORE Program Coop		4610	65,684	0	
	Federal Program 66.809 Total			**65,684**	**0**	
66.817	State and Tribal Response Program Grants		4610	1,053,998	0	
	Federal Program 66.817 Total			**1,053,998**	**0**	
66.818	Brownfields Assess & Cleanup Coop Agmt		1030	51,765	8,904	
	Federal Program 66.818 Total			**51,765**	**8,904**	
66.818A	ARRA - Brownfields Assess & Cleanup Coop Agmt		1030	215,803	0	
	Federal Program 66.818A Total			**215,803**	**0**	
66.940	Environmental Policy and State Innovation Grants		4610	36,636	0	
	Federal Program 66.940 Total			**36,636**	**0**	
66.951	Environmental Education Grants		3650	28,334	0	
66.951			3760	8,880	0	
66.951			4610	6,040	0	
	Federal Program 66.951 Total			**43,254**	**0**	
	Environmental Protection Agency Total			**102,610,512**	**25,992,028**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Nuclear Regulatory Commission

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
77.006	U. S. Nuclear Regulatory Commission Nuclear Educat		3650	126,643	0	
	Federal Program 77.006 Total			**126,643**	**0**	
77.008	U.S. Nuclear Regulatory Commission Scholarship And		6990	104,454	0	
	Federal Program 77.008 Total			**104,454**	**0**	
	Nuclear Regulatory Commission Total			**231,097**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy - Contract Number Only Provided	00028302	1030	2,077,644	1,826,220	
81.000		00039016	3600	99,415	0	
81.000		00039112	3600	34,235	0	
81.000		00039987	3600	13,831	0	
81.000		00040163	3600	123,867	0	
81.000		00040542	3600	255,454	0	
81.000		00041389	3600	61,635	0	
81.000		00042471	3600	124,355	0	
81.000		00042487	3600	134,601	0	
81.000		00044196	3600	79,323	0	
81.000		00044402	3600	200,904	0	
81.000		00044408	3600	285,638	0	
81.000		00044410	3600	152,224	0	
81.000		00044719	3600	67,720	0	
81.000		00044847	3600	126,929	0	
81.000		00045208	3600	90,095	0	
81.000		00046238	3600	13,911	0	
81.000		0038969	3600	72,209	0	
81.000		101126	3600	45,299	0	PT
81.000		117744	3600	3,333	0	PT
81.000		14-2010	3600	48,337	0	PT
81.000		2003-1389AM21	3600	17,251	0	PT
81.000		32449-001-06 MOD04	3600	122,418	0	PT
81.000		35020-001-06	3600	(2)	0	PT
81.000		39189 MOD 3	3600	1,102	0	PT
81.000		4000093555	3600	20,376	0	PT
81.000		41398-MOD02	3600	(29,890)	0	PT
81.000		57469	3600	93,617	0	PT
81.000		58219 MOD 3	3600	26,726	0	PT
81.000		61103	3600	1	0	PT
81.000		62745-001-08 MOD01	3600	16,958	0	PT
81.000		657280 MOD1	3600	(702)	0	PT
81.000		6630,TO14622 MOD3	3600	4,742	0	PT
81.000		6700882, MOD07	3600	693,222	0	PT
81.000		6853597 MOD 1	3600	32,523	0	PT
81.000		72367-001-09 C2	3600	718	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

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81.000	Energy - Contract Number Only Provided	72419,MOD03	3600	46,292	0	PT
81.000		73262-001-09	3600	57,957	0	PT
81.000		74691, MOD02	3600	8,113	0	PT
81.000		76089, MOD 03	3600	64,052	0	PT
81.000		867983REV02	3600	34,456	0	PT
81.000		889186-874J AM05	3600	135,518	0	PT
81.000		9F-31401	3600	5,823	0	PT
81.000		A45221	3600	41,454	0	PT
81.000		AC71713O	3600	23,922	0	PT
81.000		DE-FG02-97ER45623A020	3600	(1)	0	
81.000		DE-FG26-05NT42528	3600	(117)	0	
81.000		DEFC0106EH06001AMD2	3600	(70)	0	
81.000		DEFC0201ER41187AMA004	3600	(298)	0	
81.000		DEFG0204ER63873MODA001	3600	(168)	0	
81.000		MASTER75501TORDER87940	3600	42,035	0	PT
81.000		MASTERAGREEMENT6630TO1	3600	(49)	0	PT
81.000		MCONTRACT75501TASK8047	3600	93,249	0	PT
81.000		PO# 93697	3600	9,627	0	PT
81.000		T071981	3600	125,954	0	PT
81.000		TASK ORDER 117174	3600	17,831	0	PT
81.000		TASK ORDER 95144	3600	37,960	0	PT
81.000		TASK ORDEWR 110463	3600	26,561	0	PT
81.000		TO 108989	3600	42,256	0	PT
81.000		TO#107772, MA #75501	3600	15,277	0	PT
81.000		TO#14625; MA#6630 MOD2	3600	12,161	0	PT
81.000		TO#14625; MA#6630 MOD5	3600	3,517	0	PT
81.000		TO#14625; MA#6630 MOD9	3600	52,381	0	PT
81.000		TO104299MA75501MOD2	3600	92,362	0	PT
81.000		TO119737MASTERAGMT7550	3600	15,583	0	PT
81.000		TO96824MOD01(MA 75501)	3600	159,740	0	PT
81.000		UW BUD# 636092	3600	20,420	0	PT
81.000		UW BUD# 636516	3600	(28,021)	0	PT
81.000		UW BUD# 636583	3600	(365)	0	PT
81.000		UW BUD# 637951	3600	60,641	0	PT
81.000		UW BUD# 638340	3600	21,257	0	PT
81.000		UW BUD# 638443	3600	26,606	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy - Contract Number Only Provided	UW BUD# 669757	3600	(6,237)	0	PT
81.000		00014002	3650	863,711	0	PT
81.000		00021287	3650	500,633	82,479	
81.000		00034036	3650	1,536	0	
81.000		00037699	3650	49,796	0	
81.000		00039408	3650	178,006	0	
81.000		00039529	3650	9,773	0	
81.000		00042312	3650	27,543	0	
81.000		00045485	3650	4,245	0	
81.000		01019W01062	3650	2,127,967	0	PT
81.000		09211	3650	7,896	0	PT
81.000		097K366	3650	75,009	0	PT
81.000		2008001	3650	(221)	0	PT
81.000		52468	3650	2,228	0	PT
81.000		5478700107	3650	75,108	0	PT
81.000		6633	3650	1,433,364	0	PT
81.000		6714726	3650	(12,064)	0	PT
81.000		6833311	3650	75,979	0	PT
81.000		7496200109	3650	561	0	PT
81.000		888552	3650	18,741	0	PT
81.000		9W011WAPA0201	3650	325,457	0	PT
81.000		A0368	3650	60,440	0	PT
81.000		AC695370	3650	76,603	0	PT
81.000		AC695380	3650	57,868	0	PT
81.000		C10169	3650	122,671	0	PT
81.000		DEAC0707ID60679	3650	11,061	0	PT
81.000		ER15782	3650	79,850	0	
81.000		ER15820	3650	21,229	0	
81.000		ER20225	3650	103,002	0	
81.000		ER25709	3650	6,886	0	
81.000		G22107W0831	3650	(12,036)	0	PT
81.000		GUAR24520816	3650	4,344	0	
81.000		GUAR30283702	3650	43,001	0	
81.000		GUAR30374194	3650	32,029	0	PT
81.000		GUAR56042002	3650	1,723	0	PT
81.000		IDFGFY09278	3650	52,302	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

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81.000	Energy - Contract Number Only Provided	M262	3650	6,656	0	PT
81.000		M285	3650	70,479	0	PT
81.000		NA29037	3650	81,010	70,173	
81.000		PI22630	3650	3,035	0	
81.000		PO007574	3650	12,388	0	PT
81.000		WSU000409	3650	6,226	0	PT
81.000		WSU000684	3650	17,109	0	PT
81.000		WSU000905	3650	170,215	0	PT
81.000		WSU001093	3650	45,194	0	PT
81.000		XEA66600101	3650	(8,493)	0	PT
81.000		XFT888521010	3650	147,544	0	PT
81.000		BPA 00039095	3750	2,423	0	
81.000		BPA 00045001	3750	123,811	3,233	
81.000		00036072	4770	142,541	0	
81.000		00037644	4770	215	0	
81.000		00038148	4770	14,901	0	
81.000		00038921	4770	60,094	0	
81.000		00039269	4770	64,162	0	
81.000		00039276	4770	147,142	0	
81.000		00039390	4770	56,017	0	
81.000		00039392	4770	53,435	0	
81.000		00039479	4770	24,636	0	
81.000		00039620	4770	52,422	0	
81.000		00039682	4770	70,456	0	
81.000		00039851	4770	139,888	0	
81.000		00040094	4770	22,752	0	
81.000		00040381	4770	23,942	0	
81.000		00040744	4770	37,184	0	
81.000		00040906	4770	191,894	0	
81.000		00041176	4770	163,912	0	
81.000		00041193	4770	141,026	0	
81.000		00041195	4770	186,021	0	
81.000		00041280	4770	61,356	0	
81.000		00041349	4770	98,156	0	
81.000		00041364	4770	196,388	0	
81.000		00041660	4770	39,593	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy - Contract Number Only Provided	00041736	4770	126,935	0	
81.000		00041792	4770	185,978	0	
81.000		00042254	4770	102,825	0	
81.000		00042336	4770	131,228	0	
81.000		00042861	4770	1,033,494	0	
81.000		00043360	4770	171,575	0	
81.000		00044016	4770	82,720	0	
81.000		00044225	4770	91,653	0	
81.000		00044293	4770	403,577	0	
81.000		00044456	4770	158,377	0	
81.000		00044566	4770	181,350	0	
81.000		00044851	4770	156,163	0	
81.000		00044887	4770	164,819	0	
81.000		00044906	4770	26,339	0	
81.000		00044910	4770	219,916	0	
81.000		00045139	4770	189,421	0	
81.000		00045173	4770	265,244	0	
81.000		00045314	4770	65,238	0	
81.000		00045761	4770	171,398	0	
81.000		00046284	4770	70,392	0	
81.000		00046321	4770	70,679	0	
81.000		00046344	4770	125,594	0	
81.000		00046394	4770	36,867	0	
81.000		00046440	4770	60,267	0	
81.000		00046489	4770	101,939	0	
81.000		00046508	4770	82,420	0	
81.000		00046522	4770	360,509	0	
81.000		00046626	4770	95,375	0	
81.000		00046876	4770	8,232	0	
81.000		00047183	4770	33,347	0	
81.000		00047290	4770	26,096	0	
81.000		00047336	4770	196	0	
81.000		00047385	4770	24,290	0	
81.000		020-9359-ISA-FISH	4770	299,192	0	PT
81.000		08-84	4770	1,084	0	PT
81.000		09-104	4770	44,918	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.000	Energy - Contract Number Only Provided	09-34	4770	128,570	0	PT
81.000		09-39	4770	20,740	0	PT
81.000		09-48	4770	52,037	0	PT
81.000		09-60	4770	32,441	0	PT
81.000		09-65	4770	1,440	0	PT
81.000		09-71	4770	307,184	0	PT
81.000		09-82	4770	7,773	0	PT
81.000		09-83	4770	6,246	0	PT
81.000		09-84	4770	22,423	0	PT
81.000		09-87	4770	108,063	0	PT
81.000		09-95	4770	486,656	0	PT
81.000		09-98	4770	59,323	0	PT
81.000		09-99	4770	26,955	0	PT
81.000		10-31	4770	285,378	0	PT
81.000		10-37	4770	86,696	0	PT
81.000		10-39	4770	63,118	0	PT
81.000		10-43	4770	20,182	0	PT
81.000		10-50	4770	22,195	0	PT
81.000		10-57	4770	47,767	0	PT
81.000		10-65	4770	22,611	0	PT
81.000		10-66	4770	12,998	0	PT
81.000		10-75	4770	216,620	0	PT
81.000		10-85	4770	13,023	0	PT
81.000		10-87	4770	37,000	0	PT
81.000		83537	4770	11,422	0	PT
	Federal Program 81.000 Total			**22,928,177**	**1,982,105**	
81.000A	ARRA - Energy Contract Number Only Provided	DEFG0296ER40956	3600	91,837	0	
81.000A		TONO95447MANO75501	3600	183,780	0	PT
81.000A		01019W01062	3650	1,139,667	0	PT
	Federal Program 81.000A Total			**1,415,284**	**0**	
81.041	State Energy Program		1030	447,998	0	
	Federal Program 81.041 Total			**447,998**	**0**	
81.041A	ARRA - State Energy Program		1030	4,333,381	1,686,748	
	Federal Program 81.041A Total			**4,333,381**	**1,686,748**	

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.042	Weatherization Assist - Low Inc		1030	4,414,304	3,669,923	
	Federal Program 81.042 Total			**4,414,304**	**3,669,923**	
81.042A	ARRA - Weatherization Assist - Low Inc		1030	24,711,872	19,031,533	
	Federal Program 81.042A Total			**24,711,872**	**19,031,533**	
81.106	Transport of Transuranic Wastes to the Waste Isola	C080240FED-TWX9	2250	66,028	0	PT
	Federal Program 81.106 Total			**66,028**	**0**	
81.108	Epidemiology and Other Health Studies Financial As		3650	362,189	3,520	
	Federal Program 81.108 Total			**362,189**	**3,520**	
81.112	Stewardship Science Grant Program		3600	89,079	0	
81.112			3650	2,808,406	0	
	Federal Program 81.112 Total			**2,897,485**	**0**	
81.117	Energy Efficiency and Renewable Energy Information		1030	70,072	0	
81.117			3650	23,833	17,432	
	Federal Program 81.117 Total			**93,905**	**17,432**	
81.119	State Energy Program Special Projects		1030	360,475	0	
	Federal Program 81.119 Total			**360,475**	**0**	
81.119A	ARRA - State Energy Program Special Projects		1030	56,304	0	
	Federal Program 81.119A Total			**56,304**	**0**	
81.121	Nuclear Energy Research, Development and Demonstra		3650	878,115	187,940	
	Federal Program 81.121 Total			**878,115**	**187,940**	
81.122	Electricity Delivery & Energy Research		2150	119,227	0	
81.122			3650	346,157	0	
81.122		20100125103	3650	108,238	0	PT
	Federal Program 81.122 Total			**573,622**	**0**	
81.122A	ARRA - Electricity Delivery & Energy Research		1030	177,928	0	
	Federal Program 81.122A Total			**177,928**	**0**	
81.127	ARRA - Energy Efficient Appl Rebate Pgram		1030	1,063,227	0	
	Federal Program 81.127 Total			**1,063,227**	**0**	
81.128A	ARRA - Energy Effincy & Conservon Block Grant		1030	798,846	233,770	

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 81.128A Total			**798,846**	**233,770**	
81.999	Department of Energy - Undetermined		4770	258,786	0	
	Federal Program 81.999 Total			**258,786**	**0**	
	Dept of Energy Total			**65,837,926**	**26,812,971**	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.000	Education - Contract Number Only Provided	0209234.002.016-25	3600	19,680	0	PT
84.000		0799800000UWA01MOD01	3600	183,248	0	PT
84.000		H 133B090024	3600	28,887	0	PT
84.000		H133A070030-08A	3600	6,365	0	PT
84.000		H133A080035	3600	79,661	0	PT
84.000		POO38867	3600	10,143	0	PT
84.000		UW BUD# 631270	3600	400	0	PT
84.000		UW BUD# 633205	3600	810	0	PT
84.000		UW BUD# 633746	3600	24,038	0	PT
84.000		UW BUD# 635240	3600	10,606	0	PT
84.000		UW BUD# 635496	3600	1,876	0	PT
84.000		UW BUD# 635637	3600	27,184	0	PT
84.000		UW BUD# 635741	3600	37,327	0	PT
84.000		UW BUD# 661541	3600	(400)	0	PT
84.000		UW BUD# 673206	3600	5,342	0	PT
84.000		UW BUD# 802319	3600	20,702	0	PT
84.000		UW BUD# 802320	3600	98,473	0	PT
84.000		UW BUD# 802414	3600	(15,232)	0	PT
84.000		MUSC08029	3650	46,767	0	PT
84.000		P016A070032	3650	27,844	0	
84.000		P335A050202	3650	14,769	0	
84.000		92-WA02	3750	55,221	0	PT
	Federal Program 84.000 Total			**683,711**	**0**	
84.002	Adult Education - Basic Grants to States		6990	8,427,454	7,511,721	
	Federal Program 84.002 Total			**8,427,454**	**7,511,721**	
84.011	Migrant Education_state Grant Program		3500	14,893,285	14,553,510	
	Federal Program 84.011 Total			**14,893,285**	**14,553,510**	
84.013	Title I Program for Neglected and Delinquent Child		3500	681,078	673,088	
	Federal Program 84.013 Total			**681,078**	**673,088**	
84.015	National Resource Centers Program for Foreign Lang		3600	4,286,174	172,415	
	Federal Program 84.015 Total			**4,286,174**	**172,415**	
84.016	Undergraduate International Studies and Foreign La		3600	74,238	0	
84.016			3800	48,700	0	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.016 Total			**122,938**	**0**	
84.021	Overseas Programs - Group Projects Abroad		3600	181,657	0	
84.021			3650	(4)	0	
	Federal Program 84.021 Total			**181,653**	**0**	
84.031	Higher Education_institutional Aid		6990	3,246,651	0	
84.031		HU101105	6990	148,068	0	PT
	Federal Program 84.031 Total			**3,394,719**	**0**	
84.048	Career and Technical Education -- Basic Grants To		3540	21,094,411	0	
84.048			6990	26	0	
	Federal Program 84.048 Total			**21,094,437**	**0**	
84.069	Leveraging Educational Assistance Partnership		3430	1,621,558	1,621,558	
	Federal Program 84.069 Total			**1,621,558**	**1,621,558**	
84.101	Career and Technical Education - Indian Set-Aside	V101A010017-03A	6990	121,655	0	PT
	Federal Program 84.101 Total			**121,655**	**0**	
84.103	Trio Staff Training Program		3600	975,603	0	
	Federal Program 84.103 Total			**975,603**	**0**	
84.116	Fund for the Improvement of Postsecondary Educatio		3500	453,005	261,921	
84.116			3600	296,170	47,002	
84.116		UTA07-187, AM05	3600	5,198	0	PT
84.116		UTA07-187, AM06	3600	3,000	0	PT
84.116			3650	154,715	0	
84.116			3750	36,840	0	
84.116			6990	708,271	0	
84.116		09-EDC-O-775-FIPSE	6990	14,304	0	PT
	Federal Program 84.116 Total			**1,671,503**	**308,923**	
84.129	Rehabilitation Long-Term Training		3600	128,992	0	
84.129			3800	254,238	0	
	Federal Program 84.129 Total			**383,230**	**0**	
84.141	Migrant Education_high School Equivalency Program		3650	15,876	0	
84.141			3750	433,266	0	
84.141			6990	456,855	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 84.141 Total			**905,997**	**0**	
84.149	Migrant Education_college Assistance Migrant Progr		3650	459,088	0	
84.149			3700	426,467	0	
84.149			3750	499,005	0	
84.149			6990	658,713	0	
	Federal Program 84.149 Total			**2,043,273**	**0**	
84.153	Business and International Education Projects		6990	102,068	0	
	Federal Program 84.153 Total			**102,068**	**0**	
84.170	Javits Fellowships		3600	31,075	0	
	Federal Program 84.170 Total			**31,075**	**0**	
84.184	Safe and Drug-Free Schools and Communities_nationa		3650	123,149	0	
84.184			6990	80,273	0	
	Federal Program 84.184 Total			**203,422**	**0**	
84.185	Byrd Honors Scholarships		3500	877,000	877,000	
	Federal Program 84.185 Total			**877,000**	**877,000**	
84.186	Safe and Drug-Free Schools and Communities_state G		1030	1,075,019	1,039,377	
84.186			3500	3,590,286	3,320,131	
	Federal Program 84.186 Total			**4,665,305**	**4,359,508**	
84.187	Supported Employment Services for Individuals With		3000	522,200	0	
84.187			3150	50,635	0	
	Federal Program 84.187 Total			**572,835**	**0**	
84.195	Dept of Education		3800	251,907	0	
84.195			6990	3,513	0	
	Federal Program 84.195 Total			**255,420**	**0**	
84.200	Graduate Assistance In Areas of National Need		3600	39,568	0	
84.200			3650	136,879	0	
	Federal Program 84.200 Total			**176,447**	**0**	
84.213	Even Start_state Educational Agencies		3500	1,506,931	770,974	
84.213		OSPI10	6990	146,831	0	PT
	Federal Program 84.213 Total			**1,653,762**	**770,974**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Education

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84.214	Even Start_migrant Education		6990	467,073	0	
	Federal Program 84.214 Total			**467,073**	**0**	
84.215	Fund for the Improvement of Education		3650	91,581	0	
84.215		WSU000752	3650	31,986	0	PT
84.215		N/A	3700	216,630	0	PT
84.215		PO 1600700011	3700	11,881	0	PT
84.215		PO 1600700056	3700	3,520	0	PT
84.215		9008000108.000	3750	15,000	0	PT
84.215			6990	184,885	0	
	Federal Program 84.215 Total			**555,483**	**0**	
84.224	Assistive Technology		3600	546,502	67,985	
	Federal Program 84.224 Total			**546,502**	**67,985**	
84.235	Rehabilitation Services Demonstration and Training		3600	194,602	0	
	Federal Program 84.235 Total			**194,602**	**0**	
84.243	Tech-Prep Education		3540	1,987,810	0	
	Federal Program 84.243 Total			**1,987,810**	**0**	
84.264	Rehabilitation Training_continuing Education		3600	907,691	0	
	Federal Program 84.264 Total			**907,691**	**0**	
84.265	Rehabilitation Training_state Vocational Rehabilit		3000	55,611	0	
84.265			3150	10,991	0	
	Federal Program 84.265 Total			**66,602**	**0**	
84.282	Charter Schools		3600	420,670	0	
	Federal Program 84.282 Total			**420,670**	**0**	
84.287	Twenty-First Century Community Learning Centers		3500	15,487,836	14,696,465	
84.287		NWCA/CWU	3750	5,747	0	PT
	Federal Program 84.287 Total			**15,493,583**	**14,696,465**	
84.298	State Grants for Innovative Programs		3500	421,001	378,378	
	Federal Program 84.298 Total			**421,001**	**378,378**	
84.323	Special Education - State Personnel Development		3500	760,976	537,697	
	Federal Program 84.323 Total			**760,976**	**537,697**	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.325	Special Education - Personnel Development to Impro		3600	637,072	0	
	Federal Program 84.325 Total			**637,072**	**0**	
84.326	Special Education_technical Assistance and Dissemi		3500	203,505	203,505	
84.326			3600	420,567	4,000	
	Federal Program 84.326 Total			**624,072**	**207,505**	
84.330	Advanced Placement Program (Advanced Placement Tes		3500	421,330	71,774	
	Federal Program 84.330 Total			**421,330**	**71,774**	
84.331	Grants to States for Incarcerated Youth Offenders		6990	292,179	280,199	
	Federal Program 84.331 Total			**292,179**	**280,199**	
84.333	Demonstration Projects to Ensure Students With DIS		3600	43,405	0	
84.333			3700	335,547	0	
	Federal Program 84.333 Total			**378,952**	**0**	
84.334	Gaining Early Awareness and Readiness for Undergra		3430	2,977,536	1,647,060	
84.334			3600	4,669,904	2,905,047	
84.334			3650	6,296,065	527,986	
84.334			3700	390,881	0	
84.334			3750	950,596	226,649	
84.334		CWU/Ephrata School Dis	3750	229	0	PT
84.334		CWU/FWSD/Gear Up Progr	3750	1,421	0	PT
84.334			3760	1,268,646	0	
84.334		G064/G065	6990	226,660	0	PT
	Federal Program 84.334 Total			**16,781,938**	**5,306,742**	
84.335	Child Care Access Means Parents In School		3650	74,602	0	
84.335			6990	325,474	0	
	Federal Program 84.335 Total			**400,076**	**0**	
84.337	International Education_technological Innovation A		3600	36,440	0	
	Federal Program 84.337 Total			**36,440**	**0**	
84.357	Reading First State Grants		3500	8,643,069	7,266,919	
	Federal Program 84.357 Total			**8,643,069**	**7,266,919**	
84.358	Rural Education		3500	1,155,317	1,103,801	
	Federal Program 84.358 Total			**1,155,317**	**1,103,801**	

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Dept of Education

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84.359	Early Reading First	DA08-1589	3600	43,658	0	PT
84.359		DA08-1589 AM1	3600	196,286	0	PT
	Federal Program 84.359 Total			**239,944**	**0**	
84.363	School Leadership		3600	73,253	0	
	Federal Program 84.363 Total			**73,253**	**0**	
84.365	English Language Acquisition Grants		3500	15,601,254	14,546,507	
	Federal Program 84.365 Total			**15,601,254**	**14,546,507**	
84.366	Mathematics and Science Partnerships		3500	3,902,600	3,732,880	
84.366		GRANT51250001PO28652	3600	17,645	0	PT
84.366		UW BUD# 637899	3600	16,998	0	PT
84.366		2600800010	3650	27,605	0	PT
84.366		555018	3650	60,837	0	PT
84.366		2417-98-7250-98	3700	5,596	0	PT
84.366		2425-98-7250-099	3700	52,179	0	PT
84.366		N/A	3700	21,836	0	PT
	Federal Program 84.366 Total			**4,105,296**	**3,732,880**	
84.367	Improving Teacher Quality State Grants		3430	1,387,541	1,340,068	
84.367			3500	45,156,953	44,266,121	
	Federal Program 84.367 Total			**46,544,494**	**45,606,189**	
84.369	Grants for State Assessments and Related Activitie		3500	7,237,575	0	
	Federal Program 84.369 Total			**7,237,575**	**0**	
84.371	Striving Readers		3500	289,310	5,243	
	Federal Program 84.371 Total			**289,310**	**5,243**	
84.378	College Access Challenge Grant Program		3430	981,771	917,514	
	Federal Program 84.378 Total			**981,771**	**917,514**	
84.382	Strengthening Minority-Serving Institutions		6990	831,478	0	
	Federal Program 84.382 Total			**831,478**	**0**	
84.928	National Writing Project	92-WA03	3600	52,095	0	PT
84.928		92-WA03 AM31	3600	54,972	0	PT
	Federal Program 84.928 Total			**107,067**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Federal Programs Not Clustered

Dept of Education Total	**197,229,482**	**125,574,495**

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National Archives & Records Admin

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
89.003	National Historical Publications and Records Grant		0850	13,582	0	
	Federal Program 89.003 Total			**13,582**	**0**	
	National Archives & Records Admin Total			**13,582**	**0**	

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Miscellaneous Commissions

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
90.401	Help America Vote Act Requirements Payments		0850	4,720,935	0	
	Federal Program 90.401 Total			**4,720,935**	**0**	
	Miscellaneous Commissions Total			**4,720,935**	**0**	

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Dept of Health & Human Services

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93.000	Hhs - Contract Number Only Provided	#01756	3600	2	0	PT
93.000		#4221	3600	10,370	0	PT
93.000		0000639363	3600	603	0	PT
93.000		0000663103	3600	34,182	0	PT
93.000		0000677274	3600	1,883	0	PT
93.000		000355935002AMENDNO1	3600	35,492	0	PT
93.000		000355935007AM1N01HC95	3600	21,512	0	PT
93.000		04-200483-01-S0939	3600	(11,651)	0	PT
93.000		0745-000-00-CHCC-01	3600	10,383	0	PT
93.000		1 22048 00	3600	417,909	0	PT
93.000		10008615	3600	99,949	0	PT
93.000		10008615, AMEND.#1	3600	12,854	0	PT
93.000		10144SUB	3600	9,142	0	PT
93.000		10221507-009	3600	73,481	0	PT
93.000		1027-103	3600	5,799	0	PT
93.000		116289	3600	93,560	0	PT
93.000		117161	3600	15,934	0	PT
93.000		1221	3600	98,657	0	PT
93.000		1558G HB859 AM01	3600	6	0	PT
93.000		18953 AM#1	3600	2,447	0	PT
93.000		1R43DA026244-01	3600	6,426	0	PT
93.000		1RC1HL10062501UW01	3600	12,005	0	PT
93.000		1RO1AG03026601A201	3600	8,769	0	PT
93.000		1U2GPS001183-01	3600	53,840	0	PT
93.000		200-2005-10462/0006	3600	32,406	0	
93.000		200-2008-M-28011	3600	17,791	0	
93.000		200-2009-M-29903	3600	51,086	0	
93.000		200200828122TASK0003	3600	60,021	0	
93.000		200200828147TASK000	3600	78,350	0	
93.000		2004.0009 AM06	3600	6,831	0	PT
93.000		2007.0003	3600	11,264	0	PT
93.000		2008113462	3600	(114,937)	0	PT
93.000		2008113462 M0D6	3600	140,631	0	PT
93.000		2008113462 MD1	3600	182,698	0	PT
93.000		2008113462 MD2	3600	710,968	0	PT
93.000		2008113462 MD4	3600	177,368	0	PT

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Dept of Health & Human Services

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93.000	Hhs - Contract Number Only Provided	2008113462 MD5	3600	250,642	0	PT
93.000		2008113462 MOD6	3600	(1,210)	0	PT
93.000		2008124101 MOD1	3600	14,357	0	PT
93.000		2008124228 MOD04	3600	37,836	0	PT
93.000		2009119412 MOD01	3600	32,735	0	PT
93.000		2009119415 MOD01	3600	29,977	0	PT
93.000		2009119416 MOD02	3600	34,671	0	PT
93.000		2009119417 MOD01	3600	34,671	0	PT
93.000		2009125369	3600	7,637	0	PT
93.000		2010-2385	3600	59,822	0	PT
93.000		209YAN147	3600	51,618	0	PT
93.000		214-2009-M-32223	3600	73,734	0	
93.000		232290-3684	3600	24,358	0	PT
93.000		2444CA106154-02A1	3600	4,099	0	PT
93.000		24XS036TASKORDER5MOD6	3600	28,562	0	PT
93.000		254-2007-M-22013 MOD05	3600	12	0	
93.000		254-2009-M-32357	3600	19,500	0	
93.000		2R44CA106154-02A1	3600	19,410	0	PT
93.000		2R44HL086267	3600	7,489	0	PT
93.000		3001397930AMENDMENT1	3600	27,644	0	PT
93.000		31603 AMD 3	3600	5,892	0	PT
93.000		33430-9S-1414	3600	13,395	0	PT
93.000		412660060101UWMOD4	3600	515	0	PT
93.000		41266006UW.01	3600	280,725	0	PT
93.000		414410030101UW01MOD02	3600	26,732	0	PT
93.000		414470110101 UW	3600	15,908	0	PT
93.000		4221	3600	15,044	0	PT
93.000		5 F32 NS 07985-02	3600	1	0	
93.000		5 K12 HD 001097-13	3600	101,929	0	PT
93.000		5 R42 MH 073199-03REV	3600	7,348	0	PT
93.000		52158105500000120MOD01	3600	93,560	0	PT
93.000		5579SC, AMD1	3600	29,363	0	PT
93.000		5710002265 MOD04	3600	38,917	0	PT
93.000		5798SC	3600	20,514	0	PT
93.000		7200004847	3600	2,342	0	PT
93.000		7500031154, AM03	3600	6,612	0	PT

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93.000	Hhs - Contract Number Only Provided	7500032630MOD01	3600	5,736	0	PT
93.000		863/0080.0018-AM03	3600	34,911	0	PT
93.000		93-2900-25 MOD#17	3600	29,168	0	PT
93.000		94682DBS78 MOD01	3600	715,697	0	PT
93.000		AACTG42UICTU01MOD6	3600	(114)	0	PT
93.000		AMENDMENT NO 9	3600	46,268	0	PT
93.000		AUCDRTOI20040105A3	3600	(18,554)	0	PT
93.000		CAN08325183NBS742865	3600	26,261	0	
93.000		CC FORM SUB UW#1 MOD02	3600	282,505	0	PT
93.000		CFMS 636370	3600	(51)	0	PT
93.000		CTU-UW-01-2009	3600	30,950	0	PT
93.000		D34034D AMEND #4	3600	368	0	PT
93.000		DD000153-01	3600	2,431	0	PT
93.000		EH06201S9N01AG60007	3600	160,485	0	PT
93.000		F42-SUB001	3600	79,266	0	PT
93.000		FY090160189101A40595	3600	255,557	0	PT
93.000		GPEDC0036A SAHN AMD#1	3600	46,736	0	PT
93.000		GRANT ID# 1221	3600	34,884	0	PT
93.000		HHS-N-260-2006-00005-C	3600	568,869	0	
93.000		HHSF223200610011ITO02	3600	(9)	0	
93.000		HHSH230200532040C*	3600	50,372	0	PT
93.000		HHSN200600006CN01AI600	3600	2,862,426	0	
93.000		HHSN261-200533000C	3600	366,314	0	PT
93.000		HHSN26120074400CMOD04	3600	128,643	0	PT
93.000		HHSN261200800346P	3600	(11,943)	0	
93.000		HHSN261200900671P	3600	54,511	0	
93.000		HHSN266200500023CMOD06	3600	412,603	159,321	
93.000		HHSN266200700013CMOD1	3600	1,139,111	48,026	
93.000		HHSN267200603429CMOD03	3600	571,582	131,102	
93.000		HHSN267200700023CMOD04	3600	614,184	36,610	
93.000		HHSN268200448194CAMD7	3600	2,278,987	0	
93.000		HHSN268200525222C	3600	180,589	0	
93.000		HHSN268200536173C	3600	255,948	0	
93.000		HHSN268200736195C	3600	48,344	0	
93.000		HHSN268200800007C AM02	3600	853,012	388,903	
93.000		HHSN271200900390P	3600	52,014	0	

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93.000	Hhs - Contract Number Only Provided	HHSN272200800060C	3600	4,612,054	3,201,096	
93.000		HHSN272200900035C	3600	2,180,571	1,468,023	
93.000		HHSN273200800010CAMEND	3600	1,298,087	0	
93.000		HHSN275200403370I	3600	831	0	
93.000		HHSN275200403370IMOD00	3600	26,693	0	
93.000		HHSN275200800015CMOD02	3600	454,962	164,422	
93.000		HHSN275200800043U	3600	234,509	0	
93.000		ITN10064-00 AMD 1	3600	48,900	0	PT
93.000		ITN10122-00SC AMEND 1	3600	24,790	0	PT
93.000		ITN10212-00SC	3600	142,734	0	PT
93.000		K000121-S01	3600	13,703	0	PT
93.000		M0D#5	3600	8	0	PT
93.000		MOD02	3600	95,786	0	PT
93.000		MODIFICATION 1	3600	43,219	0	PT
93.000		N01 DK 92318/0015	3600	27,815	0	
93.000		N01 HC 95159-23	3600	1,943,341	179,355	
93.000		N01 LM43503 MOD 13	3600	418,223	0	
93.000		N01-A1-30070	3600	20,091	0	PT
93.000		N01-AI-05419 AM02	3600	15,592	0	PT
93.000		N01-AI-15450, MOD07	3600	900,100	0	
93.000		N01-AI-40069	3600	9,191	0	
93.000		N01-AI-40069 MOD 1	3600	10,001	0	
93.000		N01-AI-40069 MOD07	3600	55,774	0	
93.000		N01-AI-40069 MOD08	3600	599,009	226,008	
93.000		N01-CM-37008 WA#01C	3600	39,670	0	
93.000		N01-HC-85079 MOD 11	3600	5,211	0	
93.000		N01-HC-85079 MOD37	3600	(6,079)	0	
93.000		N01-HC-95095 AM02	3600	(3,276)	0	PT
93.000		N01-HC-95159 MOD15	3600	58,873	0	
93.000		N01-HC-95159 MOD18	3600	211,533	121,134	
93.000		N01-HC-95159 MOD20	3600	973,578	465,220	
93.000		N01-HC-95180, MOD#24	3600	2,712,073	2,058,383	
93.000		N01-HC-95180, MOD18	3600	106,583	0	
93.000		N01-LM-6-3506	3600	719,594	0	
93.000		N01-LM-6-3506 AM#05	3600	9,873	0	
93.000		N01-LM-6-3506 AM#08	3600	1,236,076	12,589	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	Hhs - Contract Number Only Provided	N01AI40030HHSN26620040	3600	42,095	0	PT
93.000		N01MH90001	3600	19,049	0	PT
93.000		N02-CM-37008 WA#05A	3600	94,826	4,723	
93.000		N02-CM-37008,WA NO 04	3600	80,116	0	
93.000		NIH121301708SUBAMEND5	3600	15,010	0	PT
93.000		NIH121301708SUBMOD06	3600	(15,010)	0	PT
93.000		NIH131107261SUBAMEND3	3600	221	0	PT
93.000		NIH131107261SUBAMEND4	3600	45,964	0	PT
93.000		NO.000189671-243	3600	441	0	PT
93.000		NO1-ES-15478, MOD 9	3600	2	0	
93.000		NO1-HC-95178 AMEND 14	3600	67,246	0	PT
93.000		NONE	3600	5	0	
93.000		NWIC 24213 104 22000	3600	18,436	0	PT
93.000		NWIC# 24214	3600	48,721	0	PT
93.000		NWIC# 24217	3600	46,160	0	PT
93.000		ORDERNOHHSF22220085027	3600	(20)	0	
93.000		P808AMEND6COEUS001080	3600	21,839	0	PT
93.000		PEHSU	3600	83,333	0	PT
93.000		PHRI 20101-03-06	3600	(5,651)	0	PT
93.000		PO 4501099944	3600	(21)	0	PT
93.000		PO 979166	3600	601	0	PT
93.000		PO# 2000931327	3600	54,660	0	PT
93.000		PO#0000596327AM04	3600	9,233	0	PT
93.000		PO#10221507-011	3600	263,391	0	PT
93.000		PO#17217	3600	36,400	0	PT
93.000		PO#18155	3600	17,434	0	PT
93.000		PO#SR00000675	3600	2,530	0	PT
93.000		PO#SR00000898	3600	41,306	0	PT
93.000		PO: 10221507-007	3600	2,358	0	PT
93.000		PRIME5R01OH00878102AM0	3600	57,542	0	PT
93.000		PROJECT # 02434.003	3600	34,381	0	PT
93.000		QL114/ANDERSON04	3600	34,900	0	PT
93.000		R01 HL071988	3600	2	0	PT
93.000		R43AI08140001A120091	3600	25,699	0	PT
93.000		S3813-26/26	3600	5,916	0	PT
93.000		S3901-27/27	3600	60,751	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	Hhs - Contract Number Only Provided	S3901-27/28	3600	71,046	0	PT
93.000		S3951	3600	189,108	0	PT
93.000		SA09000659 MOD02	3600	4,970	0	PT
93.000		SA0900673	3600	5,515	0	PT
93.000		SA0900681	3600	362	0	PT
93.000		SA1000698	3600	30,353	0	PT
93.000		SA1000699	3600	4,626	0	PT
93.000		SA1000700	3600	124,798	0	PT
93.000		SA1000721 MOD01	3600	1,267	0	PT
93.000		SA1000741	3600	13,811	0	PT
93.000		SA1000748	3600	3,742	0	PT
93.000		SC-08-1-08-UW	3600	4,648	0	PT
93.000		SPS #162060, SITE 070	3600	2	0	PT
93.000		SPSID118204DUKEAC30399	3600	5,593	0	PT
93.000		SSSP #50	3600	87	0	PT
93.000		SUB #486.02731	3600	34,405	0	PT
93.000		SUBAWARD #3470-5	3600	35,340	0	PT
93.000		TASK ORDER 1	3600	8,983	0	PT
93.000		TASK ORDER 83883	3600	310,680	0	PT
93.000		TLG060114670TASKORDER1	3600	20,225	0	PT
93.000		UW BUD# 630322	3600	412	0	PT
93.000		UW BUD# 631622	3600	36,136	0	PT
93.000		UW BUD# 632298	3600	66,390	0	PT
93.000		UW BUD# 632740	3600	147	0	PT
93.000		UW BUD# 633479	3600	(13)	0	PT
93.000		UW BUD# 633873	3600	154,492	0	PT
93.000		UW BUD# 633913	3600	10	0	PT
93.000		UW BUD# 634090	3600	15,726	0	PT
93.000		UW BUD# 634712	3600	40,872	0	PT
93.000		UW BUD# 635050	3600	(1,702)	0	PT
93.000		UW BUD# 635219	3600	13,804	0	PT
93.000		UW BUD# 635247	3600	29,151	0	PT
93.000		UW BUD# 635315	3600	(44,559)	0	PT
93.000		UW BUD# 635390	3600	35,663	0	PT
93.000		UW BUD# 635444	3600	71,655	0	PT
93.000		UW BUD# 635467	3600	97,756	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	Hhs - Contract Number Only Provided	UW BUD# 635470	3600	6,588	0	PT
93.000		UW BUD# 635601	3600	169,997	0	PT
93.000		UW BUD# 635605	3600	144,243	0	PT
93.000		UW BUD# 635740	3600	(3,134)	0	PT
93.000		UW BUD# 635786	3600	41,357	0	PT
93.000		UW BUD# 635905	3600	11,486	0	PT
93.000		UW BUD# 636366	3600	(1,213)	0	PT
93.000		UW BUD# 636729	3600	(5,170)	0	PT
93.000		UW BUD# 636758	3600	14,951	0	PT
93.000		UW BUD# 636911	3600	(18,665)	0	PT
93.000		UW BUD# 637438	3600	55,556	0	PT
93.000		UW BUD# 637447	3600	4,317	0	PT
93.000		UW BUD# 637536	3600	19,302	0	PT
93.000		UW BUD# 637544	3600	6,236	0	PT
93.000		UW BUD# 637773	3600	61,576	0	PT
93.000		UW BUD# 637810	3600	62,601	0	PT
93.000		UW BUD# 637823	3600	41,574	0	PT
93.000		UW BUD# 637852	3600	247,313	0	PT
93.000		UW BUD# 638075	3600	868	0	PT
93.000		UW BUD# 638345	3600	94,288	0	PT
93.000		UW BUD# 638517	3600	6,737	0	PT
93.000		UW BUD# 638600	3600	20,807	0	PT
93.000		UW BUD# 638669	3600	5,177	0	PT
93.000		UW BUD# 638686	3600	3,277	0	PT
93.000		UW BUD# 638703	3600	4,093	0	PT
93.000		UW BUD# 638712	3600	2,102	0	PT
93.000		UW BUD# 638721	3600	12,969	0	PT
93.000		UW BUD# 638729	3600	17,443	0	PT
93.000		UW BUD# 638735	3600	5,428	0	PT
93.000		UW BUD# 638754	3600	4,309	0	PT
93.000		UW BUD# 638781	3600	5,769	0	PT
93.000		UW BUD# 638785	3600	40,509	0	PT
93.000		UW BUD# 638787	3600	2,841	0	PT
93.000		UW BUD# 638821	3600	9,649	0	PT
93.000		UW BUD# 638850	3600	2,252	0	PT
93.000		UW BUD# 639008	3600	498	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.000	Hhs - Contract Number Only Provided	UW BUD# 639033	3600	19,119	0	PT
93.000		UW BUD# 660660	3600	14	0	PT
93.000		UW BUD# 660940	3600	66,133	0	PT
93.000		UW BUD# 665153	3600	30	0	PT
93.000		UW BUD# 666580	3600	32,479	0	PT
93.000		UW BUD# 666682	3600	348,512	0	PT
93.000		UW BUD# 667453	3600	17	0	PT
93.000		UW BUD# 668266	3600	27,559	0	PT
93.000		UW BUD# 669691	3600	401	0	PT
93.000		UW BUD# 671852	3600	(244)	0	PT
93.000		UW BUD# 673231	3600	51,570	0	PT
93.000		UW BUD# 673335	3600	73,303	0	PT
93.000		UW BUD# 673509	3600	5,817	0	PT
93.000		UW BUD# 673510	3600	766	0	PT
93.000		UW BUD# 673511	3600	766	0	PT
93.000		UW-1077N	3600	16,303	0	PT
93.000		UW-1077NMOD02	3600	132,131	0	PT
93.000		UW-15559H	3600	25,299	0	PT
93.000		VUMC 31997-R AM02	3600	17,214	0	PT
93.000		VUMC33951	3600	26,298	0	PT
93.000		VUMC35637	3600	186,343	0	PT
93.000		WFUHS 14107	3600	(1)	0	PT
93.000		Y502727 AMD 1	3600	73,206	0	PT
93.000		2421310421000	3650	19,496	0	PT
93.000		HHSF223200940081P	3650	17,425	0	
93.000		N01AI30055	3650	2,020,165	185,766	
93.000		UFEIS0714033WSU	3650	48,984	0	PT
93.000		WSU000181	3650	(32,923)	0	PT
93.000		WSU000335	3650	64,803	0	PT
93.000		DHHS U54 OH008307	3700	94,834	0	PT
	Federal Program 93.000 Total			**42,211,263**	**8,850,681**	
93.010	Community-Based Abstinence Education (Cbae)	PO#7200800092	3650	431	0	PT
	Federal Program 93.010 Total			**431**	**0**	
93.041	Special Programs for the Aging_title Vii, Chapter		3000	77,345	71,396	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.041 Total			**77,345**	**71,396**	
93.042	Special Programs for the Aging_title Vii, Chapter		3000	331,376	0	
	Federal Program 93.042 Total			**331,376**	**0**	
93.043	Special Programs for the Aging_title Iii, Part D_d		3000	380,991	380,991	
	Federal Program 93.043 Total			**380,991**	**380,991**	
93.048	Spc Prog Aging Title Iv & II Disc Proj		1600	184,003	0	
93.048			3000	654,774	492,867	
	Federal Program 93.048 Total			**838,777**	**492,867**	
93.051	Alzheimer's Disease Demonstration Grants to States		3000	246,898	90,838	
93.051		130311	3600	11,735	0	PT
	Federal Program 93.051 Total			**258,633**	**90,838**	
93.052	National Family Caregiver Support, Title Iii, Part		3000	3,092,672	2,953,701	
	Federal Program 93.052 Total			**3,092,672**	**2,953,701**	
93.067	Global AIDS		3600	1,224,432	0	
93.067		UONCHSUNITIDRES8CDC11V	3600	192,653	0	PT
	Federal Program 93.067 Total			**1,417,085**	**0**	
93.069	Public Health Emergency Preparedness		3030	50,054,573	42,158,074	
93.069		#D40033D	3600	124,166	0	PT
93.069		4400157809 MOD06	3600	378,307	0	PT
	Federal Program 93.069 Total			**50,557,046**	**42,158,074**	
93.070	Environmental Public Health and Emergency Response		3030	1,089,774	196,934	
93.070			3600	146,641	0	
	Federal Program 93.070 Total			**1,236,415**	**196,934**	
93.071	Medicare Enrollment Assistance Program		3000	99,454	0	
	Federal Program 93.071 Total			**99,454**	**0**	
93.089	Emergency System for Advance Registration of Volun		3030	20,752	14,150	
	Federal Program 93.089 Total			**20,752**	**14,150**	
93.103	Food and Drug Administration_research		4950	178,936	0	
	Federal Program 93.103 Total			**178,936**	**0**	
93.104	Comprehensive Community Mental Health Services For	UW SOC 09	3600	132,815	0	PT

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.104	Comprehensive Community Mental Health Services For	1909	3650	36,092	0	PT
	Federal Program 93.104 Total			**168,907**	**0**	
93.107	Model State-Supported Area Health Education Center		3600	259,742	224,147	
93.107		G219-09-W1772	3600	4,782	0	PT
	Federal Program 93.107 Total			**264,524**	**224,147**	
93.110	Maternal and Child Health Federal Consolidated Pro		3030	1,090,545	232,968	
93.110			3600	2,143,700	60,092	
93.110		1920 G KB359 AM01	3600	29,269	0	PT
93.110		RES502185, AMEND 2	3600	17,129	0	PT
93.110		RES502185, AMEND 3	3600	16,628	0	PT
	Federal Program 93.110 Total			**3,297,271**	**293,060**	
93.116	Project Grants and Cooperative Agreements for Tube		3030	1,351,036	711,992	
	Federal Program 93.116 Total			**1,351,036**	**711,992**	
93.127	Emergency Medical Services for Children		3030	123,914	61,124	
93.127			3600	198,479	0	
	Federal Program 93.127 Total			**322,393**	**61,124**	
93.130	Cooperative Agreements to States/Territories for T		3030	188,501	49,100	
	Federal Program 93.130 Total			**188,501**	**49,100**	
93.142	Niehs Hazardous Waste Worker Health and Safety Tra	2105 G HB431 AM05	3600	34,858	0	PT
93.142		2105 G HB431 AM07	3600	9,358	0	PT
93.142		2105 G HB431-AM08	3600	145,238	0	PT
	Federal Program 93.142 Total			**189,454**	**0**	
93.145	AIDS Education and Training Centers		3600	55,854,944	7,260,778	
	Federal Program 93.145 Total			**55,854,944**	**7,260,778**	
93.150	Projects for Assistance In Transition From Homeles		3000	1,024,661	885,937	
	Federal Program 93.150 Total			**1,024,661**	**885,937**	
93.153	Coordinated Services and Access to Research for Wo	D38477D, AMD 1	3600	14,187	0	PT
93.153		D39464D	3600	25,198	0	PT
	Federal Program 93.153 Total			**39,385**	**0**	
93.165	Grants to States for Loan Repayment Program		3430	571,608	571,608	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.165 Total			**571,608**	**571,608**	
93.204	Surveillance of Hazardous Substance Emergency Even		3030	31,542	50	
	Federal Program 93.204 Total			**31,542**	**50**	
93.211	Telehealth Network Grants		3600	108,739	48,716	
	Federal Program 93.211 Total			**108,739**	**48,716**	
93.217	Family Planning_services		3030	4,745,284	3,971,593	
	Federal Program 93.217 Total			**4,745,284**	**3,971,593**	
93.224	Consolidated Health Centers	D39093D	3600	28,090	0	PT
93.224		D40003D	3600	29,092	0	PT
	Federal Program 93.224 Total			**57,182**	**0**	
93.231	Epidemiology Cooperative Agreements	U26IHS300107/04	3600	59,189	0	PT
	Federal Program 93.231 Total			**59,189**	**0**	
93.234	Traumatic Brain Injury State Demonstration Grant P		3000	23,485	0	
	Federal Program 93.234 Total			**23,485**	**0**	
93.235	Abstinence Education Program		3030	85,539	84,000	
	Federal Program 93.235 Total			**85,539**	**84,000**	
93.236	Grants for Dental Public Health Residency Training		3030	316,155	210,455	
	Federal Program 93.236 Total			**316,155**	**210,455**	
93.238	Cooperative Agreements for State Treatment Outcome	T02818TAM02	3600	9,965	0	PT
93.238		T03152T	3600	8,784	0	PT
	Federal Program 93.238 Total			**18,749**	**0**	
93.239	Policy Research and Evaluation Grants	NCMRSUBWSU08	3650	2	0	PT
	Federal Program 93.239 Total			**2**	**0**	
93.240	State Capacity Building		3030	572,428	0	
	Federal Program 93.240 Total			**572,428**	**0**	
93.241	State Rural Hospital Flexibility Program		3030	551,263	312,864	
	Federal Program 93.241 Total			**551,263**	**312,864**	
93.243	Substance Abuse and Mental Health Services_project		3000	5,795,670	2,065,994	
93.243			3030	991,700	740,227	

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.243	Substance Abuse and Mental Health Services_project		3600	136,917	0	
93.243		130307	3600	58,580	0	PT
93.243		GPHPM0144-ADAI	3600	13,621	0	PT
93.243		GPHPM0144-ADAI, AM02	3600	42,519	0	PT
93.243			3650	33,235	0	
93.243		WSU001129	3650	10,645	0	PT
93.243		WSU001130	3650	39,914	0	PT
93.243		WSU001170	3650	27,481	0	PT
	Federal Program 93.243 Total			**7,150,282**	**2,806,221**	
93.247	Advanced Education Nursing Grant Program		3600	2,174,537	125	
	Federal Program 93.247 Total			**2,174,537**	**125**	
93.249	Public Health Training Centers Grant Program		3600	607,882	94,957	
	Federal Program 93.249 Total			**607,882**	**94,957**	
93.251	Universal Newborn Hearing Screening		3030	144,031	76,549	
	Federal Program 93.251 Total			**144,031**	**76,549**	
93.253	Poison Control Stabilization and Enhancement Grant	UW BUD# 671624	3600	(30)	0	PT
93.253		UW BUD# 672024	3600	30	0	PT
	Federal Program 93.253 Total			**0**	**0**	
93.256	State Planning Grants Health Care Access for the U		1050	411,321	411,043	
	Federal Program 93.256 Total			**411,321**	**411,043**	
93.264	Nurse Faculty Loan Program (Nflp)		3600	148,026	0	
93.264			3600	638,753	0	OL
93.264			3650	87,725	0	OL
	Federal Program 93.264 Total			**874,504**	**0**	
93.265	Comprehensive Geriatric Education Program(Cgep)	GSONO287A1-WSU	3650	17,922	0	PT
	Federal Program 93.265 Total			**17,922**	**0**	
93.275	Substance Abuse and Mental Health Services-Access		3000	5,717,287	5,414,370	
	Federal Program 93.275 Total			**5,717,287**	**5,414,370**	
93.283	Centers for Disease Control and Prevention_investi		3030	14,008,098	5,844,292	
	Federal Program 93.283 Total			**14,008,098**	**5,844,292**	
93.294	Mentoring Partnership Program - Protege		3650	79,051	0	

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.294 Total			**79,051**	**0**	
93.296	State Partnership Grant Program to Improve Minorit		3030	124,281	0	
	Federal Program 93.296 Total			**124,281**	**0**	
93.301	Small Rural Hospital Improvement Grant Program		3030	389,158	366,956	
	Federal Program 93.301 Total			**389,158**	**366,956**	
93.307	Minority Health and Health Disparities Research		3650	9,050	0	
	Federal Program 93.307 Total			**9,050**	**0**	
93.358	Advanced Education Nursing Traineeships		3600	184,635	0	
93.358			3650	58,530	0	
	Federal Program 93.358 Total			**243,165**	**0**	
93.359	Nurse Education, Practice and Retention Grants		3600	1,173,857	50,931	
93.359		HRSA-09-106	3600	48,608	0	PT
93.359			3650	155,410	0	
	Federal Program 93.359 Total			**1,377,875**	**50,931**	
93.407	ARRA - Scholarship for Disadvantaged Students		3600	125,746	0	
93.407			3650	68,574	0	
	Federal Program 93.407 Total			**194,320**	**0**	
93.408	ARRA - Nurse Faculty Loan Program		3600	79,029	0	OL
93.408			3600	58,226	0	
	Federal Program 93.408 Total			**137,255**	**0**	
93.414	ARRA - State Primary Care Offices		3030	38,335	0	
	Federal Program 93.414 Total			**38,335**	**0**	
93.448	Food Safety and Security Monitoring Project		3030	234,084	0	
	Federal Program 93.448 Total			**234,084**	**0**	
93.449	Ruminant Feed Ban Support Project		4950	310,741	0	
	Federal Program 93.449 Total			**310,741**	**0**	
93.556	Promoting Safe and Stable Families		3000	5,828,600	0	
93.556		KC241000	3700	39,628	0	PT
	Federal Program 93.556 Total			**5,868,228**	**0**	
93.563	Child Support Enforcement		3000	53,105,584	29,356,228	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.563 Total			**53,105,584**	**29,356,228**	
93.563A	ARRA - Child Support Enforcement		3000	27,081,050	0	
	Federal Program 93.563A Total			**27,081,050**	**0**	
93.566	Refugee and Entrant Assistance_state Administered		3000	13,290,580	0	
	Federal Program 93.566 Total			**13,290,580**	**0**	
93.568	Low-Income Home Energy Assistance		1030	71,199,081	68,737,359	
93.568		UW BUD# 633956	3600	3,546	0	PT
	Federal Program 93.568 Total			**71,202,627**	**68,737,359**	
93.576	Refugee and Entrant Assistance_discretionary Grant		3000	1,907,609	1,466,251	
	Federal Program 93.576 Total			**1,907,609**	**1,466,251**	
93.579	U.S. Repatriation		3000	(118)	0	
	Federal Program 93.579 Total			**(118)**	**0**	
93.584	Refugee and Entrant Assistance_targeted Assistance		3000	1,281,774	0	
	Federal Program 93.584 Total			**1,281,774**	**0**	
93.586	State Court Improvement Program		0550	709,138	0	
	Federal Program 93.586 Total			**709,138**	**0**	
93.590	Community-Based Child Abuse Prevention Grants		3000	540,710	312,400	
	Federal Program 93.590 Total			**540,710**	**312,400**	
93.597	Grants to States for Access and Visitation Program		3000	138,384	0	
	Federal Program 93.597 Total			**138,384**	**0**	
93.599	Chafee Education and Training Vouchers Program		3000	1,440,288	0	
	Federal Program 93.599 Total			**1,440,288**	**0**	
93.617	Voting Access for Individuals With Disabilities_gr		0850	241,000	0	
	Federal Program 93.617 Total			**241,000**	**0**	
93.630	Developmental Disabilities Basic Support and Advoc		1030	1,220,434	364,841	
	Federal Program 93.630 Total			**1,220,434**	**364,841**	
93.632	University Centers for Excellence In Developmental		3600	529,327	0	
	Federal Program 93.632 Total			**529,327**	**0**	
93.643	Children's Justice Grants to States		3000	250,899	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.643 Total			**250,899**	**0**	
93.645	Child Welfare Services_state Grants		3000	5,724,597	0	
	Federal Program 93.645 Total			**5,724,597**	**0**	
93.658	Foster Care - Title Iv-E		3000	91,516,020	0	
93.658		KC212100 Amend #8	3700	99,044	0	PT
93.658		KC212200 Amend #7	3700	222,518	0	PT
93.658		KC212700 Amend #6	3700	58,219	0	PT
93.658		KC212800 Amend #3	3700	103,202	0	PT
93.658		KC241000	3700	549,706	0	PT
93.658		KC241000 Amend #4	3700	868,634	0	PT
	Federal Program 93.658 Total			**93,417,343**	**0**	
93.658A	ARRA - Foster Care - Title Iv-E		3000	2,863,351	0	
	Federal Program 93.658A Total			**2,863,351**	**0**	
93.659	Adoption Assistance		3000	45,808,346	0	
	Federal Program 93.659 Total			**45,808,346**	**0**	
93.659A	ARRA - Adoption Assistance		3000	5,135,020	0	
	Federal Program 93.659A Total			**5,135,020**	**0**	
93.667	Social Services Block Grant		3000	46,685,344	0	
	Federal Program 93.667 Total			**46,685,344**	**0**	
93.669	Child Abuse and Neglect State Grants		3000	590,849	0	
	Federal Program 93.669 Total			**590,849**	**0**	
93.670	Child Abuse and Neglect Discretionary Activities		3000	230,947	0	
93.670		200225608	3650	64,737	0	PT
	Federal Program 93.670 Total			**295,684**	**0**	
93.671	Family Violence Prevention and Services/Grants For		3000	1,813,488	1,744,908	
	Federal Program 93.671 Total			**1,813,488**	**1,744,908**	
93.674	Chafee Foster Care Independence Program		3000	3,311,752	2,600,226	
	Federal Program 93.674 Total			**3,311,752**	**2,600,226**	
93.717	ARRA - Preventing Healthcare-Associated Infe		3030	30,093	0	
	Federal Program 93.717 Total			**30,093**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.719	ARRA - WA ST Ehealth Collaborative Enterprise		1070	123,343	0	
	Federal Program 93.719 Total			**123,343**	**0**	
93.720	ARRA - Survey & Cert Ambulatory Surgical		3030	206,841	0	
	Federal Program 93.720 Total			**206,841**	**0**	
93.721	ARRA - Health IT Professionals In Health Care		6990	138,545	0	
	Federal Program 93.721 Total			**138,545**	**0**	
93.723	ARRA - Prevent/Wellness-St, Terr, PAC Islands		3030	278,495	232,350	
	Federal Program 93.723 Total			**278,495**	**232,350**	
93.725	ARRA - Communities Putting Preven to Work Chronic		3000	7,103	6,326	
	Federal Program 93.725 Total			**7,103**	**6,326**	
93.767	State Children's Insurance Program		3000	28,205,429	2,538,957	
	Federal Program 93.767 Total			**28,205,429**	**2,538,957**	
93.768	Medicaid Infrastructure Grants to Support the Comp		3000	749,269	0	
	Federal Program 93.768 Total			**749,269**	**0**	
93.790	Alternate Non-Emergency Service Providers Or Netwo		3000	857,222	0	
	Federal Program 93.790 Total			**857,222**	**0**	
93.793	Medicaid Transformation Grants		3000	1,681,562	0	
	Federal Program 93.793 Total			**1,681,562**	**0**	
93.824	Basic/CORE Area Health Education Centers	G00002898 PO 397212	3600	9,207	0	PT
93.824		G267-10-W2821	3600	4,992	0	PT
93.824		U76HP06096	3600	(13)	0	PT
93.824		UW BUD# 638585	3600	12,704	0	PT
93.824		UW BUD# 638589	3600	10,414	0	PT
	Federal Program 93.824 Total			**37,304**	**0**	
93.884	Grants for Training In Primary Care Medicine and D		3600	838,335	0	
93.884		CS 120-BAKER09	3600	28,407	0	PT
	Federal Program 93.884 Total			**866,742**	**0**	
93.887	Health Care and Other Facilities		3600	(4,701)	0	
93.887			3650	26,500	0	
93.887			6990	456,254	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.887 Total			**478,053**	**0**	
93.888	Specially Selected Health Projects		3600	(7,097)	0	
93.888			3650	609,139	0	
	Federal Program 93.888 Total			**602,042**	**0**	
93.889	National Bioterrorism Hospital Preparedness Progra		3030	11,969,600	9,545,623	
93.889		D37914D AM02	3600	(252)	0	PT
	Federal Program 93.889 Total			**11,969,348**	**9,545,623**	
93.913	Grants to States for Operation of Offices of Rural		3030	165,608	145,295	
	Federal Program 93.913 Total			**165,608**	**145,295**	
93.917	HIV Care Formula Grants		3030	16,306,293	10,993,921	
	Federal Program 93.917 Total			**16,306,293**	**10,993,921**	
93.931	Health & Human Services Dept		3600	310,995	89,750	
93.931		651644	3600	1,897	0	PT
93.931		SUBAWARD #0000670018	3600	37,092	0	PT
	Federal Program 93.931 Total			**349,984**	**89,750**	
93.936	National Institutes of Health Acquired Immunodefic	863/0080.0018-AM04	3600	3,208	0	PT
	Federal Program 93.936 Total			**3,208**	**0**	
93.938	Cooperative Agreements to Support Comprehensive Sc		3500	768,800	27,247	
	Federal Program 93.938 Total			**768,800**	**27,247**	
93.940	HIV Prevention Activities_health Department Based		3030	4,365,541	3,410,412	
	Federal Program 93.940 Total			**4,365,541**	**3,410,412**	
93.944	Human Immunodeficiency Virus (Hiv)/Acquired Immuno		3030	677,771	404,481	
93.944		D36858DAMENDMENTNO1	3600	(5,307)	0	PT
93.944		D39399D	3600	2,503	0	PT
	Federal Program 93.944 Total			**674,967**	**404,481**	
93.945	Assistance Programs for Chronic Disease Prevention	413340090401UWHIRSCHDP	3600	7,453	0	PT
93.945		413340090501PO10005SUB	3600	27,920	0	PT
93.945		WFUHS #11278	3600	(15,291)	0	PT
93.945		WFUHS #11279	3600	139,940	0	PT
93.945		WFUHS 11249	3600	(66,773)	0	PT
93.945		WFUHS11240U01DP000250	3600	155,733	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.945 Total			**248,982**	**0**	
93.946	Cooperative Agreements to Support State-Based Safe		3030	144,760	0	
	Federal Program 93.946 Total			**144,760**	**0**	
93.958	Block Grants for Community Mental Health Services		3000	7,933,953	5,897,476	
93.958		841305	3000	3,069	0	PT
	Federal Program 93.958 Total			**7,937,022**	**5,897,476**	
93.959	Block Grants for Prevention and Treatment of Subst		3000	35,818,057	15,088,948	
93.959		FEI#91-6001537	3600	(1)	0	PT
	Federal Program 93.959 Total			**35,818,056**	**15,088,948**	
93.969	Geriatric Education Centers		3600	239,924	0	
	Federal Program 93.969 Total			**239,924**	**0**	
93.977	Preventive Health Services_sexually Transmitted DI		3030	2,999,166	1,403,788	
93.977			3600	198,542	0	
	Federal Program 93.977 Total			**3,197,708**	**1,403,788**	
93.991	Preventive Health and Health Services Block Grant		3030	1,099,410	945,728	
	Federal Program 93.991 Total			**1,099,410**	**945,728**	
93.994	Maternal and Child Health Services Block Grant To		3030	8,256,783	6,588,511	
	Federal Program 93.994 Total			**8,256,783**	**6,588,511**	
93.995	Adolescent Family Life_demonstration Projects	UW BUD# 672257	3600	15,199	0	PT
93.995		UW BUD# 673336	3600	26,430	0	PT
	Federal Program 93.995 Total			**41,629**	**0**	
93.999	Hhs - Undetermined		3600	176,230	0	
93.999		ADJ FOR ROUNDING	3600	(19)	0	PT
	Federal Program 93.999 Total			**176,211**	**0**	
	Dept of Health & Human Services Total			**715,266,161**	**246,861,526**	

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Federal Programs Not Clustered

Corp for National & Community Service

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
94.002	Retired and Senior Volunteer Program		3750	73,381	0	
94.002			6990	59,143	0	
	Federal Program 94.002 Total			**132,524**	**0**	
94.003	State Commissions		1050	345,491	0	
	Federal Program 94.003 Total			**345,491**	**0**	
94.004	Learn and Serve America_school and Community Based		3500	292,552	136,743	
	Federal Program 94.004 Total			**292,552**	**136,743**	
94.005	Learn and Serve America_higher Education		3800	67,805	0	
94.005			6990	16,856	0	
	Federal Program 94.005 Total			**84,661**	**0**	
94.006	Americorps		1050	12,487,628	12,487,628	
94.006		480200	3600	116,159	0	PT
94.006			3760	208,204	0	
94.006			6990	433,325	0	
	Federal Program 94.006 Total			**13,245,316**	**12,487,628**	
94.006A	ARRA - Americorps		1050	3,040,670	3,040,670	
	Federal Program 94.006A Total			**3,040,670**	**3,040,670**	
94.007	Planning and Program Development Grants		1050	10,609	0	
94.007			3650	92,171	53,244	
94.007			3800	354,414	0	
	Federal Program 94.007 Total			**457,194**	**53,244**	
94.009	Training and Technical Assistance		1050	74,277	0	
	Federal Program 94.009 Total			**74,277**	**0**	
94.013	Volunteers In Service to America		3800	20,334	0	
94.013			5400	1,278,132	0	
	Federal Program 94.013 Total			**1,298,466**	**0**	
94.013A	ARRA - Volunteers In Service to America		3800	3,736	0	
94.013A			5400	448,095	0	
	Federal Program 94.013A Total			**451,831**	**0**	
	Corp for National & Community Service Total			**19,422,982**	**15,718,285**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Social Security Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
96.008	Social Security - Work Incentives Planning and Ass		5400	278,381	0	
	Federal Program 96.008 Total			**278,381**	**0**	
	Social Security Administration Total			**278,381**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.000	Hs - Contract Number Only Provided	C100752FED-ICE8	2250	288	0	
	Federal Program 97.000 Total			**288**	**0**	
97.000	Hs - Contract Number Only Provided	22177 MOD09	3600	84	0	PT
97.000		HSHQDC-09-P-00209 P01	3600	34,059	0	
97.000		UW BUD# 637703	3600	43,833	0	PT
97.000		2865974	3650	(1,395)	0	PT
97.000		WSU000938	3650	249,319	0	PT
	Federal Program 97.000 Total			**325,900**	**0**	
97.001	Homeland Security		2450	790,059	738,540	
	Federal Program 97.001 Total			**790,059**	**738,540**	
97.006	Homeland Security	C100735GSC-DRI9	2250	4,351	0	PT
	Federal Program 97.006 Total			**4,351**	**0**	
97.008	Urban Areas Security Initiative		2450	7,042,558	6,902,690	
	Federal Program 97.008 Total			**7,042,558**	**6,902,690**	
97.012	Boating Safety Financial Assistance		4650	3,166,872	0	
	Federal Program 97.012 Total			**3,166,872**	**0**	
97.017	Homeland Security		2450	2,441,615	2,391,067	
	Federal Program 97.017 Total			**2,441,615**	**2,391,067**	
97.023	Community Assistance Program State Support Service		4610	135,289	0	
	Federal Program 97.023 Total			**135,289**	**0**	
97.029	Flood Mitigation Assistance		2450	255,593	255,593	
	Federal Program 97.029 Total			**255,593**	**255,593**	
97.036	Disaster Grants - Public Assistance (Presidentiall		2450	45,293,581	45,088,352	
	Federal Program 97.036 Total			**45,293,581**	**45,088,352**	
97.039	Hazard Mitigation Grant		2450	7,204,774	6,995,743	
	Federal Program 97.039 Total			**7,204,774**	**6,995,743**	
97.040	Chemical Stockpile Emergency Preparedness Program		2450	6,392,201	3,290,361	
	Federal Program 97.040 Total			**6,392,201**	**3,290,361**	
97.041	National Dam Safety Program		4610	66,321	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Programs Not Clustered

Dept of Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 97.041 Total			**66,321**	**0**	
97.042	Emergency Management Performance Grants		2450	6,316,822	4,127,299	
	Federal Program 97.042 Total			**6,316,822**	**4,127,299**	
97.043	State Fire Training Systems Grants		2250	27,704	0	
	Federal Program 97.043 Total			**27,704**	**0**	
97.045	Cooperating Technical Partners		4610	322,886	0	
	Federal Program 97.045 Total			**322,886**	**0**	
97.046	Fire Management Assistance Grant		2450	51,014	51,014	
	Federal Program 97.046 Total			**51,014**	**51,014**	
97.050	Presidential Declared Disaster Assistance to Indiv		2450	8,202	8,202	
	Federal Program 97.050 Total			**8,202**	**8,202**	
97.056	Port Security Grant Program		2250	454,111	0	
97.056			4050	579,228	0	
	Federal Program 97.056 Total			**1,033,339**	**0**	
97.061	Centers for Homeland Security	26-3001-46-62	3600	505,997	0	PT
97.061		Y503225	3600	51,137	0	PT
97.061		504928P0902320	3650	376,923	0	PT
	Federal Program 97.061 Total			**934,057**	**0**	
97.065	Homeland Security Advanced Research Projects Agenc		4050	8,032	0	
	Federal Program 97.065 Total			**8,032**	**0**	
97.068	Competitive Training Grants		6990	21,059	0	
	Federal Program 97.068 Total			**21,059**	**0**	
97.070	Map Modernization Management Support		4610	80,819	0	
	Federal Program 97.070 Total			**80,819**	**0**	
97.074	Law Enforcement Terrorism Prevention Program (Letp		2450	1,970,164	1,970,164	
	Federal Program 97.074 Total			**1,970,164**	**1,970,164**	
97.075	Rail and Transit Security Grant Program		2450	1,364,328	1,320,236	
	Federal Program 97.075 Total			**1,364,328**	**1,320,236**	
97.077	Homeland Security Research Testing, Evaluation, An	C090605FED-PND9	2250	24,461	0	PT

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Dept of Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.077	Homeland Security Research Testing, Evaluation, An		3650	486,988	0	
97.077		WSU001066	3650	119,133	0	PT
	Federal Program 97.077 Total			**630,582**	**0**	
97.078	Buffer Zone Protection Program (Bzpp)		2450	393,193	386,242	
	Federal Program 97.078 Total			**393,193**	**386,242**	
97.082	Earthquake Consortium		2450	20,689	0	
	Federal Program 97.082 Total			**20,689**	**0**	
97.086	Homeland Security Outreach, Education, and Technic	A09-IAA-131	1550	28,330	0	PT
	Federal Program 97.086 Total			**28,330**	**0**	
97.089	Real Id Program		2400	414,119	0	
	Federal Program 97.089 Total			**414,119**	**0**	
97.091	Homeland Security Biowatch Program		4610	356,591	0	
	Federal Program 97.091 Total			**356,591**	**0**	
97.111	Regional Catastrophic Preparedness Grant Program (		2450	1,749,786	1,525,128	
	Federal Program 97.111 Total			**1,749,786**	**1,525,128**	
97.999	Homeland Security - Undetermined		4770	13,213	0	
	Federal Program 97.999 Total			**13,213**	**0**	
	Dept of Homeland Security Total			**88,864,331**	**75,050,631**	

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Federal Programs Not Clustered

U.S. Agency for International Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
98.001	Usaid Foreign Assistance for Programs Overseas		3600	1,143,782	818,145	
98.001		19276425678	3650	81,375	0	PT
98.001		42597619276	3650	3,813	0	PT
98.001		PGAP280179	3650	54,227	0	PT
98.001		PGAP281490	3650	32,849	0	PT
98.001		WSU001162	3650	154,311	0	PT
98.001		MPP-US-110	3800	3,657	0	PT
	Federal Program 98.001 Total			**1,474,014**	**818,145**	
98.002	Cooperative Development Program (Cdp)		3650	2,733,498	793,382	
98.002		99475582152095170	3650	923	0	PT
	Federal Program 98.002 Total			**2,734,421**	**793,382**	
	U.S. Agency for International Development Total			**4,208,435**	**1,611,527**	

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Federal Programs Not Clustered

Undetermined Fed Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
99.000	Unk Fed Agy - Contract Number Only Provided	10-PO-342-0000196362	3600	2,710	0	
99.000		10-PO-342-0000196365	3600	29,019	0	
99.000		2005-IJ-CX-4031	3600	90,655	51,186	
99.000		3001316273	3600	79,805	0	PT
99.000		4112-31804	3600	59,721	0	PT
99.000		5710002264 AM03	3600	14,000	0	PT
99.000		7500038615	3600	22,408	0	PT
99.000		HR 03-96	3600	145,661	0	PT
99.000		NR0000-01-C-0044	3600	114,577	0	
99.000		NROOOO-07-C-0044 AM04	3600	146,279	0	
99.000		PO 6832JSB01.04.10	3600	3,892	0	PT
99.000		UW BUD# 635242	3600	80,020	0	PT
99.000		UW BUD# 637594	3600	90,884	0	PT
99.000		UW BUD# 660365	3600	(19,530)	0	PT
99.000		W911NF-09-C-0131	3600	455,301	29,699	
99.000		2007-246-00 Firm Fixed	3700	3,769	0	PT
99.000		BPA 1997-004-00	3700	8,758	0	PT
99.000		BPA 2007-246-00	3700	20,058	0	PT
99.000		BPA 200800700	3700	51,896	0	PT
99.000		BPA AGRMT#2007-246-00	3700	12,490	0	PT
99.000		BPA PROJ NO 194-043-00	3700	22,800	0	PT
99.000		BPA#200800700	3700	73,006	0	PT
99.000		C009029	4610	34,470	0	PT
99.000		C010032	4610	71,454	0	PT
	Federal Program 99.000 Total			**1,614,103**	**80,885**	
99.999	Undetermined Federal Agency		3600	1,109	0	
99.999		11309	3650	800	0	PT
99.999			3700	115,583	0	
99.999		None	3700	237,456	0	PT
	Federal Program 99.999 Total			**354,948**	**0**	
	Undetermined Fed Agency Total			**1,969,051**	**80,885**	
Federal Programs Not Clustered Total				**6,661,464,437**	**792,823,701**	

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Research and Development

National Endowment for the Humanities

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
06.161	Promotion of the Humanities Research		3600	53,085	0	
	Federal Program 06.161 Total			**53,085**	**0**	
06.163	Promotion of the Humanities Professional Developme		3600	11,081	0	
	Federal Program 06.163 Total			**11,081**	**0**	
	National Endowment for the Humanities Total			**64,166**	**0**	
	National Endowment for the Humanities Total			**64,166**	**0**	

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Research and Development

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.001	Agricultural Research_basic and Applied Research		3600	237,645	0	
10.001			3650	1,869,833	5,274	
10.001		547588795	3650	(41)	0	PT
10.001		5650	3650	40,000	0	PT
10.001		614684E	3650	12,874	0	PT
	Federal Program 10.001 Total			**2,160,311**	**5,274**	
	Agricultural Research Service Total			**2,160,311**	**5,274**	
10.200	Grants for Agricultural Research, Special Research		3600	851,703	333,702	
10.200		UAF 09-0066 FP903462	3600	30,000	0	PT
10.200			3650	3,408,335	1,074,652	
10.200		051687039	3650	13,102	0	PT
10.200		061553001	3650	28,599	0	PT
10.200		061553035	3650	1,892	0	PT
10.200		061553043	3650	3,047	0	PT
10.200		07010ETX	3650	18,748	0	PT
10.200		08001136WSU1	3650	14,437	0	PT
10.200		08001136WSU2	3650	11,106	0	PT
10.200		08001136WSU3	3650	55,366	0	PT
10.200		09002101WSU1	3650	91,935	0	PT
10.200		09002101WSU2	3650	45,494	0	PT
10.200		09002101WSU3	3650	177	0	PT
10.200		AFE742346	3650	1,486	0	PT
10.200		BAK302SB001	3650	(617)	0	PT
10.200		BAK303SB002	3650	(334)	0	PT
10.200		BAK463WSU	3650	9,121	0	PT
10.200		BAK464	3650	90,389	0	PT
10.200		BAK465SB001	3650	19,940	0	PT
10.200		BAK631WSU	3650	(1,096)	0	PT
10.200		C0340AJ	3650	(3,427)	0	PT
10.200		C0353AA	3650	4,196	0	PT
10.200		C0380AA	3650	81,185	0	PT
10.200		C0396AE	3650	140	0	PT
10.200		C0406AA	3650	44,169	0	PT
10.200		G01107W1120	3650	(633)	0	PT
10.200		GPK205SB0012	3650	61,786	0	PT

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.200	Grants for Agricultural Research, Special Research	GPK360WSU	3650	209	0	PT
10.200		GPK701WSU	3650	97,641	0	PT
10.200		SA7486	3650	15,522	0	PT
10.200		SA7487	3650	5,103	0	PT
10.200		SA7580	3650	6,336	0	PT
10.200		SL063AA	3650	122	0	PT
10.200		068K725	3750	40,434	0	PT
10.200		USDA/PSU RGIS 2009-10	3750	79,117	0	PT
	Federal Program 10.200 Total			**5,124,730**	**1,408,354**	
10.202	Cooperative Forestry Research		3600	421,499	0	
10.202			3650	382,389	0	
	Federal Program 10.202 Total			**803,888**	**0**	
10.203	Payments to Agricultural Experiment Stations Under		3650	3,428,222	0	
	Federal Program 10.203 Total			**3,428,222**	**0**	
10.206	Grants for Agricultural Research_competitive Resea		3600	154,897	2,922	
10.206		FOR34FT012008351011904	3600	46,199	0	PT
10.206			3650	2,941,667	281,438	
10.206		2004157807	3650	9,609	0	PT
10.206		2592158	3650	13,720	0	PT
10.206		42204819276	3650	2,522	0	PT
10.206		60015822	3650	6,129	0	PT
10.206		K01661814	3650	75,260	0	PT
10.206		Q4096504901	3650	46,792	0	PT
10.206		Q6736000501	3650	1,376	0	PT
10.206		RC2935023843688	3650	13,147	0	PT
10.206		Y452468	3650	35	0	PT
10.206			3800	83,279	0	
	Federal Program 10.206 Total			**3,394,632**	**284,360**	
10.207	Animal Health and Disease Research		3650	84,096	0	
	Federal Program 10.207 Total			**84,096**	**0**	
10.212	Small Business Innovation Research	0200900215	3650	19,974	0	PT
10.212		WSU000651	3650	1,322	0	PT
	Federal Program 10.212 Total			**21,296**	**0**	

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.215	Sustainable Agriculture Research and Education	080019009	3650	119,027	0	PT
10.215		080019042	3650	5,895	0	PT
10.215		080019044	3650	12,553	0	PT
10.215		080861009	3650	57,417	0	PT
10.215		080861054	3650	18,433	0	PT
10.215		080861059	3650	58	0	PT
10.215		090758003	3650	20,185	0	PT
	Federal Program 10.215 Total			**233,568**	**0**	
10.219	Biotechnology Risk Assessment Research		3600	76,193	0	
	Federal Program 10.219 Total			**76,193**	**0**	
10.227	1994 Institutions Research Program	WSU001000	3650	3,721	0	PT
10.227		WSU001120	3650	7,351	0	PT
10.227		NONE	3800	4,650	0	PT
	Federal Program 10.227 Total			**15,722**	**0**	
	National Institute of Food and Agriculture Total			**13,182,347**	**1,692,714**	
10.250	Agricultural and Rural Economic Research		3650	58,917	0	
	Federal Program 10.250 Total			**58,917**	**0**	
	Economic Research Service Total			**58,917**	**0**	
10.307	Organic Agriculture Research and Extension Initiat		3650	313,260	3,314	
	Federal Program 10.307 Total			**313,260**	**3,314**	
10.310	Agriculture and Food Research Initiative (Afri)		3600	101,837	0	
	Federal Program 10.310 Total			**101,837**	**0**	
	National Institute of Food and Agriculture Total			**415,097**	**3,314**	
10.652	Forestry Research		3600	1,049,435	0	
10.652			3650	68,176	0	
10.652			3800	7,444	0	
	Federal Program 10.652 Total			**1,125,055**	**0**	
10.680	Forest Health Protection		3600	30,080	0	
	Federal Program 10.680 Total			**30,080**	**0**	
	Forest Service Total			**1,155,135**	**0**	

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Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.961	Scientific Cooperation and Research		3600	3,161	0	
10.961			3650	34,023	0	
	Federal Program 10.961 Total			**37,184**	**0**	
	Foreign Agricultural Service Total			**37,184**	**0**	
	Dept of Agriculture Total			**17,008,991**	**1,701,302**	

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Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.417	Sea Grant Support		3600	3,287,265	350,900	
	Federal Program 11.417 Total			**3,287,265**	**350,900**	
11.420	Coastal Zone Management Estuarine Research Reserve		3600	26,405	0	
11.420			3650	(224)	0	
11.420			4610	1,184,095	0	
	Federal Program 11.420 Total			**1,210,276**	**0**	
11.427	Fisheries Development and Utilization Research And		3600	61,876	0	
	Federal Program 11.427 Total			**61,876**	**0**	
11.430	Undersea Research	UAF 08-0119 MOD 3	3600	73,001	0	PT
	Federal Program 11.430 Total			**73,001**	**0**	
11.431	Climate and Atmospheric Research		3600	1,493,820	46,351	
11.431		A100469	3600	35,582	0	PT
11.431		S08-67883	3600	94,351	0	PT
	Federal Program 11.431 Total			**1,623,753**	**46,351**	
11.432	Office of Oceanic and Atmospheric Research (Oar) J		3600	12,550,575	8,582	
11.432		PO#3001446790	3600	393	0	PT
11.432		Z806572	3600	131	0	PT
	Federal Program 11.432 Total			**12,551,099**	**8,582**	
11.455	Cooperative Science and Education Program		3600	68,342	0	
	Federal Program 11.455 Total			**68,342**	**0**	
11.467	Meteorologic and Hydrologic Modernization Developm		2450	586,573	283,485	
11.467		Z10-81101	3600	7,540	0	PT
	Federal Program 11.467 Total			**594,113**	**283,485**	
11.468	Applied Meteorological Research		3600	78,078	0	
	Federal Program 11.468 Total			**78,078**	**0**	
11.472	Unallied Science Program	814	3600	449	0	PT
11.472		B 53	3600	51,136	0	PT
11.472		B 59	3600	26,018	0	PT
11.472		B 73	3600	15,169	0	PT
11.472		B61	3600	5,037	0	PT
11.472		B62	3600	6,617	0	PT

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11.472	Unallied Science Program	F2623-00	3600	(290)	0	PT
11.472		F2624-00	3600	16,013	0	PT
11.472		F2707-00	3600	4,127	0	PT
11.472		F2716-00	3600	30,451	0	PT
11.472		F2732-00	3600	(2,156)	0	PT
11.472		F2852-03	3600	3,906	0	PT
11.472		F2862-01	3600	38,424	0	PT
11.472		F2870-01	3600	96,174	0	PT
11.472		F2871-01	3600	39,181	0	PT
11.472		F2873-00	3600	62,451	0	PT
11.472		F3859-01	3600	77,590	0	PT
11.472		F3861-01	3600	41,631	0	PT
11.472		F3869-06	3600	9,771	0	PT
11.472		UW BUD# 634022	3600	30,475	0	PT
11.472		UW BUD# 638967	3600	2,825	0	PT
	Federal Program 11.472 Total			**554,999**	**0**	
	National Oceanic and Atmospheric Administration (N Total			**20,102,802**	**689,318**	
11.609	Measurement & Engineering Research & Stand		3650	8,000	0	
	Federal Program 11.609 Total			**8,000**	**0**	
11.609A	ARRA - Measurement & Engineering Research & Stand	10305702	3650	7,583	0	PT
	Federal Program 11.609A Total			**7,583**	**0**	
	National Institute of Standards and Technology (Ni Total			**15,583**	**0**	
	Dept of Commerce Total			**20,118,385**	**689,318**	

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Dept of Defense

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12.000	Dod - Contract Number Only Provided	0160-S-JD905	3600	40,323	0	PT
12.000		07688-02	3600	51,630	0	PT
12.000		09-S590-0011-14-C1	3600	97,973	0	PT
12.000		10-T583-013-C1	3600	70,835	0	PT
12.000		10083184 AM16	3600	34,956	0	PT
12.000		106314	3600	6,163	0	PT
12.000		13705	3600	334,739	0	PT
12.000		2227-001	3600	(1,980)	0	PT
12.000		27-001340 RELEASE 1	3600	82,063	0	PT
12.000		27-001341 RELEASE 1	3600	360,645	0	PT
12.000		55-000754 MOD # 6	3600	903	0	PT
12.000		55-000916	3600	21,690	0	PT
12.000		5710002101-06	3600	196,053	0	PT
12.000		71-000134, MOD. #3	3600	149,174	0	PT
12.000		849637 MOD#5	3600	(1)	0	PT
12.000		955492	3600	153,935	0	PT
12.000		A55795	3600	5,274	0	PT
12.000		AM13	3600	40,814	0	
12.000		CMOS-OMG804	3600	49,591	0	PT
12.000		DAMD17-02-1-0616	3600	(61)	0	
12.000		DAMD17-03-1-0203	3600	29,761	7,922	
12.000		DAMD170210615MODPOOOO2	3600	(1,104)	0	
12.000		FA9550-09-1-0298	3600	80,344	0	
12.000		FA95500910044	3600	190,103	0	
12.000		H98230-05-C-0442 AM04	3600	131,820	0	
12.000		H98230-08-C-0346	3600	10,084	0	
12.000		H98230-10-C-0263	3600	42,221	0	
12.000		HU0001061TS10MOD4N06P1	3600	13,469	0	
12.000		MOIRE-SUB-2010	3600	35,245	0	PT
12.000		N00014-01-G-0460/0001	3600	(5,349)	0	
12.000		N00014-01-G-0460/0012	3600	5,908	0	
12.000		N00014-01-G-0460/0034	3600	137	0	
12.000		N00014-01-G-0460/0036	3600	303,706	0	
12.000		N00014-01-G-0460/0042	3600	60,060	73,924	
12.000		N00014-01-G-0460/0048	3600	29,243	0	
12.000		N00014-01-G-0460/0049	3600	189,847	0	

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Dept of Defense

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12.000	Dod - Contract Number Only Provided	N00014-07-G-0557/0001	3600	235,400	0	
12.000		N00014-07-G-0557/0009	3600	1,306,669	0	
12.000		N00014-07-G-0557/0010	3600	75,878	0	
12.000		N00014-07-G-0557/0011	3600	617,744	0	
12.000		N00014-07-G-0557/0012	3600	384,665	0	
12.000		N00014-07-G-0557/0014	3600	215,031	0	
12.000		N00014-07-G-0557/0015	3600	46,397	0	
12.000		N00014-07-G-0557/0016	3600	41,093	0	
12.000		N00014-07-G-0557/0018	3600	312,062	0	
12.000		N00014-07-G-0557/0019	3600	120,648	0	
12.000		N00014-07-G-0557/0021	3600	8,965	0	
12.000		N00014-07-G-0557/0022	3600	353,282	0	
12.000		N00014-07-G-0557/0023	3600	8,804	0	
12.000		N00014-07-G-0557/0024	3600	62,346	0	
12.000		N00024-02-D-6602	3600	(200,245)	0	
12.000		N00024-02-D-6602/0050	3600	1,078,428	123,869	
12.000		N00024-02-D-6602/0061	3600	24,343	0	
12.000		N00024-02-D-6602/0070	3600	16,065	0	
12.000		N00024-02-D-6602/0077	3600	996	0	
12.000		N00024-02-D-6602/0081	3600	(207)	0	
12.000		N00024-02-D-6602/0082	3600	4,395,507	0	
12.000		N00024-02-D-6602/0084	3600	(4)	0	
12.000		N00024-02-D-6602/0086	3600	(49)	0	
12.000		N00024-02-D-6602/0088	3600	3,914	0	
12.000		N00024-02-D-6602/0091	3600	400	0	
12.000		N00024-02-D-6602/0093	3600	55,693	0	
12.000		N00024-02-D-6602/0094	3600	183,212	0	
12.000		N00024-02-D-6602/0095	3600	3,470	0	
12.000		N00024-02-D-6602/0096	3600	396,820	0	
12.000		N00024-02-D-6602/0097	3600	87,443	0	
12.000		N00024-02-D-6602/0098	3600	244,102	0	
12.000		N00024-02-D-6602/0099	3600	79,030	13,457	
12.000		N00024-02-D-6602/0101	3600	48,816	0	
12.000		N00024-02-D-6602/0102	3600	217,749	0	
12.000		N00024-02-D-6602/0103	3600	171,660	0	
12.000		N00024-02-D-6602/0104	3600	9,007	0	

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	Dod - Contract Number Only Provided	N00024-02-D-6602/0107	3600	78,743	0	
12.000		N00024-02-D-6602/0108	3600	57,531	0	
12.000		N00024-02-D-6602/0110	3600	608,235	0	
12.000		N00024-02-D-6602/0111	3600	62,828	0	
12.000		N00024-02-D-6602/0113	3600	68,113	0	
12.000		N00024-02-D-6602/0114	3600	459,090	0	
12.000		N00024-02-D-6602/0115	3600	389,188	0	
12.000		N00024-02-D-6602/0116	3600	71,025	0	
12.000		N00024-02-D-6602/0117	3600	24,010	0	
12.000		N00024-02-D-6602/0118	3600	132,400	0	
12.000		N00024-02-D-6602/0121	3600	31,920	0	
12.000		N00024-10-D-6318/0001	3600	17,365	0	
12.000		N00104-08-P-LC24	3600	3,995	0	
12.000		N00104-08-P-LC69	3600	968	0	
12.000		N00104-08-P-LD47	3600	1,600	0	
12.000		N00104-08-P-LF66	3600	788	0	
12.000		N00104-08-P-LG36	3600	3,932	0	
12.000		N00104-08-P-LG81	3600	3,982	0	
12.000		N00104-08-P-LL32	3600	3,000	0	
12.000		N00104-09-P-LB50	3600	2,982	0	
12.000		N00104-09-P-LE26	3600	3,000	0	
12.000		N00104-09-P-LG19	3600	3,949	0	
12.000		N00167-03-D-0024/0005	3600	15,453	0	
12.000		N00167-03-D-0024/0017	3600	(345)	0	
12.000		N00167-03-D-0024/0021	3600	782,805	0	
12.000		N00167-03-D-0024/0022	3600	407,752	0	
12.000		N00167-03-D-0024/0023	3600	453,008	0	
12.000		N00178-08-P-3667	3600	(1,455)	0	
12.000		N62306-08-C-9S10	3600	15,546	0	
12.000		N66001-09-C-2004	3600	452,401	0	
12.000		NOO024-02-D-6602	3600	370,000	0	
12.000		NWRA-09-S-127	3600	12,776	0	PT
12.000		NWRA-10-S-128	3600	28,139	0	PT
12.000		PO # 27874	3600	14,925	0	PT
12.000		PO #10291495	3600	242,287	0	PT
12.000		PO 33164	3600	7,000	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	Dod - Contract Number Only Provided	PO C09110002	3600	28,883	0	PT
12.000		PO# 28074	3600	2,214	0	PT
12.000		PO#27725	3600	(47)	0	PT
12.000		RS100297	3600	339	0	PT
12.000		S-2004-TSNRP-03 MOD03	3600	19,038	0	PT
12.000		S2005TSNRP07HU0001051T	3600	21,147	0	PT
12.000		SC-0809-0004	3600	9,765	0	PT
12.000		SMX052016UOWTDMUW0002	3600	(143)	0	PT
12.000		SPM7M9-10-M-2537	3600	326	0	
12.000		SPM7M9-10-M-3074	3600	334	0	
12.000		SPM7M9-10-M-3077	3600	297	0	
12.000		SUB AWD 0006622B	3600	275,532	0	PT
12.000		UND-201563	3600	61,882	0	PT
12.000		UW BUD# 631537	3600	(7)	0	PT
12.000		UW BUD# 632320	3600	52,416	0	PT
12.000		UW BUD# 633478	3600	(24)	0	PT
12.000		UW BUD# 634021	3600	313,743	0	PT
12.000		UW BUD# 634057	3600	123,349	0	PT
12.000		UW BUD# 634257	3600	52,784	0	PT
12.000		UW BUD# 634602	3600	119,578	0	PT
12.000		UW BUD# 635081	3600	13,962	0	PT
12.000		UW BUD# 635677	3600	40,161	0	PT
12.000		UW BUD# 635688	3600	24,558	0	PT
12.000		UW BUD# 636641	3600	1,322	0	PT
12.000		UW BUD# 637561	3600	29,370	0	PT
12.000		UW BUD# 637648	3600	17,231	0	PT
12.000		UW BUD# 638108	3600	24,237	0	PT
12.000		UW BUD# 638119	3600	25,867	0	PT
12.000		UW BUD# 638300	3600	4,942	0	PT
12.000		UW BUD# 638538	3600	1,583	0	PT
12.000		UW BUD# 638557	3600	18,218	0	PT
12.000		UW BUD# 638640	3600	17,491	0	PT
12.000		UW BUD# 662154	3600	(12,213)	0	PT
12.000		UW BUD# 668088	3600	(21)	0	PT
12.000		UW BUD# 668965	3600	5,424	0	PT
12.000		UW BUD# 668990	3600	82,756	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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For the Year Ended
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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	Dod - Contract Number Only Provided	W81XWH-08-1-0520	3600	68,464	0	
12.000		W81XWH-08-1-0635	3600	229,884	0	
12.000		W81XWH0707P0481MODP000	3600	35,255	0	
12.000		W8IEWF00769047	3600	1,426	0	
12.000		W9113M07S4BASEMOD07	3600	469,014	0	PT
12.000		W911NF-08-1-0102 01	3600	9,662	0	
12.000		W911SD-08-P-0650	3600	62,922	0	
12.000		W911SD-08-P-0651	3600	61,086	0	
12.000		W911SD-09-P-0627	3600	8,206	0	
12.000		W912DW-05-P-0381	3600	(45)	0	
12.000		W912HQ-08-C-0050	3600	422,287	214,923	
12.000		W912HQ-08-C-0052	3600	165,033	107,376	
12.000		W912HQ-09-C-0027	3600	365,684	0	
12.000		W912HQ-10-C-0014	3600	59,039	0	
12.000		W912HQ06C0037MODP0002	3600	411,235	253,506	
12.000		W912HQ06C0052P00006	3600	260,484	0	
12.000		W912HQ07C0030P00004	3600	198,779	0	
12.000		W912HZ-07-C-0024	3600	55,398	0	
12.000		W912HZ0820002P00001	3600	9,795	0	
12.000		W9132T08C0020P00003	3600	85,981	0	
12.000		W91WAW09C0087P00002	3600	38,055	0	
12.000		Z917917-02	3600	118,743	0	PT
12.000		09102	3650	2,600	0	PT
12.000		112833	3650	2,637	0	
12.000		113700	3650	10,535	0	PT
12.000		113970	3650	14,830	0	PT
12.000		114373001	3650	375	0	
12.000		2010315	3650	25,743	0	PT
12.000		2634052	3650	73	0	PT
12.000		61000802	3650	27,803	0	PT
12.000		889236874P	3650	(3,880)	0	PT
12.000		DASG6002C0084	3650	(930)	0	
12.000		FA852109C0008	3650	101,856	0	
12.000		HDTRA209P0029	3650	43,494	0	
12.000		N0025310P0041	3650	6,430	0	
12.000		N0040609P1913	3650	152	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.000	Dod - Contract Number Only Provided	N0040609P1915	3650	152	0	
12.000		N0040609P5177	3650	12,923	0	
12.000		N0040610P0990	3650	7,717	0	
12.000		N0040610P1186	3650	6,116	0	
12.000		P010007799	3650	54,175	0	PT
12.000		SP470108D0012	3650	53,033	0	
12.000		TCN08187	3650	3,585	0	PT
12.000		TCN09258	3650	9	0	PT
12.000		W81K0010PM100	3650	37,373	0	
12.000		W9113M09C0075	3650	792,089	41,910	
12.000		W911QY05C0090	3650	(355)	0	
12.000		W911QY07C0080	3650	632,499	13,201	
12.000		W912EF09C0001	3650	42,577	0	
12.000		W912EF09P015	3650	2,024	0	
12.000		W912EF09P0156	3650	14,281	0	
12.000		W912EF10C0012	3650	34,696	8,453	
12.000		W912HQ06C0048	3650	85,662	0	
12.000		W912HQ07C0003	3650	59,479	59,125	
12.000		W912HQ09C0005	3650	85,654	0	
12.000		W91NF0410226	3650	2,600	0	PT
12.000		WAFO161052907	3650	7,754	0	PT
12.000		WSU001027	3650	18,000	0	PT
	Federal Program 12.000 Total			**24,940,726**	**917,666**	
	Dod Contract Number Only Provided Total			**24,940,726**	**917,666**	
12.300	Basic and Applied Scientific Research		3600	22,683,622	1,094,242	
12.300		10276960-005	3600	169,058	0	PT
12.300		2008-2038 AM02	3600	178,987	0	PT
12.300		27499-B	3600	6,749	0	PT
12.300		421-23-01-AMEND#3	3600	8,567	0	PT
12.300		5710002230	3600	90,152	0	PT
12.300		A100587	3600	33,569	0	PT
12.300		A100593	3600	24,413	0	PT
12.300		A100615	3600	64,366	0	PT
12.300		F012919	3600	118,253	0	PT
12.300		K9643H-A	3600	22,841	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
12.300	Basic and Applied Scientific Research	UAF 08-0047	3600	46,990	0	PT
12.300		UW BUD# 637570	3600	116,185	0	PT
12.300			3650	2,940,237	0	
12.300		5710002043	3650	377,388	0	PT
12.300		G19207W0917	3650	(184)	0	PT
12.300		KKK745SB001	3650	101,287	0	PT
12.300		KKK777SB001	3650	105,568	0	PT
12.300		KKK800SB01	3650	5,437	0	PT
12.300		UTA09000560	3650	80,000	0	PT
	Federal Program 12.300 Total			**27,173,485**	**1,094,242**	
12.350	Department of Defense HIV/AIDS Prevention Program		3600	795,025	0	
	Federal Program 12.350 Total			**795,025**	**0**	
	Department of the Navy, Office of the Chief of Nav Total			**27,968,510**	**1,094,242**	
12.351	Basic Scientific Research - Combating Weapons of M		3600	24,618	0	
	Federal Program 12.351 Total			**24,618**	**0**	
	Office of the Secretary of Defense Total			**24,618**	**0**	
12.420	Military Medical Research and Development		3600	2,590,496	17,434	
12.420		2007.0007 AM01	3600	9,104	0	PT
12.420		669701	3600	293,495	0	PT
12.420		671800	3600	242,975	0	PT
12.420		SUB # 135606 AM02	3600	(1,000)	0	PT
12.420		UW BUD# 673333	3600	29,310	0	PT
12.420		W81XWH-05-1-0239 AM02	3600	59,279	0	PT
12.420			3650	483,298	0	
12.420		WSU000864	3650	782,133	0	PT
	Federal Program 12.420 Total			**4,489,090**	**17,434**	
	U.S. Army Medical Command Total			**4,489,090**	**17,434**	
12.431	Basic Scientific Research		3600	2,698,127	730,499	
12.431		28D 1083900	3600	119,841	0	PT
12.431		G-2308-1	3600	154,024	0	PT
12.431		TUL-570-08/09	3600	54,241	0	PT
12.431		Z848401	3600	246,065	0	PT
12.431			3650	404,293	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Defense

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 12.431 Total			**3,676,591**	**730,499**	
	U.S. Army Materiel Command Total			**3,676,591**	**730,499**	
12.630	Basic, Applied, & Adv Resch In Sci & Eng		3600	895,367	0	
12.630		GC200014NGD AMD 3	3600	321,300	0	PT
12.630		NBCHC090054	3650	132,042	0	PT
	Federal Program 12.630 Total			**1,348,709**	**0**	
	Office of the Secretary of Defense Total			**1,348,709**	**0**	
12.800	Air Force Defense Resch Sciences Program		3600	3,167,348	630,495	
12.800		0000003957	3600	91,968	0	PT
12.800		10-219 AM01	3600	73,308	0	PT
12.800		1021080632	3600	199,934	0	PT
12.800		FA7014-08-0002	3600	669,764	0	PT
12.800		FA955-09-1-0587	3600	263,710	0	PT
12.800		FA9550-10-1-0053	3600	34,273	0	PT
12.800			3650	588,947	0	
12.800		S000006010	3650	7,967	0	PT
	Federal Program 12.800 Total			**5,097,219**	**630,495**	
	Department of the Air Force, Materiel Command Total			**5,097,219**	**630,495**	
12.902	Information Security Grant Program		3600	2,743	0	
	Federal Program 12.902 Total			**2,743**	**0**	
	National Security Agency Total			**2,743**	**0**	
12.910	Research and Technology Development		3600	2,838,016	1,343,378	
12.910		5710002617	3600	200,142	0	PT
12.910		RA231-G2	3600	45,848	0	PT
12.910		RA231G2W31P4Q0910012AM	3600	17,391	0	PT
12.910			3650	1,893,428	619,942	
	Federal Program 12.910 Total			**4,994,825**	**1,963,320**	
	Advanced Research Projects Agency Total			**4,994,825**	**1,963,320**	
	Dept of Defense Total			**72,543,031**	**5,353,656**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.517	Early Doctoral Student Research Grants		3600	7,500	0	
	Federal Program 14.517 Total			**7,500**	**0**	
	Office of Policy Development and Research Total			**7,500**	**0**	
	Housing & Urban Development Total			**7,500**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.650	Research Grants (Generic)		3600	87,705	31,168	
15.650		WAFO-152-021910	3600	1,165	0	PT
	Federal Program 15.650 Total			**88,870**	**31,168**	
	Fish and Wildlife Service Total			**88,870**	**31,168**	
15.805	Assistance to State Water Resources Research Insti		3650	150,634	0	
	Federal Program 15.805 Total			**150,634**	**0**	
15.807	Earthquake Hazards Reduction Program		3600	1,200,087	0	
15.807			3650	55,719	0	
15.807			3750	233,792	0	
15.807			4900	38,459	0	
	Federal Program 15.807 Total			**1,528,057**	**0**	
15.808	U.S. Geological Survey_ Research and Data Collecti		3600	335,256	0	
15.808			3650	81,356	0	
15.808			3700	25,761	0	
15.808			3800	10,588	0	
15.808			4050	33,442	0	
15.808			4610	19,624	0	
15.808			4770	51,264	0	
15.808			4900	46,283	0	
	Federal Program 15.808 Total			**603,574**	**0**	
15.812	Cooperative Research Units Program		3600	321,567	0	
	Federal Program 15.812 Total			**321,567**	**0**	
15.813	Cooperative Research Units Training Program		3600	12,085	0	
	Federal Program 15.813 Total			**12,085**	**0**	
15.818A	ARRA - Volcano Hazards Prog Res & Monitoring		3600	35,657	0	
	Federal Program 15.818A Total			**35,657**	**0**	
	U.S. Geological Survey Total			**2,651,574**	**0**	
	Dept of the Interior Total			**2,740,444**	**31,168**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

Dept of Justice

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
16.560	National Institute of Justice Research, Evaluation	2007-1845, AMEND# 02	3600	30,848	0	PT
16.560		T3996061101 AMEND 4	3600	17,971	0	PT
	Federal Program 16.560 Total			**48,819**	**0**	
	National Institute of Justice Total			**48,819**	**0**	
	Dept of Justice Total			**48,819**	**0**	

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Research and Development

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.109	Air Transportation Centers of Excellence		3600	377,586	0	
	Federal Program 20.109 Total			**377,586**	**0**	
	Federal Aviation Administration (Faa) Total			**377,586**	**0**	
20.200	Highway Research and Development Program	FABLD-09-171	3600	102,912	0	PT
	Federal Program 20.200 Total			**102,912**	**0**	
	Federal Highway Administration (Fhwa) Total			**102,912**	**0**	
20.514	Public Transportation Research		4050	50,000	50,000	
	Federal Program 20.514 Total			**50,000**	**50,000**	
20.515	State Planning and Research		4050	3	0	
	Federal Program 20.515 Total			**3**	**0**	
	Federal Transit Administration (Fta) Total			**50,003**	**50,000**	
20.761	Biobased Transportation Research	T0013GA	3650	356,618	0	PT
20.761		T0013RB	3650	18,656	0	PT
	Federal Program 20.761 Total			**375,274**	**0**	
	Federal Motor Carrier Safety Administration Total			**375,274**	**0**	
	Dept of Transportation Total			**905,775**	**50,000**	

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.041	Engineering Grants		3600	6,433,069	409,804	
47.041		130323	3600	435,622	0	PT
47.041		3352-UW-NSF-4219	3600	46,461	0	PT
47.041		44771-7473	3600	124,254	0	PT
47.041		44771-7473 AM06	3600	516,886	0	PT
47.041		52120-8459	3600	7,105	0	PT
47.041		5710002247	3600	102,991	0	PT
47.041		E-20-L05-G3 AMD 2	3600	60,281	0	PT
47.041		E-20-L05-G7 AMO3	3600	53,566	0	PT
47.041		UW BUD# 638771	3600	2,313	0	PT
47.041			3650	1,763,281	81,465	
47.041		10915W	3650	5,589	0	PT
47.041		UTA06818	3650	22,786	0	PT
47.041			3800	32,161	0	
	Federal Program 47.041 Total			**9,606,365**	**491,269**	
47.049	Mathematical and Physical Sciences		3600	17,987,775	4,349,404	
47.049		16 ACCT 524324AM10	3600	43,502	0	PT
47.049		5-00000365	3600	38,000	0	PT
47.049		5710002494	3600	10,740	0	PT
47.049		5710002494AM02	3600	6,981	0	PT
47.049		7443-2307, AMEND5	3600	(378)	0	PT
47.049		7443-2307AM	3600	48,289	0	PT
47.049		C44009LAM05	3600	241,052	0	PT
47.049		C44036L AM02	3600	148,741	0	PT
47.049		F094801 AM #A01	3600	(4,641)	0	PT
47.049		IAS-EHR-0314808	3600	1,590	0	PT
47.049		S08-55366	3600	(4)	0	PT
47.049		S0983A-A	3600	(19)	0	PT
47.049		UW BUD# 630560	3600	11,260	0	PT
47.049		UW BUD# 801001	3600	5,000	0	PT
47.049			3650	2,231,421	0	
47.049		RUB12942ST09	3650	2,079	0	PT
47.049			3750	70,470	14,180	
47.049			3760	58,548	0	
47.049			3800	367,189	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 47.049 Total			**21,267,595**	**4,363,584**	
47.050	Geosciences		3600	25,436,199	2,026,561	
47.050		14-DMS AM06	3600	43,056	0	PT
47.050		154-5822	3600	80,952	0	PT
47.050		5-24452	3600	103,970	0	PT
47.050		A100582	3600	23,173	0	PT
47.050		A100666	3600	107,658	0	PT
47.050		G-3045-18	3600	25,581	0	PT
47.050		G-3045-5 AM04	3600	81,284	0	PT
47.050		G-3045-5AM02	3600	25,002	0	PT
47.050		GSTCN0001A7.UW	3600	496,322	0	PT
47.050		KK4111, MOD03	3600	4,328	0	PT
47.050		OCE0223951	3600	47,202	0	PT
47.050		PO 10294146	3600	8,774	0	PT
47.050		PO 10294147	3600	8,774	0	PT
47.050		S-000375	3600	5,650	0	PT
47.050		S10-75538 M01	3600	254,873	0	PT
47.050		SA 9-09 MOD 2	3600	1,834,500	0	PT
47.050		SA 9-09 MOD 4	3600	56,187	0	PT
47.050		UW BUD# 637766	3600	29,921	0	PT
47.050			3650	530,339	11,011	
47.050		PO136977	3650	(21)	0	PT
47.050		EAR-0453975-04	3750	119,092	0	PT
47.050			3800	743,447	42,026	
47.050		207391C	3800	42,026	0	PT
	Federal Program 47.050 Total			**30,108,289**	**2,079,598**	
47.070	Computer and Information Science and Engineering		3600	10,335,531	126,608	
47.070		1544772	3600	35,530	0	PT
47.070		2007-03543-01	3600	90,509	0	PT
47.070		C00014708-1	3600	22,632	0	PT
47.070		CIF-364	3600	95,284	0	PT
47.070		S1065A-A	3600	103,224	0	PT
47.070		SA5249-23613	3600	(2,739)	0	PT
47.070		UW BUD# 635305	3600	210,026	0	PT
47.070		UW BUD# 635728	3600	30,441	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.070	Computer and Information Science and Engineering	UW BUD# 802140	3600	104,909	0	PT
47.070			3650	583,170	27,474	
47.070		20050451002	3650	141,680	0	PT
47.070			3760	66,334	0	
	Federal Program 47.070 Total			**11,816,531**	**154,082**	
47.074	Biological Sciences		3600	5,455,134	0	
47.074		2008-2054	3600	59,982	0	PT
47.074		252F195	3600	86,963	0	PT
47.074		6110567RFS900119AMD1	3600	54,520	0	PT
47.074		FY2008-84, MOD 02	3600	7,378	0	PT
47.074		S0720E-A, AM04	3600	5,919	0	PT
47.074		UW BUD# 633172	3600	18,774	0	PT
47.074			3650	4,323,712	1,038,225	
47.074		4204071F	3650	139,197	0	PT
47.074		602479191	3650	40,295	0	PT
47.074		AKK628	3650	(214)	0	PT
47.074			3750	165,744	2,320	
47.074			3760	207,713	0	
47.074			3800	431,228	0	
	Federal Program 47.074 Total			**10,996,345**	**1,040,545**	
47.075	Social, Behavioral, and Economic Sciences		3600	4,450,359	964,385	
47.075		0751362	3600	854	0	PT
47.075		154-1507,MOD 2	3600	(13)	0	PT
47.075		18442820-36418-A AM04	3600	66,493	0	PT
47.075			3650	339,892	0	
47.075			3700	127,819	0	
47.075			3750	164,921	0	
47.075			3800	43,544	0	
	Federal Program 47.075 Total			**5,193,869**	**964,385**	
47.076	Education and Human Resources		3600	10,387,520	420,170	
47.076		1546952	3600	4,177	0	PT
47.076		4202152	3600	(208)	0	PT
47.076		5060 S09-088 MOD1	3600	76,539	0	PT
47.076		FY09.455.001 U WA YR1	3600	3,198	0	PT

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
47.076	Education and Human Resources	FY10.455.001_AMD1	3600	62,889	0	PT
47.076		G-3437	3600	95,451	0	PT
47.076		GKA10-0032	3600	41,868	0	PT
47.076		NSF EDGE/REESE 7026	3600	20,134	0	PT
47.076			3650	4,164,375	357,259	
47.076		3001416490	3650	22,500	0	PT
47.076		3558WSUNSF3747	3650	20,235	0	PT
47.076		WSU000835	3650	30,984	0	PT
47.076			3700	49,117	0	
47.076		UI PO P0026309	3700	5,909	0	PT
47.076			3750	755,376	0	
47.076		SA08082341	3750	21,483	0	PT
47.076			3760	470,244	0	
47.076		0732521	3760	19,996	0	PT
47.076			3800	836,608	23,367	
47.076		NONE	3800	23,367	0	PT
	Federal Program 47.076 Total			**17,111,762**	**800,796**	
47.078	Polar Programs		3600	7,788,322	756,656	
47.078		0801392	3600	5,829	0	PT
47.078		PO#FP905073	3600	19,949	0	PT
47.078		UW BUD# 631984	3600	9,398	0	PT
47.078			3750	36,082	2,696	
47.078		3778-CWU-NSF-2136	3750	67,706	0	PT
47.078			3800	263,273	37,610	
47.078		265167A	3800	37,610	0	PT
	Federal Program 47.078 Total			**8,228,169**	**796,962**	
47.079	International Science and Engineering (Oise)		3600	62,480	0	
47.079		UW BUD# 637644	3600	6,905	0	PT
47.079		UZB22878TA07	3650	5,666	0	PT
47.079		WSU001159	3650	3,422	0	PT
	Federal Program 47.079 Total			**78,473**	**0**	
47.080	Office of Cyberinfrastructure		3600	151,722	493	
47.080		UTA08-396	3600	34,727	0	PT
47.080		UTA08-727 AM01	3600	9,232	0	PT

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National Science Foundation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 47.080 Total			**195,681**	**493**	
47.082	ARRA - Trans-Nsf Recovery Act Research Supp		3600	9,285,915	6,534	
47.082		#0000007352	3600	17,261	0	PT
47.082		60419-9042	3600	151,362	0	PT
47.082		730013/712683	3600	16,210	0	PT
47.082		CONTRACT NO. 1696	3600	123,135	0	PT
47.082		NO. 1833G	3600	78,219	0	PT
47.082		SA 9-09	3600	19,037,668	0	PT
47.082			3650	1,792,761	4,722	
47.082		WSU001028	3650	50,139	0	PT
47.082			3750	172,428	0	
47.082			3800	231,416	0	
	Federal Program 47.082 Total			**30,956,514**	**11,256**	
	National Science Foundation Total			**145,559,593**	**10,702,970**	
	National Science Foundation Total			**145,559,593**	**10,702,970**	

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Environmental Protection Agency

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
66.034	Surveys, Studies, Research, Investigations, Demons	XA-96066801-0-SUBAWARD	3600	160,396	0	PT
66.034		XA-96069801-0-SUBAWARD	3600	117,054	0	PT
	Federal Program 66.034 Total			**277,450**	**0**	
	Office of Air and Radiation Total			**277,450**	**0**	
66.500	Environmental Protection Agy	UW BUD# 631603	3600	6,732	0	PT
66.500			3800	24,744	0	
	Federal Program 66.500 Total			**31,476**	**0**	
66.509	Science to Achieve Results (Star) Research Program		3600	4,089,801	1,331,758	
66.509		07-003825-02	3600	11,250	0	PT
66.509			3650	128,478	2,356	
66.509		505087	3650	(648)	0	PT
66.509		68F1088313	3650	23,999	0	PT
66.509			3800	251,707	0	
	Federal Program 66.509 Total			**4,504,587**	**1,334,114**	
66.511	Office of Research and Development Consolidated Re		3600	92,779	0	
66.511		4749RFA051A06102AM02	3600	740,427	0	PT
	Federal Program 66.511 Total			**833,206**	**0**	
66.514	Science to Achieve Results (Star) Fellowship Progr		3600	132,943	0	
	Federal Program 66.514 Total			**132,943**	**0**	
	Office of Research and Development Total			**5,502,212**	**1,334,114**	
	Environmental Protection Agency Total			**5,779,662**	**1,334,114**	

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
81.049	Office of Science Financial Assistance		3600	19,794,948	686,863	
81.049		1070096-242680	3600	2,548	0	PT
81.049		234151M AM03	3600	17,591	0	PT
81.049		39745/1055595AM09	3600	43,696	0	PT
81.049		4148	3600	31,653	0	PT
81.049		503008P1001642MOD02	3600	12,034	0	PT
81.049		MPC 35VA-01	3600	29,306	0	PT
81.049		MPC35ZUAM01	3600	70,350	0	PT
81.049			3650	3,593,951	217,786	
81.049		08X01	3650	102,854	0	PT
81.049		Sub No. 0190 G MA598	3700	18,107	0	PT
	Federal Program 81.049 Total			**23,717,038**	**904,649**	
81.049A	ARRA - Office of Science Financial Assistance	Y551851	3600	111,545	0	PT
81.049A			3650	29,188	0	
81.049A		DDPSC28120WS	3650	160,673	0	PT
	Federal Program 81.049A Total			**301,406**	**0**	
	Headquarters Office Total			**24,018,444**	**904,649**	
81.086	Conservation Research and Development		3600	168,785	0	
81.086		IA-2010-1	3800	161,984	0	PT
	Federal Program 81.086 Total			**330,769**	**0**	
81.087	Renewable Energy Research and Development		3600	499,411	0	
81.087		G0107A-A	3600	238,121	0	PT
81.087		GO12026-278	3600	43,433	0	PT
81.087		GO12026-300	3600	1,624	0	PT
81.087			3650	171,030	12,500	
81.087		PO102756	3650	251,449	0	PT
	Federal Program 81.087 Total			**1,205,068**	**12,500**	
81.087A	ARRA - Renewable Energy Research and Development	28302-U	3600	34,091	0	PT
	Federal Program 81.087A Total			**34,091**	**0**	
	Energy Efficiency and Renewable Energy Total			**1,569,928**	**12,500**	
81.089	Fossil Energy Research and Development	G29409W2512	3650	388	0	PT
81.089		G30208W2036	3650	61,566	0	PT

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Dept of Energy

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 81.089 Total			**61,954**	**0**	
	Office of Fossil Energy Total			**61,954**	**0**	
81.104	Office of Environmental Waste Processing		2450	853,165	686,536	
81.104			3030	730,624	19,951	
81.104			4610	2,953,274	0	
	Federal Program 81.104 Total			**4,537,063**	**706,487**	
	Office of Bilingual Education and Minority Languag Total			**4,537,063**	**706,487**	
81.113	Defense Nuclear Nonproliferation Research		3600	260,005	22,343	
81.113			3650	359,845	0	
	Federal Program 81.113 Total			**619,850**	**22,343**	
	National Nuclear Security Adminisration Total			**619,850**	**22,343**	
	Dept of Energy Total			**30,807,239**	**1,645,979**	

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Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.017	International Research and Studies		3600	42,300	(8,274)	
	Federal Program 84.017 Total			**42,300**	**(8,274)**	
84.019	Overseas Programs - Faculty Research Abroad		3600	10,066	0	
	Federal Program 84.019 Total			**10,066**	**0**	
84.022	Overseas Programs - Doctoral Dissertation Research		3600	111,340	0	
	Federal Program 84.022 Total			**111,340**	**0**	
	Office of Postsecondary Education Total			**163,706**	**(8,274)**	
84.133	National Institute on Disability and Rehabilitatio		3600	6,997,318	1,281,451	
84.133		201F3132006MRI3132A	3600	13,262	0	PT
84.133		H133G070020	3600	20,827	0	PT
84.133		H133G070143	3600	10,198	0	PT
84.133		H133G070143-09	3600	24,962	0	PT
84.133			3650	240,545	3,200	
	Federal Program 84.133 Total			**7,307,112**	**1,284,651**	
	Office of Special Education and Rehabilitative Ser Total			**7,307,112**	**1,284,651**	
84.220	Centers for International Business Education		3600	372,705	0	
	Federal Program 84.220 Total			**372,705**	**0**	
	Office of Postsecondary Education Total			**372,705**	**0**	
84.305	Education Research, Development and Dissemination		3600	825,202	0	
	Federal Program 84.305 Total			**825,202**	**0**	
	Office of Educational Research and Improvement Total			**825,202**	**0**	
84.324	Research In Special Education		3600	538,377	0	
84.324		FY2009-083 MOD01	3600	288,278	0	PT
84.324		UF07089 AM03	3600	108,593	0	PT
	Federal Program 84.324 Total			**935,248**	**0**	
	Office of Special Education and Rehabilitative Ser Total			**935,248**	**0**	
	Dept of Education Total			**9,603,973**	**1,276,377**	

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.061	Innovations In Applied Public Health Research		3600	2,886,980	496,392	
	Federal Program 93.061 Total			**2,886,980**	**496,392**	
93.068	Chronic Diseases: Research, Control, and Preventio		3600	251,650	3,242	
	Federal Program 93.068 Total			**251,650**	**3,242**	
	Centers for Disease Control and Prevention Total			**3,138,630**	**499,634**	
93.103	Food and Drug Administration_research		3600	37,162	10,864	
	Federal Program 93.103 Total			**37,162**	**10,864**	
	Food and Drug Administration Total			**37,162**	**10,864**	
93.113	Environmental Health		3600	9,734,413	465,974	
93.113		104281 (PROJECT 1)	3600	169,247	0	PT
93.113		1078897-2-50158	3600	116,707	0	PT
93.113		1078897-2-54037	3600	24,867	0	PT
93.113		1553 G MC571	3600	52,098	0	PT
93.113		23570-111008 AM01	3600	15,411	0	PT
93.113		23570-114018 AM01	3600	43,734	0	PT
93.113		GCROE0137, AM01	3600	37,849	0	PT
93.113		MOD31R41DA01971901REVI	3600	1,410	0	PT
93.113		SA5306-11521 AM03	3600	(665)	0	PT
93.113		SA5746-11753 AM02	3600	(276)	0	PT
93.113		SA5746-11753 AM03	3600	25,750	0	PT
93.113		UW BUD# 631579	3600	13,817	0	PT
93.113		UW BUD# 639078	3600	5,039	0	PT
93.113		WU-10-138	3600	13,369	0	PT
93.113		WU07136PO29932PAM03	3600	73,708	0	PT
93.113			3650	1,321,002	27,099	
93.113		SUB07004128WSU	3650	440	0	PT
93.113		UTA09000505	3650	57,647	0	PT
93.113			3750	20,346	0	
93.113			3800	62,037	0	
	Federal Program 93.113 Total			**11,787,950**	**493,073**	
93.114	Health & Human Services Dept		3650	58,101	58,114	
	Federal Program 93.114 Total			**58,101**	**58,114**	

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.115	Health & Human Services Dept		3600	(374,316)	0	
93.115		0576-06A MOD3	3600	97,957	0	PT
93.115		SR00000562, AM05	3600	8,123	0	PT
	Federal Program 93.115 Total			**(268,236)**	**0**	
93.121	Oral Diseases and Disorders Research		3600	10,813,643	1,284,077	
93.121		114038 AMENDMENT NO 05	3600	76,779	0	PT
93.121		3408SC	3600	(11,489)	0	PT
93.121		414450020101.UW01	3600	12,494	0	PT
93.121		414730010101.UW MOD03	3600	117,222	0	PT
93.121		5-51223	3600	3,005	0	PT
93.121		5-51223, AM01	3600	26,813	0	PT
93.121		8144145DE017741UW02	3600	5,509	0	PT
93.121		R01-DE017207, AMD 2	3600	50,823	0	PT
93.121		RES502558 AMD 1	3600	(1)	0	PT
93.121		RES502558 MOD 2	3600	18,146	0	PT
	Federal Program 93.121 Total			**11,112,944**	**1,284,077**	
	National Institutes of Health Total			**22,690,759**	**1,835,264**	
93.135	Centers for Research and Demonstration for Health		3030	920,482	656,016	
93.135			3600	2,152,126	334,550	
93.135		PO# 91862 (1157O-FA80)	3600	9,949	0	PT
	Federal Program 93.135 Total			**3,082,557**	**990,566**	
93.136	Injury Prevention and Control Research and State A		3030	1,138,941	757,172	
93.136			3600	924,014	76,111	
93.136		RS20071627-01	3600	(2)	0	PT
93.136		RS20081722-01	3600	21,569	0	PT
93.136		RS20092114-01	3600	57,127	0	PT
	Federal Program 93.136 Total			**2,141,649**	**833,283**	
	Centers for Disease Control and Prevention Total			**5,224,206**	**1,823,849**	
93.143	Niehs Superfund Hazardous Substances_basic Researc		3600	2,548,149	119,852	
93.143		54065E P3531 7801 211	3600	34,303	0	PT
93.143		SA5306-11522 AM04	3600	20,585	0	PT
93.143		SA5306-11523 AM05	3600	1,691	0	PT

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.143 Total			**2,604,728**	**119,852**	
93.154	Health & Human Services Dept		3600	(1,445)	0	
	Federal Program 93.154 Total			**(1,445)**	**0**	
	National Institutes of Health Total			**2,603,283**	**119,852**	
93.155	Rural Health Research Centers		3600	679,306	0	
	Federal Program 93.155 Total			**679,306**	**0**	
	Health Resources and Services Administration Total			**679,306**	**0**	
93.172	Human Genome Research		3600	11,993,833	1,312,436	
93.172		10-225	3600	1,438,408	0	PT
93.172		1000611489	3600	294	0	PT
93.172		10225	3600	355,440	0	PT
93.172		105074	3600	49,551	0	PT
93.172		2000870255	3600	4,775	0	PT
93.172		2007.1912 AM03	3600	78,002	0	PT
93.172		2008129101	3600	4,746	0	PT
93.172		2009102834	3600	33,409	0	PT
93.172		5-51148, AMEND# YR2 #1	3600	66,015	0	PT
93.172		5U01HG00469502SUBGRANT	3600	177,678	0	PT
93.172		C10A10330	3600	82,885	0	PT
93.172		PO#2009119754	3600	355,679	0	PT
93.172		PO#2009119755	3600	52,242	0	PT
93.172		SUBAWARD: 2000752483	3600	368,893	0	PT
93.172		UW BUD# 634391	3600	88,898	0	PT
93.172		UW BUD# 634605	3600	39,538	0	PT
93.172		UW BUD# 634606	3600	43,512	0	PT
93.172		UW BUD# 634607	3600	85,339	0	PT
93.172		UW BUD# 634631	3600	52,138	0	PT
93.172		UW BUD# 634657	3600	41,440	0	PT
93.172		UW BUD# 634748	3600	(13,762)	0	PT
93.172		UW BUD# 634749	3600	32,269	0	PT
93.172		UW BUD# 634750	3600	18,493	0	PT
93.172		UW BUD# 638859	3600	48,815	0	PT
93.172		WU-09-298 PO#2905961N	3600	48,163	0	PT
93.172		WU-10-282	3600	96,932	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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	Federal Program 93.172 Total			**15,643,625**	**1,312,436**	
93.173	Research Related to Deafness and Communication DIS		3600	7,875,620	446,043	
93.173		0000679351	3600	67,734	0	PT
93.173		610-4610000-60026244	3600	10,774	0	PT
93.173		PRIME #R01DC010202-01	3600	98,368	0	PT
93.173			3650	(68)	0	
93.173		1123580001	3650	44,517	0	PT
93.173		410227628	3650	7,962	0	PT
	Federal Program 93.173 Total			**8,104,907**	**446,043**	
	National Institutes of Health Total			**23,748,532**	**1,758,479**	
93.186	National Research Service Award In Primary Care Me		3600	409,289	0	
	Federal Program 93.186 Total			**409,289**	**0**	
	Health Resources and Services Administration Total			**409,289**	**0**	
93.213	Research and Training In Complementary and Alterna		3600	1,194,834	310,432	
93.213		0000611873	3600	(153)	0	PT
93.213		0005127/114449-1	3600	45,951	0	PT
93.213		0005127/116131-1	3600	172,881	0	PT
93.213		33335, RA254815 BAJ	3600	30,551	0	PT
93.213		5576SC	3600	14,105	0	PT
93.213		DKP108778 (A05509)	3600	(1)	0	PT
93.213		H94B11 MOD 4	3600	49,387	0	PT
93.213		PO#2009126142	3600	17,733	0	PT
	Federal Program 93.213 Total			**1,525,288**	**310,432**	
	National Institutes of Health Total			**1,525,288**	**310,432**	
93.225	National Research Service Awards_health Services R		3600	256,995	0	
	Federal Program 93.225 Total			**256,995**	**0**	
93.226	Research on Healthcare Costs, Quality and Outcomes		3600	383,928	83,012	
93.226		10031SUB	3600	111,965	0	PT
93.226		162328	3600	37,600	0	PT
93.226		2007-02872-04-04 KN	3600	16,850	0	PT
93.226		FY07001009AMD5UWASHYR0	3600	(1)	0	PT
	Federal Program 93.226 Total			**550,342**	**83,012**	

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	Agency for Health Care Policy and Research Total			**807,337**	**83,012**	
93.230	Consolidated Knowledge Development and Application		3000	201,227	0	
	Federal Program 93.230 Total			**201,227**	**0**	
	Substance Abuse and Mental Health Services Adminis Total			**201,227**	**0**	
93.233	National Center on Sleep Disorders Research		3600	873,389	25,960	
	Federal Program 93.233 Total			**873,389**	**25,960**	
	National Institutes of Health Total			**873,389**	**25,960**	
93.239	Policy Research and Evaluation Grants		3600	342,422	720	
	Federal Program 93.239 Total			**342,422**	**720**	
	Office of the Secretary Total			**342,422**	**720**	
93.242	Mental Health Research Grants		3600	13,446,594	1,375,693	
93.242		07-0925, AMENDMENT #1	3600	(32,047)	0	PT
93.242		0800094	3600	45,307	0	PT
93.242		1-5-27585AM07	3600	140,251	0	PT
93.242		10-NIH-1015	3600	19,681	0	PT
93.242		2000 G KR408	3600	9,320	0	PT
93.242		2008117127	3600	4,957	0	PT
93.242		415140010101.UW MOD02	3600	68,963	0	PT
93.242		502	3600	2,924	0	PT
93.242		5820-1112-00-A, MOD.1	3600	21,998	0	PT
93.242		5U01 MH622209	3600	1	0	PT
93.242		A06-102 DIAMOND, AM 02	3600	49,085	0	PT
93.242		H31544, AM04	3600	96	0	PT
93.242		PO #0875PJC059	3600	1,370	0	PT
93.242		PO #0875PJC059 04	3600	24,195	0	PT
93.242		PO# 0875PJC059	3600	(633)	0	PT
93.242		PO#2009115461	3600	24,831	0	PT
93.242		PO#5002244-SERV	3600	33,389	0	PT
93.242		PRIME1117710002W000154	3600	7,050	0	PT
93.242		R01 MH065340 MOD#6	3600	19,089	0	PT
93.242		SUB#10001SUB	3600	20,114	0	PT
93.242		SUB0800037 AM02	3600	1,048,916	0	PT
93.242		SUB0800044AM02	3600	233,938	0	PT

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93.242	Mental Health Research Grants	UW BUD# 634089	3600	1,127	0	PT
93.242		UW BUD# 638613	3600	16,190	0	PT
93.242		UW BUD# 673022	3600	104,578	0	PT
93.242		WU-09-19 (PO 2904889N)	3600	35,791	0	PT
93.242		Z182801AMFREVISED	3600	10,066	0	PT
93.242			3650	571,282	0	
	Federal Program 93.242 Total			**15,928,423**	**1,375,693**	
	National Institutes of Health Total			**15,928,423**	**1,375,693**	
93.262	Occupational Safety and Health Program		2350	473,384	0	
93.262			3600	4,065,151	364,720	
93.262		4493-3	3600	2,392	0	PT
93.262		COEUS#005180 AM02	3600	80,779	0	PT
93.262		COEUS005180Y2SAP100643	3600	23,728	0	PT
93.262		301-011-02 DHHS U60	3700	22,220	0	PT
	Federal Program 93.262 Total			**4,667,654**	**364,720**	
	Centers for Disease Control and Prevention Total			**4,667,654**	**364,720**	
93.271	Alcohol Research Career Development Awards for Sci		3600	356,856	0	
93.271			3650	201,454	0	
	Federal Program 93.271 Total			**558,310**	**0**	
93.272	Alcohol National Research Service Awards for Resea		3600	496,894	0	
	Federal Program 93.272 Total			**496,894**	**0**	
93.273	Alcohol Research Programs		3600	4,638,592	355,613	
93.273		00006876-AMD2	3600	33,811	0	PT
93.273		00006876A-AMD1	3600	10,271	0	PT
93.273		2827-UW-DHHS-2529 AM05	3600	20,932	0	PT
93.273		4046	3600	5,463	0	PT
93.273		430-78-12, AM05	3600	21,568	0	PT
93.273		HAX0005-01	3600	19,222	0	PT
93.273		RD111AA018604RASMUSSEN	3600	20,596	0	PT
93.273		ST18 GRAHAM-09	3600	11,714	0	PT
93.273		ST18/605799469	3600	5,935	0	PT
93.273		ST19FLAHERTY5R01AA0171	3600	7,417	0	PT
93.273		UW BUD# 634814	3600	3,704	0	PT

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93.273	Alcohol Research Programs		3650	342,670	0	
	Federal Program 93.273 Total			**5,141,895**	**355,613**	
93.279	Drug Abuse and Addiction Research Programs	B08B80	3000	194,562	0	PT
93.279			3600	14,140,109	1,918,067	
93.279		#24215	3600	79,549	0	PT
93.279		010059-07, AM04	3600	44,089	0	PT
93.279		04-SC-NIH-1013, MOD05	3600	13,000	0	PT
93.279		1935 G JB131 AM03	3600	85,705	0	PT
93.279		1935 G JE131	3600	(997)	0	PT
93.279		1R43DA027251-01	3600	43,493	0	PT
93.279		2000452210 AM01	3600	3,361	0	PT
93.279		2007115920	3600	(30)	0	PT
93.279		2009113192	3600	91,905	0	PT
93.279		414141-G, AMD 1	3600	124,679	0	PT
93.279		430-46-65, AM03	3600	(1)	0	PT
93.279		5170SC	3600	4,653	0	PT
93.279		521429/PO P116384	3600	(142)	0	PT
93.279		5600291023	3600	98,763	0	PT
93.279		AM01	3600	83,958	0	PT
93.279		NWIC24216UWA51479	3600	57,977	0	PT
93.279		PT091038-SC100202 AM02	3600	31,971	0	PT
93.279		PT096151-SC100139	3600	(145)	0	PT
93.279		PT103743SC101985	3600	26,567	0	PT
93.279		R433627AM03	3600	38,566	0	PT
93.279		R446560 AM03	3600	42,111	0	PT
93.279		STTR2R42DA020284AM2	3600	201,566	0	PT
93.279			3650	1,375,082	91,729	
93.279		00490201	3650	12,852	0	PT
	Federal Program 93.279 Total			**16,793,203**	**2,009,796**	
93.281	Mental Health Research Career/Scientist Developmen		3600	507,096	5,869	
	Federal Program 93.281 Total			**507,096**	**5,869**	
93.282	Mental Health National Research Service Awards For		3600	854,775	0	
	Federal Program 93.282 Total			**854,775**	**0**	

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	National Institutes of Health Total			**24,352,173**	**2,371,278**	
93.283	Centers for Disease Control and Prevention_investi		3600	1,370,571	140,753	
93.283		05-1040, PO#41801	3600	(13,710)	0	PT
93.283		076092 AM02	3600	3	0	PT
93.283		096317	3600	79,015	0	PT
93.283		101820	3600	84,978	0	PT
93.283		2000110652	3600	15,814	0	PT
93.283		414230010301.UW	3600	(1,575)	0	PT
93.283		414230010401.UW MOD 01	3600	13,004	0	PT
93.283		D40007D	3600	3,536	0	PT
93.283		FY05.253.003, AMEND 1	3600	(8,287)	0	PT
93.283		HR.7659.110405UW03	3600	(4,020)	0	PT
	Federal Program 93.283 Total			**1,539,329**	**140,753**	
	Centers for Disease Control and Prevention Total			**1,539,329**	**140,753**	
93.286	Discovery and Applied Research for Technological I		3600	7,659,125	517,005	
93.286		06-674-UW	3600	2,327	0	PT
93.286		107075582092005410FA12	3600	67,592	0	PT
93.286		2003-1328 MOD03	3600	3,656	0	PT
93.286		6860120	3600	20,414	0	PT
93.286		NIH.1374-03-08614-SUB	3600	326,789	0	PT
93.286		NIH.1374-07768-SUB	3600	(141)	0	PT
93.286		PEHSU	3600	80,861	0	PT
93.286		UW BUD# 638760	3600	1,575	0	PT
93.286		UW BUD# 673548	3600	37,599	0	PT
93.286			3650	169,021	0	
	Federal Program 93.286 Total			**8,368,818**	**517,005**	
93.307	Minority Health and Health Disparities Research		3600	875,433	308,956	
93.307		CO9-11 PO#19323	3600	18,068	0	PT
93.307		CONTRACTC0911PO17805	3600	34,534	0	PT
93.307		UW BUD# 635158	3600	24,295	0	PT
93.307		UW BUD# 636964	3600	50,737	0	PT
93.307		UW BUD# 637271	3600	921	0	PT
93.307		UW BUD# 638461	3600	15,708	0	PT
	Federal Program 93.307 Total			**1,019,696**	**308,956**	

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93.310	Trans-NIH Research Support		3600	2,307,216	0	
93.310		0000658331	3600	4,854	0	PT
93.310		0000658332	3600	391	0	PT
93.310		0000678346	3600	14,079	0	PT
93.310		0000678349	3600	42,664	0	PT
93.310		0000680299	3600	3,722	0	PT
93.310		0000680306	3600	111,542	0	PT
93.310		0000680313	3600	16,905	0	PT
93.310		0000680314	3600	14,650	0	PT
93.310		680309	3600	49,872	0	PT
	Federal Program 93.310 Total			**2,565,895**	**0**	
93.333	Health & Human Services Dept		3600	53,465	0	
	Federal Program 93.333 Total			**53,465**	**0**	
93.361	Nursing Research		3600	5,349,921	449,111	
93.361		0000666599	3600	6,604	0	PT
93.361		10171SUB	3600	68,513	0	PT
93.361		1145306-AM2	3600	268,547	0	PT
93.361		4308SC, AMEND # 3	3600	64	0	PT
93.361		4308SC, AMEND #4	3600	166,135	0	PT
93.361		4308SC,AM02	3600	(132)	0	PT
93.361		4600412829-AM02	3600	25,483	0	PT
93.361		7 R01 NR 008726-05	3600	(48,991)	0	PT
93.361		UW BUD# 632145	3600	83	0	PT
93.361		UW BUD# 638766	3600	7,468	0	PT
93.361			3650	326,166	18,618	
	Federal Program 93.361 Total			**6,169,861**	**467,729**	
93.389	National Center for Research Resources		3600	40,616,693	4,063,138	
93.389		06-000931-1	3600	3,755	0	PT
93.389		10037SUB AM01	3600	22,336	0	PT
93.389		15024040469AAMEND4	3600	48,397	0	PT
93.389		17998 INITIAL	3600	4,997	0	PT
93.389		413450050401.UW05	3600	633	0	PT
93.389		P397375	3600	15	0	PT
93.389		P397714	3600	321,291	0	PT

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93.389	National Center for Research Resources	SRS 20309/SAP 1004717	3600	(1,380)	0	PT
93.389		SRS20309SAP1004717AMD3	3600	81,964	0	PT
93.389		SUB0800135	3600	(6)	0	PT
93.389			3650	296,797	58,112	
	Federal Program 93.389 Total			**41,395,492**	**4,121,250**	
93.393	Cancer Cause and Prevention Research		3600	8,301,510	1,584,012	
93.393		0000633414	3600	1,943	0	PT
93.393		0000638338, AMEND NO.2	3600	270	0	PT
93.393		0000638477, AMD 03	3600	27,737	0	PT
93.393		0000651372	3600	(345)	0	PT
93.393		0000660593	3600	1,278	0	PT
93.393		0000661652	3600	1,715	0	PT
93.393		0000665965AM01	3600	150,596	0	PT
93.393		0000666740	3600	5,535	0	PT
93.393		0000666950	3600	4,959	0	PT
93.393		0000671031	3600	5,827	0	PT
93.393		0000675045	3600	9,718	0	PT
93.393		0000675732	3600	57,288	0	PT
93.393		0000677073CA13424502	3600	15,335	0	PT
93.393		0000678309	3600	31,238	0	PT
93.393		0000678526	3600	11,208	0	PT
93.393		0000680602	3600	11,493	0	PT
93.393		0000683937	3600	1,907	0	PT
93.393		0000685364	3600	128,303	0	PT
93.393		0000689029	3600	5,133	0	PT
93.393		0000691144	3600	1,019	0	PT
93.393		05-106734-05-S1250	3600	1	0	PT
93.393		08JDEAR-01WU	3600	10,624	0	PT
93.393		08JDEAR01WUAMENDMENT1	3600	53,223	0	PT
93.393		1R42CA141875	3600	3,792	0	PT
93.393		2003-2872-493400	3600	(11)	0	PT
93.393		2008113780 MOD01	3600	7,372	0	PT
93.393		2009118253	3600	74,510	0	PT
93.393		5R01CA125231SUB659324	3600	1,462	0	PT
93.393		651645 AM01	3600	364	0	PT

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93.393	Cancer Cause and Prevention Research	676911	3600	25,247	0	PT
93.393		R01CA097199	3600	14	0	PT
93.393		SA0700478	3600	1,658	0	PT
93.393		SA0800578	3600	(138)	0	PT
93.393		SA0900665	3600	10,824	0	PT
93.393		SA1000743MOD01	3600	12,236	0	PT
93.393		SUB0000675686	3600	17,881	0	PT
93.393		UW BUD# 637913	3600	33,703	0	PT
93.393		UW BUD# 638597	3600	10,178	0	PT
93.393			3650	5	0	
93.393		4304626A	3650	65,694	0	PT
	Federal Program 93.393 Total			**9,102,306**	**1,584,012**	
93.394	Cancer Detection and Diagnosis Research		3600	6,489,835	345,369	
93.394		#6615110-5500000159	3600	15,666	0	PT
93.394		0000651660	3600	(1)	0	PT
93.394		0000656297 AM01	3600	61,124	0	PT
93.394		01-335-UW	3600	30,687	0	PT
93.394		161895	3600	15,407	0	PT
93.394		3001147532	3600	10,505	0	PT
93.394		5710002444	3600	1,572	0	PT
93.394		5710002445	3600	2,340	0	PT
93.394		6615110-55000000133	3600	5,755	0	PT
93.394		66151105500000125MOD1	3600	42,361	0	PT
93.394		VUMC34777-R, AMEND #1	3600	36,502	0	PT
93.394			3650	148,686	4,898	
	Federal Program 93.394 Total			**6,860,439**	**350,267**	
93.395	Cancer Treatment Research		3600	3,939,083	112,600	
93.395		0000617186	3600	(68)	0	PT
93.395		0000634539	3600	(7)	0	PT
93.395		0000644532 AM02	3600	(2)	0	PT
93.395		0000652796	3600	2,094	0	PT
93.395		0000653375	3600	(10,609)	0	PT
93.395		0000654328	3600	(1)	0	PT
93.395		0000654751	3600	16,442	0	PT
93.395		0000655568AM02	3600	1,540	0	PT

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.395	Cancer Treatment Research	0000663249	3600	48,153	0	PT
93.395		0000664923	3600	51,138	0	PT
93.395		0000667234	3600	47,058	0	PT
93.395		0000669008	3600	54,816	0	PT
93.395		00006705932P01CA078902	3600	11,407	0	PT
93.395		0000670695	3600	73,995	0	PT
93.395		0000671036	3600	9,985	0	PT
93.395		0000672267	3600	27,431	0	PT
93.395		0000674114	3600	83	0	PT
93.395		0000674118	3600	216,524	0	PT
93.395		0000674120	3600	8,831	0	PT
93.395		0000674238	3600	32,509	0	PT
93.395		0000681415	3600	19,767	0	PT
93.395		0000681879	3600	56,907	0	PT
93.395		0000683042	3600	39,549	0	PT
93.395		0000683434	3600	61,747	0	PT
93.395		0000687121	3600	29,436	0	PT
93.395		0000691860	3600	20,691	0	PT
93.395		16601	3600	(1,220)	0	PT
93.395		18954	3600	198,528	0	PT
93.395		19837	3600	62,580	0	PT
93.395		2000056564 AM01	3600	(1)	0	PT
93.395		2000056564 AM03	3600	155,982	0	PT
93.395		2000056564 AMEND 2	3600	53,534	0	PT
93.395		24912/98017734	3600	1,654	0	PT
93.395		28894/98017734	3600	8,312	0	PT
93.395		648058	3600	18	0	PT
93.395		659814 AM3	3600	63,472	0	PT
93.395		F020110	3600	10,651	0	PT
93.395		LS2-16-KUVER	3600	21,196	0	PT
93.395		LS2-16-SAVARD	3600	41,397	0	PT
93.395		LS216-KUVER	3600	37,096	0	PT
93.395		PRIME: R21CA1300849	3600	32,243	0	PT
93.395		SUBAWARD 8610-07509-X	3600	(4)	0	PT
93.395			3650	526,509	0	
93.395		0000672082	3650	113,910	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.395	Cancer Treatment Research	FY2008076	3650	8,255	0	PT
93.395			3800	52,677	0	
	Federal Program 93.395 Total			**6,145,288**	**112,600**	
93.396	Cancer Biology Research		3600	4,721,629	600,282	
93.396		0000670702 AM01	3600	42,455	0	PT
93.396			3650	132,261	0	
	Federal Program 93.396 Total			**4,896,345**	**600,282**	
93.397	Cancer Centers Support Grants		3600	751,855	434,863	
93.397		0000611486	3600	(1,785)	0	PT
93.397		0000613078	3600	(28)	0	PT
93.397		0000618114	3600	(14)	0	PT
93.397		0000632755 AMEND 01	3600	(2)	0	PT
93.397		0000639361 AM02	3600	(114)	0	PT
93.397		0000646824	3600	(1,619)	0	PT
93.397		0000646830	3600	(1)	0	PT
93.397		0000648863	3600	(1,747)	0	PT
93.397		0000648865	3600	(3,353)	0	PT
93.397		0000651228	3600	(10)	0	PT
93.397		0000657837	3600	(85)	0	PT
93.397		0000659885	3600	2,905	0	PT
93.397		0000659886	3600	7,154	0	PT
93.397		0000659888	3600	62,420	0	PT
93.397		0000660693	3600	(6,407)	0	PT
93.397		0000661565	3600	(1,214)	0	PT
93.397		0000671107	3600	4,233	0	PT
93.397		0000671111	3600	26,678	0	PT
93.397		0000671136	3600	28,556	0	PT
93.397		0000672076	3600	10,752	0	PT
93.397		0000672078	3600	22,347	0	PT
93.397		0000672666	3600	27,634	0	PT
93.397		0000673566	3600	31,306	0	PT
93.397		0000674081	3600	7,939	0	PT
93.397		0000675383	3600	41,722	0	PT
93.397		0000675394	3600	37,428	0	PT
93.397		0000675558	3600	65,088	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.397	Cancer Centers Support Grants	0000676984	3600	54,165	0	PT
93.397		0000677012	3600	191,550	0	PT
93.397		00006783505U54CA118647	3600	168,948	0	PT
93.397		0000679684	3600	25,718	0	PT
93.397		0000680535	3600	30,522	0	PT
93.397		0000680858	3600	46,067	0	PT
93.397		0000680902	3600	29,772	0	PT
93.397		0000682880	3600	29,141	0	PT
93.397		0000690497	3600	10,244	0	PT
93.397		0000690498	3600	238,029	0	PT
93.397		0000690499	3600	75,619	0	PT
93.397		0000690500	3600	32,471	0	PT
93.397		0000690708	3600	80,032	0	PT
93.397		0000690740	3600	22,270	0	PT
93.397		0000690746	3600	44,580	0	PT
93.397		0000690922	3600	92,044	0	PT
93.397		0000691146	3600	17,084	0	PT
93.397		0000691356	3600	30,779	0	PT
93.397		2P30CA0157043500006692	3600	18,968	0	PT
93.397		2P30CA0157043500006711	3600	17,098	0	PT
93.397		2P30CA01570435671263	3600	27,451	0	PT
93.397		5 P50 CA093683-04	3600	(3,837)	0	PT
93.397		5P30CA0157043600069091	3600	1,901	0	PT
93.397		659884	3600	1,440	0	PT
93.397		SUB0000675678	3600	2,657	0	PT
93.397		SUB0000691139	3600	13,364	0	PT
93.397		SUBAWARD #0000675381	3600	18,193	0	PT
93.397		SUBAWARD #0000678225	3600	7,847	0	PT
93.397		SUBAWARD #0000691138	3600	24,562	0	PT
93.397		SUBAWARD 0000675055	3600	99,918	0	PT
93.397		SUBAWARD 0000675058	3600	34,385	0	PT
93.397		SUBAWARD 0000675069	3600	64,156	0	PT
93.397		SUBAWARD 0000675070	3600	91,418	0	PT
93.397		SUBAWARD 0000675396	3600	8,211	0	PT
93.397		UW BUD# 631763	3600	(2,894)	0	PT
93.397		UW BUD# 633020	3600	(1,750)	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.397	Cancer Centers Support Grants	UW BUD# 635530	3600	8,395	0	PT
	Federal Program 93.397 Total			**2,762,156**	**434,863**	
93.398	Cancer Research Manpower		3600	3,591,726	104,754	
	Federal Program 93.398 Total			**3,591,726**	**104,754**	
93.399	Cancer Control		3600	1,311,018	56,494	
93.399		0000612235	3600	8	0	PT
93.399		0000620710	3600	7,327	0	PT
93.399		0000646098,AM01	3600	6,635	0	PT
93.399		0000646118, AMD # 1	3600	1,866	0	PT
93.399		0000659771	3600	51,863	0	PT
93.399		0000659773	3600	15,961	0	PT
93.399		0000659778	3600	8,074	0	PT
93.399		0000660150	3600	(1,268)	0	PT
93.399		0000679059 AM01	3600	37,354	0	PT
93.399		0000679087 AM01	3600	287,575	0	PT
93.399		0000679095	3600	58,009	0	PT
93.399		00006791165P50CA097186	3600	115,314	0	PT
93.399		0000679117 AMEND. 1	3600	8,542	0	PT
93.399		0000679295	3600	32,003	0	PT
93.399		000646103	3600	2,339	0	PT
93.399		5-40255-G4	3600	9,970	0	PT
93.399		5-40255-G4, AM 1	3600	(9,970)	0	PT
93.399		5P50CA09718607SUB66070	3600	41,010	0	PT
93.399		646955	3600	(15,792)	0	PT
93.399		GHEMA0202A UW	3600	1,304	0	PT
93.399		K-013506-UW AMEND#4	3600	48,938	0	PT
93.399		K-013506-UW AMEND. 3	3600	1,944	0	PT
93.399		PS1-9-SUN	3600	5,440	0	PT
93.399		PS19-SUN-09-10	3600	28,105	0	PT
93.399		SELECT-08001	3600	9,394	0	PT
93.399		SUB AWARD 659768	3600	59,514	0	PT
93.399		UW BUD# 636093	3600	96,050	0	PT
93.399		UW-YR24, AMEND 2	3600	25,710	0	PT
93.399			3650	126,164	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
	Federal Program 93.399 Total			**2,370,401**	**56,494**	
	National Institutes of Health Total			**95,301,888**	**8,658,212**	
93.564	Child Support Enforcement Research		3000	83,962	0	
	Federal Program 93.564 Total			**83,962**	**0**	
93.647	Social Services Research and Demonstration		3650	28,987	0	
	Federal Program 93.647 Total			**28,987**	**0**	
	Administration for Children and Families Total			**112,949**	**0**	
93.701	ARRA - Trans-NIH Research Support		3600	51,135,774	3,176,073	
93.701		#0000675730	3600	125,421	0	PT
93.701		#101098627	3600	88,660	0	PT
93.701		#19307	3600	27,475	0	PT
93.701		#42989-E	3600	15,985	0	PT
93.701		0000677074	3600	42,482	0	PT
93.701		0000678787	3600	118,828	0	PT
93.701		0000680206	3600	33,072	0	PT
93.701		0000680635	3600	177,520	0	PT
93.701		0000688822	3600	19,333	0	PT
93.701		000240501-115	3600	2,866	0	PT
93.701		000259927-011	3600	3,354	0	PT
93.701		0007006-C	3600	36,509	0	PT
93.701		0007224E	3600	81,823	0	PT
93.701		006467/L10-4500044887	3600	8,267	0	PT
93.701		006467/L10-4500044893	3600	31,301	0	PT
93.701		0256-8101-4609	3600	459,014	0	PT
93.701		1 RC1 DK 086450-01	3600	33,856	0	PT
93.701		10-217	3600	14,353	0	PT
93.701		100162380-02	3600	7,199	0	PT
93.701		10025SUB	3600	112,912	0	PT
93.701		10302992-SUB	3600	48,111	0	PT
93.701		14-15885-01-01-G1	3600	81,624	0	PT
93.701		163360	3600	6,527	0	PT
93.701		180K541	3600	70,154	0	PT
93.701		1RO1HD061312-01 ARRA	3600	10,284	0	PT
93.701		2 R01 HL 071739-05A2	3600	34,531	0	PT

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93.701	ARRA - Trans-NIH Research Support	2(ACCT#538156)PO580188	3600	34,775	0	PT
93.701		2000784427	3600	107,362	0	PT
93.701		2006-06651-01	3600	13,024	0	PT
93.701		2009119413MODIFICATION	3600	5,682	0	PT
93.701		2009120764	3600	18,264	0	PT
93.701		2009121754	3600	25,563	0	PT
93.701		2009122469	3600	52,898	0	PT
93.701		218596	3600	9,736	0	PT
93.701		2324.001 AWARE	3600	126,936	0	PT
93.701		24301-02345-S01	3600	3,016	0	PT
93.701		2802301	3600	98,120	0	PT
93.701		30.6692.910135	3600	134,421	0	PT
93.701		3R01 AI067750-04S1	3600	18,829	0	PT
93.701		3R01AI05763905S1SUB100	3600	33,910	0	PT
93.701		3R01CA12545502S1SUBAWA	3600	13,222	0	PT
93.701		4221	3600	23,911	0	PT
93.701		42932-A	3600	10,856	0	PT
93.701		5-30299	3600	24,069	0	PT
93.701		553471 PO#2327301	3600	77,087	0	PT
93.701		6687	3600	15,341	0	PT
93.701		8350-2	3600	24,097	0	PT
93.701		96377	3600	27,863	0	PT
93.701		ACRIN 6684	3600	24,835	0	PT
93.701		AFAMP0076ST-UW	3600	9,045	0	PT
93.701		AGREEMT2803262S108PO11	3600	38,883	0	PT
93.701		BJ118-CO-SFS-BAKER1	3600	1,659	0	PT
93.701		BJ118-CO-SFS-GARRETT1	3600	9,633	0	PT
93.701		BJ118-CO-SFS-GILLET1	3600	1,694	0	PT
93.701		BJ118-CO-SFS-TSAI1	3600	3,860	0	PT
93.701		BJ118COSFSCALLAGHANI	3600	3,434	0	PT
93.701		BJ18-ANAU-ARRA	3600	36,042	0	PT
93.701		BJ18-BAKER-ARRA	3600	28,437	0	PT
93.701		BJ18-GRAVES-ARRA	3600	25,254	0	PT
93.701		BRSACUREQ0600130T004	3600	27,592	0	PT
93.701		BRSIMPCTQ0600124T002	3600	5,790	0	PT
93.701		FY10.253.001 #2515348	3600	36,591	0	PT

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93.701	ARRA - Trans-NIH Research Support	GVGTI0101UOFWNMAIZELS	3600	249,985	0	PT
93.701		N000949304	3600	89,921	0	PT
93.701		P0304A-A	3600	144,287	0	PT
93.701		S329788	3600	29,022	0	PT
93.701		S363826	3600	28,968	0	PT
93.701		SA 131-DONOVAN	3600	4,851	0	PT
93.701		SC-09-15-09-UW-ARRA-AS	3600	7,636	0	PT
93.701		SC-09-15-09-UW-ARRA-CR	3600	6,309	0	PT
93.701		SUB NO.710-7142005	3600	8,077	0	PT
93.701		SUBAWARD 2815108	3600	9,783	0	PT
93.701		SUBAWARD# 2105 G MA308	3600	55,354	0	PT
93.701		UW BUD# 203036	3600	(983)	0	PT
93.701		UW BUD# 203518	3600	1,798	0	PT
93.701		UW BUD# 203547	3600	21,020	0	PT
93.701		VUMC 34748	3600	15,897	0	PT
93.701		VUMC34746	3600	8,100	0	PT
93.701		VUMC35940	3600	37,675	0	PT
93.701		VUMC36046	3600	151,242	0	PT
93.701		WU10224 PO NO.2911856A	3600	172,144	0	PT
93.701		ZC10075-134968	3600	6,697	0	PT
93.701		ZC10075-134969	3600	14,174	0	PT
93.701			3650	1,890,060	277,864	
93.701		2363902331S01	3650	1,530	0	PT
93.701			3760	69,946	0	
93.701			3800	79,870	0	
	Federal Program 93.701 Total			**57,082,329**	**3,453,937**	
	National Institutes of Health Total			**57,082,329**	**3,453,937**	
93.779	Centers for Medicare and Medicaid Services (Cms) R		1600	574,806	0	
93.779			3000	8,309,208	0	
	Federal Program 93.779 Total			**8,884,014**	**0**	
	Centers for Medicare and Medicaid Services Total			**8,884,014**	**0**	
93.837	Cardiovascular Diseases Research		3600	48,466,234	11,038,500	
93.837		#10150SUB	3600	51,520	0	PT
93.837		0000615554	3600	(63)	0	PT

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93.837	Cardiovascular Diseases Research	0000634675 AM02	3600	118,077	0	PT
93.837		0000680052	3600	189,487	0	PT
93.837		0000682535 AM01	3600	281,292	0	PT
93.837		128044UNIVOFWASHINGTON	3600	157,797	0	PT
93.837		144752	3600	48	0	PT
93.837		157062	3600	109,204	0	PT
93.837		165825AM01	3600	45,979	0	PT
93.837		1U01HL08970901A1SICR01	3600	74,590	0	PT
93.837		2 FRAM 761-02 AM05	3600	28,173	0	PT
93.837		2000011167AM03	3600	4,784	0	PT
93.837		203-9990	3600	5,009	0	PT
93.837		205514, AMEND 01	3600	(25,280)	0	PT
93.837		205514, AMEND 02	3600	195,299	0	PT
93.837		23570-113954-UW AMD #3	3600	164,319	0	PT
93.837		30012909822R01HL071759	3600	14,758	0	PT
93.837		3376-5	3600	15,474	0	PT
93.837		3724-5	3600	45,935	0	PT
93.837		412430030101.UWMOD01	3600	8,017	0	PT
93.837		41447011 UW	3600	161,950	0	PT
93.837		5 R01 HL073824-05EXT	3600	89,328	0	PT
93.837		551412	3600	193	0	PT
93.837		551412 MOD 1	3600	2,311	0	PT
93.837		553525	3600	167,365	0	PT
93.837		M0700086	3600	298,037	0	PT
93.837		NHL243-01	3600	468,157	0	PT
93.837		NHLBI CVD	3600	52,561	0	PT
93.837		PO 491965, MOD 5	3600	3,477	0	PT
93.837		PO# 10283220-002	3600	15,657	0	PT
93.837		PO# 3762264	3600	1,149	0	PT
93.837		PO#10299796	3600	30,583	0	PT
93.837		PO#489044 AM06	3600	(4,410)	0	PT
93.837		Q6636266908	3600	2,894	0	PT
93.837		R01 HL 094786-01	3600	27,088	0	PT
93.837		RA207256NGM AM01	3600	21,634	0	PT
93.837		SM58-SMITH	3600	2,988	0	PT
93.837		SM58-SMITH02	3600	1,494	0	PT

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93.837	Cardiovascular Diseases Research	UW BUD# 630548	3600	197,933	0	PT
93.837		UW Bud# 630629	3600	34,741	0	PT
93.837		UW BUD# 635730	3600	171,272	0	PT
93.837		UW BUD# 638528	3600	12,105	0	PT
93.837		UW BUD# 638885	3600	349	0	PT
93.837		UW BUD# 669966	3600	(535)	0	PT
93.837		UW155030-11140AM05	3600	16	0	PT
93.837		UW15503011140AMEND4REV	3600	47,178	0	PT
93.837		WFUHS 10120	3600	(60)	0	PT
93.837		WFUHS 10800-AM03	3600	16,731	0	PT
93.837		WFUHS 11128	3600	(21)	0	PT
93.837		WFUHS 13860	3600	7,092	0	PT
93.837		WFUHS 14060	3600	28,071	0	PT
93.837		WFUHS 53390	3600	140,637	0	PT
93.837		WFUHS17168 AMD#5	3600	5,980	0	PT
93.837			3650	864,132	0	
93.837		0006439B	3650	(10)	0	PT
	Federal Program 93.837 Total			**52,818,720**	**11,038,500**	
93.838	Lung Diseases Research		3600	10,405,541	792,365	
93.838		0016623 PROJ.116438-4	3600	75,455	0	PT
93.838		1000660275	3600	2,673	0	PT
93.838		10216SUB	3600	4,902	0	PT
93.838		106908-2	3600	(15)	0	PT
93.838		106908-3 AM01	3600	1,133	0	PT
93.838		2PO1HL02959426SUBWU091	3600	(19,309)	0	PT
93.838		3 (ACCT# 5-36361) AM02	3600	76,567	0	PT
93.838		413390300501.UW MOD032	3600	87,692	0	PT
93.838		5R01HL0776124SUBAWARD5	3600	4,296	0	PT
93.838		6020SC	3600	2,633	0	PT
93.838		636677	3600	(3,100)	0	PT
93.838		658670	3600	494	0	PT
93.838		HL67939	3600	39,978	0	PT
93.838		IUPUI4687918UWASHU01HL	3600	8,375	0	PT
93.838		SA5614-11560AM02	3600	86,567	0	PT
93.838		SUBAWARD #551976AM02	3600	14,619	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.838	Lung Diseases Research	SUBWU09179PONO2905559N	3600	518,442	0	PT
93.838		UW BUD# 635327	3600	70,561	0	PT
93.838		UW BUD# 638638	3600	91,654	0	PT
93.838		WFUHS17168 AMD#2	3600	(2)	0	PT
	Federal Program 93.838 Total			**11,469,156**	**792,365**	
93.839	Blood Diseases and Resources Research		3600	5,948,776	1,033,592	
93.839		00006742355R01HL084345	3600	275,938	0	PT
93.839		0000674801-AM1	3600	201,268	0	PT
93.839		0000682728 AM01	3600	62,048	0	PT
93.839		0000684710	3600	45,175	0	PT
93.839		000308405-001	3600	65,262	0	PT
93.839		413110070101-UW	3600	98,146	0	PT
93.839		5 R01HL084345-03	3600	35	0	PT
93.839		5R01HL08569303SUB65564	3600	5,958	0	PT
93.839		715 UW2009/10 -1	3600	17,441	0	PT
93.839		969-UW-2008-01	3600	23,163	0	PT
93.839		969-UW-2009-3	3600	88,022	0	PT
93.839		PO#2372080	3600	13,341	0	PT
93.839		VUMC33664AM1R01HL06519	3600	21,159	0	PT
93.839		WU091101U01HL08847601A	3600	2,347	0	PT
93.839			3800	7,841	0	
	Federal Program 93.839 Total			**6,875,920**	**1,033,592**	
93.846	Arthritis, Musculoskeletal and Skin Diseases Resea		3600	9,246,157	317,652	
93.846		0000678603	3600	60,013	0	PT
93.846		10166SUB	3600	27,102	0	PT
93.846		10266442-006	3600	218,516	0	PT
93.846		13458140-30300-B-AM05	3600	32,601	0	PT
93.846		20000100073 AM04	3600	10,724	0	PT
93.846		413950150101.UW	3600	10,777	0	PT
93.846		5 RO1 AR049373-06	3600	(851)	0	PT
93.846		60023942UWREFSP0007529	3600	2,544	0	PT
93.846		92948	3600	8,900	0	PT
93.846		AFAMP0076-UW, AMD#1	3600	79,706	0	PT
93.846		EH04-179-S5 AMEND 1	3600	(1,755)	0	PT
93.846		PD300330-SC100911	3600	3,412	0	PT

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93.846	Arthritis, Musculoskeletal and Skin Diseases Resea	UW BUD# 635914	3600	3,055	0	PT
93.846		UW BUD# 635945	3600	26,599	0	PT
93.846			3650	326,201	0	
	Federal Program 93.846 Total			**10,053,701**	**317,652**	
93.847	Diabetes Digestive Kidney Disease Extra		3600	12,646,970	973,035	
93.847		0015374PROJECT1154245	3600	255,902	0	PT
93.847		05E08PRI5U01DK06105506	3600	637	0	PT
93.847		09-D17	3600	14,555	0	PT
93.847		09-D18	3600	29,585	0	PT
93.847		09-D19	3600	400,178	0	PT
93.847		10-D17	3600	3,239	0	PT
93.847		10-D19	3600	150,634	0	PT
93.847		115.9347	3600	5,515	0	PT
93.847		19802056238100AMEND2	3600	2,472	0	PT
93.847		1U24DK0761690107204976	3600	(776)	0	PT
93.847		20497-12	3600	(25)	0	PT
93.847		20497-19	3600	26,286	0	PT
93.847		20497-22	3600	44,353	0	PT
93.847		20497-23	3600	64,027	0	PT
93.847		20497-25	3600	60,570	0	PT
93.847		20497-27	3600	31,690	0	PT
93.847		20497-28	3600	34,276	0	PT
93.847		20497-29	3600	22,504	0	PT
93.847		2905423A, AMD#1	3600	8,717	0	PT
93.847		2905423A, AMD#2	3600	391,639	0	PT
93.847		5U01DK072493MOD3103075	3600	74,650	0	PT
93.847		6119-1144-00-AA	3600	459	0	PT
93.847		6119-1144-00-AA MOD 3	3600	19,990	0	PT
93.847		6119-1144-00-AA MOD1&2	3600	93,435	0	PT
93.847		6119-1144-00-AD	3600	6,095	0	PT
93.847		6119-1144-00-AD MOD 1	3600	290,146	0	PT
93.847		6119-1144-00-Z MOD 1	3600	566,649	0	PT
93.847		66444R\R01DK078907-02	3600	644,694	0	PT
93.847		ACSWR0005-A,	3600	11,628	0	PT
93.847		ACSWR0005-A, AMD.2	3600	31,536	0	PT

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93.847	Diabetes Digestive Kidney Disease Extra	FY090230189701A40600	3600	12,682	0	PT
93.847		KS1-21-KNOPP	3600	104,909	0	PT
93.847		KS1-21-LOVATO	3600	9,683	0	PT
93.847		KS1-21-SOCHA	3600	44,571	0	PT
93.847		KS1-21-SPIVEY	3600	3,522	0	PT
93.847		KS1-6-KNOPP	3600	22,893	0	PT
93.847		KS1-6-LOVATO	3600	6,571	0	PT
93.847		KS1-6-SOCHA	3600	22,911	0	PT
93.847		KS1-6-SPIVEY	3600	1,601	0	PT
93.847		KS16-SOCHA	3600	8,982	0	PT
93.847		KSA-6-SPIVEY	3600	3,179	0	PT
93.847		LW1-15	3600	3,673	0	PT
93.847		LW115-WANG	3600	14,891	0	PT
93.847		PO# 10289887-001	3600	250,890	0	PT
93.847		PO#1000740355; AMEND#7	3600	59,026	0	PT
93.847		PO#10303997-SUB	3600	7,965	0	PT
93.847		RES429675,AMENDMENT 17	3600	337,855	0	PT
93.847		S-DPP0809-JT02	3600	(5,102)	0	PT
93.847		S-DPP0910-MR02	3600	752,287	0	PT
93.847		S-DPP1011-MR02	3600	267,686	0	PT
93.847		S-TRN0708-NL07	3600	3,170	0	PT
93.847		STRN0708NL075U01DK6610	3600	293	0	PT
93.847		SUBAWARD550803AMEND3	3600	31,105	0	PT
93.847		TG1-7-MEI	3600	64,637	0	PT
93.847		TG1-7-MUNDINGER	3600	72,801	0	PT
93.847		UTA08-443	3600	67,353	0	PT
93.847		UW BUD# 634738	3600	6,164	0	PT
93.847		UW BUD# 634739	3600	5,385	0	PT
93.847		UW BUD# 635938	3600	38,778	0	PT
93.847		UW BUD# 638278	3600	13,823	0	PT
93.847		UW BUD# 638377	3600	6,839	0	PT
93.847		W000096953, AMEND 043	3600	20,157	0	PT
93.847		X08132001R01DK08447501	3600	82,980	0	PT
93.847			3650	835,139	0	
	Federal Program 93.847 Total			**19,111,529**	**973,035**	

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93.847A	ARRA - Diabetes Digestive Kidney Disease Extra	WSU001086	3650	154,010	0	PT
	Federal Program 93.847A Total			**154,010**	**0**	
93.848	Health & Human Services Dept		3600	1,817,463	140,281	
93.848		0012368PROJECT1161641	3600	243,427	0	PT
93.848		5 R01 DK56924-05	3600	(29)	0	PT
93.848		FY07284003UWAMD2NOCOST	3600	21	0	PT
93.848		FY08.01864-02.A40574	3600	3,829	0	PT
93.848		GMO-500801	3600	23,471	0	PT
93.848		GMO500801MOD2WILLIAMML	3600	10	0	PT
93.848		KS1-21-KNOPP	3600	10,005	0	PT
93.848		KS1-21-LOVATO	3600	880	0	PT
93.848		KS1-21-SOCHA	3600	2,924	0	PT
93.848		KS1-21-SPIVEY	3600	320	0	PT
93.848		Q6636457103, AMD #4	3600	83,796	0	PT
93.848		R01DK068598BIDMCPIDARY	3600	3,477	0	PT
93.848		SUBAWARD0005316PROJECT	3600	207	0	PT
93.848		WFUHS 14109 REV #1	3600	52,052	0	PT
93.848		WFUHS 14130	3600	308,280	0	PT
93.848			3650	958,804	0	
	Federal Program 93.848 Total			**3,508,937**	**140,281**	
93.849	Health & Human Services Dept		3600	2,733,948	63,476	
93.849		0000617630	3600	1,273	0	PT
93.849		0000648061	3600	(7)	0	PT
93.849		0000666020	3600	9,188	0	PT
93.849		0000669289	3600	11,924	0	PT
93.849		0000681240	3600	6,774	0	PT
93.849		0000681257	3600	6,040	0	PT
93.849		IUPUI4682197 U WA	3600	337,141	0	PT
93.849		PURCHASE ORDER 010726	3600	23,019	0	PT
93.849		UW BUD# 634926	3600	112,695	0	PT
93.849		UW BUD# 668667	3600	33,604	0	PT
93.849		VUMC32483-R	3600	(16,650)	0	PT
	Federal Program 93.849 Total			**3,258,949**	**63,476**	
93.853	Extramural Research Programs In the Neurosciences		3600	19,500,544	1,953,673	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.853	Extramural Research Programs In the Neurosciences	00005174	3600	194,199	0	PT
93.853		0000690301	3600	34,322	0	PT
93.853		077	3600	139	0	PT
93.853		077-AM1	3600	162	0	PT
93.853		077244A01CK0003187298	3600	15,103	0	PT
93.853		126155-32	3600	(1,127)	0	PT
93.853		142318	3600	47,446	0	PT
93.853		208248AM01R01NS0597270	3600	3,366	0	PT
93.853		5 K23 NS 049100	3600	(16,860)	0	PT
93.853		5-41845-G1 AM01	3600	18,816	0	PT
93.853		5-41845-G1 AM2	3600	29,027	0	PT
93.853		5-42415-G19	3600	3,536	0	PT
93.853		916-00-1537	3600	(164)	0	PT
93.853		AAIRC0023A	3600	8,428	0	PT
93.853		F09044872U01NS03852909	3600	37,302	0	PT
93.853		GMO-100104	3600	85,861	0	PT
93.853		MUSCO8-111-AM02	3600	2,560	0	PT
93.853		PO #4600507997	3600	146	0	PT
93.853		PO 1000534513	3600	(2)	0	PT
93.853		PO 4600507997, AM01	3600	(146)	0	PT
93.853		S381854 (G-19)	3600	12,819	0	PT
93.853		SUB08-000674	3600	101,434	0	PT
93.853		SUBAWARD NO. 1, AM01	3600	(1,824)	0	PT
93.853		UF07075	3600	(614)	0	PT
93.853		W000056245 AMEND 8	3600	60	0	PT
93.853		W000056245 AMEND. 8	3600	(8)	0	PT
93.853		W000075588, AMEND. 10	3600	8	0	PT
93.853		W000075588, AMEND. 11	3600	555	0	PT
93.853		WU-08-204 CHECK#904169	3600	15,110	0	PT
93.853		WU07103PO29990P	3600	(31)	0	PT
93.853			3650	922,813	0	
	Federal Program 93.853 Total			**21,012,980**	**1,953,673**	
93.855	Allergy, Immunology and Transplantation Research		3600	44,572,872	5,907,501	
93.855		#AVGTI0102-UOFWN-KATZE	3600	345,896	0	PT
93.855		0000	3600	5,878	0	PT

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93.855	Allergy, Immunology and Transplantation Research	0000657180	3600	(3)	0	PT
93.855		0000660415	3600	122,797	0	PT
93.855		0000660420, AMEND#1	3600	129,741	0	PT
93.855		0000661029	3600	8,307	0	PT
93.855		0000664853	3600	190,439	0	PT
93.855		0000666123 - REVISED	3600	24,852	0	PT
93.855		0000666776	3600	49,472	0	PT
93.855		0000667648	3600	53,574	0	PT
93.855		0000668660	3600	33,075	0	PT
93.855		00006703635R37AI425281	3600	63,374	0	PT
93.855		0000670661	3600	38,727	0	PT
93.855		0000674594	3600	11,145	0	PT
93.855		0000674594 AM01	3600	132,447	0	PT
93.855		0000675914 AMEND 1	3600	569,092	0	PT
93.855		0000675915 AM01	3600	835,556	0	PT
93.855		0000677234	3600	299,698	0	PT
93.855		0000677252 AM 1	3600	314,343	0	PT
93.855		0000677260	3600	73,015	0	PT
93.855		0000677264	3600	51,455	0	PT
93.855		0000677266	3600	247,389	0	PT
93.855		0000677272	3600	182,468	0	PT
93.855		0000677276	3600	206,961	0	PT
93.855		0000677284	3600	343,061	0	PT
93.855		0000677706	3600	177,963	0	PT
93.855		0000677717-AM1	3600	4,416	0	PT
93.855		0000677727	3600	130,229	0	PT
93.855		0000677728	3600	313,411	0	PT
93.855		0000678248	3600	29,408	0	PT
93.855		0000678788	3600	25,150	0	PT
93.855		0000680856	3600	7,092	0	PT
93.855		0000681952	3600	169,951	0	PT
93.855		0000681995	3600	41,716	0	PT
93.855		0000681998	3600	1,158,230	0	PT
93.855		0000683329	3600	156,575	0	PT
93.855		0000683436	3600	937,380	0	PT
93.855		0000683439	3600	151,471	0	PT

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93.855	Allergy, Immunology and Transplantation Research	0000685260	3600	24,984	0	PT
93.855		0000688821	3600	44,084	0	PT
93.855		0000690072	3600	20,506	0	PT
93.855		0000690913	3600	6,106	0	PT
93.855		0001010PROJECT1143761	3600	111,112	0	PT
93.855		000259927-001	3600	639,922	0	PT
93.855		00052631139862AMEND2	3600	33,190	0	PT
93.855		0005263PROJ1139862AMEN	3600	157,399	0	PT
93.855		000643701	3600	43,705	0	PT
93.855		0007748	3600	18,802	0	PT
93.855		0010255PROJECTNO115675	3600	74,416	0	PT
93.855		0254-6835-4609/6A	3600	(2,036)	0	PT
93.855		0254-6835-4609/6B	3600	998	0	PT
93.855		0600370F527UNIVWA01	3600	418	0	PT
93.855		0600370F527WUAMA02	3600	3,069	0	PT
93.855		07-004309 B-03 AM03	3600	84,973	0	PT
93.855		08-065	3600	600	0	PT
93.855		09-110	3600	311,386	0	PT
93.855		10013SUBAMENDMENT2	3600	58,888	0	PT
93.855		10038SUB	3600	15,169	0	PT
93.855		101114198	3600	79,104	0	PT
93.855		10293192-001	3600	224,028	0	PT
93.855		104281	3600	(1,896)	0	PT
93.855		171K765	3600	162,038	0	PT
93.855		191675W	3600	52,180	0	PT
93.855		1P01AO082274-01	3600	315,927	0	PT
93.855		1R24AI06703903SUBCODE0	3600	217,495	0	PT
93.855		2007-01064-02-04	3600	44,424	0	PT
93.855		20386.914123.6692	3600	36,425	0	PT
93.855		219866	3600	(930)	0	PT
93.855		219866 AMD 2	3600	930	0	PT
93.855		22941520-39760-A	3600	63,047	0	PT
93.855		26-3301-4267	3600	737	0	PT
93.855		30.914123	3600	(2)	0	PT
93.855		31-864023,AM001	3600	11,676	0	PT
93.855		412660240101.UW	3600	3,890	0	PT

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93.855	Allergy, Immunology and Transplantation Research	412660240101CFARMOD2	3600	6,594	0	PT
93.855		413910020101 MOD5	3600	29,017	0	PT
93.855		413910020101UWFANNMOD4	3600	13,032	0	PT
93.855		4320	3600	487,849	0	PT
93.855		5-50817 AMEND #3	3600	126,751	0	PT
93.855		5538SC	3600	(47)	0	PT
93.855		5651SC	3600	9,979	0	PT
93.855		5U01AI06861403654622	3600	(7,106)	0	PT
93.855		5U01AI06861803SUB65596	3600	2,833	0	PT
93.855		610 4733000 60024693	3600	34,128	0	PT
93.855		654520	3600	3,888	0	PT
93.855		655851	3600	(7,719)	0	PT
93.855		658593	3600	8,562	0	PT
93.855		658609	3600	(33)	0	PT
93.855		658612	3600	(196)	0	PT
93.855		658619	3600	(3,543)	0	PT
93.855		658623	3600	(1,016)	0	PT
93.855		6694-915858	3600	(1,233)	0	PT
93.855		687311	3600	(7,875)	0	PT
93.855		AMEND3COSTCTR30914123	3600	35,989	0	PT
93.855		AVGT10101-UOFWN-GALE	3600	214,498	0	PT
93.855		AVGTI0101-UOFWN-BEVAN	3600	288,811	0	PT
93.855		AVGTI0101UOFWNANDERSON	3600	233,061	0	PT
93.855		AVGTI0101UOFWNKATZE	3600	660,501	0	PT
93.855		AVGTI0101UOFWNKRISHNAK	3600	53,990	0	PT
93.855		AVGTI0102-UOFWN-BEVAN	3600	137,739	0	PT
93.855		AVGTI0102-UOFWN-GALE	3600	76,166	0	PT
93.855		AVGTI0102UOFWNANDERSON	3600	100,697	0	PT
93.855		AVGTI0102UOFWNKRISHNAK	3600	105,539	0	PT
93.855		BRSACUREQ0600130T00100	3600	221,703	0	PT
93.855		BRSACUREQ0600130T001MO	3600	(172)	0	PT
93.855		BRSACUREQ0600130T002MO	3600	285,458	0	PT
93.855		BRSACUREQ0600130T005	3600	45,342	0	PT
93.855		DREXEL 232284 AM03	3600	113,147	0	PT
93.855		DREXEL 232284 AM04	3600	77,745	0	PT
93.855		GPRC00765A1 AM04	3600	54,448	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.855	Allergy, Immunology and Transplantation Research	JHU PO 8609-04589-X	3600	(12)	0	PT
93.855		JHU PO2000056550	3600	(1,469)	0	PT
93.855		JHUPO2000056550MOD4	3600	469,476	0	PT
93.855		MMV06/0013	3600	388,155	0	PT
93.855		PA-03-047	3600	(56)	0	PT
93.855		PA-03-047, AMEND 3	3600	(402)	0	PT
93.855		PO# 10287084	3600	24,050	0	PT
93.855		PO# 10289256	3600	(11,897)	0	PT
93.855		PO# 10289256-001	3600	64,077	0	PT
93.855		PO# 10293192-002	3600	47,509	0	PT
93.855		PROJ 60020299	3600	199,979	0	PT
93.855		SUB #0000683331	3600	287,030	0	PT
93.855		SUB 1R01AI083060AM01	3600	154,648	0	PT
93.855		SUB 412660240101.UW	3600	1,441	0	PT
93.855		SUBAGREEMENT41341018UW	3600	89,039	0	PT
93.855		SUBAWARD #10189SUB	3600	33,153	0	PT
93.855		SUBAWARD 0000675336	3600	284,686	0	PT
93.855		SUBAWARD 0000690492	3600	35,879	0	PT
93.855		SUBAWARD0000675336AMD1	3600	1,999,549	0	PT
93.855		UW BUD# 638420	3600	18,701	0	PT
93.855		UW BUD# 638584	3600	6,818	0	PT
93.855		UW BUD# 638599	3600	37,885	0	PT
93.855		UW BUD# 638692	3600	51,894	0	PT
93.855		UW BUD# 638693	3600	20,408	0	PT
93.855		UW BUD# 638694	3600	29,669	0	PT
93.855		UW BUD# 638695	3600	20,501	0	PT
93.855		UW BUD# 638713	3600	15,041	0	PT
93.855		UW BUD# 638734	3600	29,986	0	PT
93.855		UW BUD# 638738	3600	4,265	0	PT
93.855		UW BUD# 638884	3600	12,068	0	PT
93.855		UW-1100 MOD 2	3600	24,460	0	PT
93.855		UW-15015	3600	33,997	0	PT
93.855			3650	1,579,856	57,649	
93.855		127555127271	3650	(3,306)	0	PT
	Federal Program 93.855 Total			**64,410,992**	**5,965,150**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.856	Microbiology and Infectious Diseases Research		3600	2,515,612	30,932	
93.856		0000610124	3600	1,705	0	PT
93.856		0000647470	3600	3	0	PT
93.856		0000666263	3600	(1,439)	0	PT
93.856		0510482503S1205PO58767	3600	(1,705)	0	PT
93.856		1015107, AMEND#2	3600	10,921	0	PT
93.856		1015107, AMEND#4	3600	195,053	0	PT
93.856		113911.0007AM04	3600	29,809	0	PT
93.856		13880	3600	21,364	0	PT
93.856		1556 G FD985, AMEND.4	3600	498	0	PT
93.856		3573SC, AMEND#3	3600	(7,523)	0	PT
93.856		629880 AMD 2	3600	(1,746)	0	PT
93.856		658553	3600	3,508	0	PT
93.856		FY06284002AW1U19AI0663	3600	2	0	PT
93.856		FY07.284.002,AMD#2	3600	(2)	0	PT
93.856		FY07284002AW5U19AI0663	3600	(60)	0	PT
93.856		FY092840025U19AI066328	3600	31,047	0	PT
93.856		FY102840025U19AI066328	3600	147,250	0	PT
93.856		GMO-400421 MOD5	3600	51,292	0	PT
93.856		REF A30732	3600	142,634	0	PT
93.856		SRS#19372, SAP#1001744	3600	(55)	0	PT
93.856		UW-1555 MOD05	3600	7,602	0	PT
93.856		WU0440MOD4PO29740F	3600	(8)	0	PT
93.856		S050053	3650	141,883	0	PT
	Federal Program 93.856 Total			**3,287,645**	**30,932**	
93.859	Biomedical Research and Research Training		3600	28,368,130	1,423,253	
93.859		05-003292B02AM02	3600	634	0	PT
93.859		09-130, AM01	3600	29,587	0	PT
93.859		10110063-3-31912 AM#1	3600	(6)	0	PT
93.859		1068602-2-45609	3600	(64)	0	PT
93.859		11138-02 MOD03	3600	10,983	0	PT
93.859		11138-03	3600	70,444	0	PT
93.859		11138-04, MOD03	3600	99,219	0	PT
93.859		147497	3600	30,175	0	PT
93.859		165859/147497	3600	18,802	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.859	Biomedical Research and Research Training	18821-S1 AMD 3	3600	138,890	0	PT
93.859		2009.0020 AMEND 1	3600	19,061	0	PT
93.859		204804	3600	432,373	0	PT
93.859		23570-113936 AM01	3600	26,171	0	PT
93.859		23570-114041	3600	58,387	0	PT
93.859		3189-UW-DHHS-2432 AM03	3600	61,229	0	PT
93.859		5-30194	3600	51,381	0	PT
93.859		AM 01	3600	2,702	0	PT
93.859		BD513577	3600	45,413	0	PT
93.859		FY09,001-005	3600	27,288	0	PT
93.859		FY10,001-003 AMEND #2	3600	441,021	0	PT
93.859		G12607W1286AMEND3	3600	216,855	0	PT
93.859		GC11617-132049	3600	1,851	0	PT
93.859		GC11617-134421	3600	3,479	0	PT
93.859		GM058881075184045402	3600	251,929	0	PT
93.859		IU4630804PROPOSAL91382	3600	98,079	0	PT
93.859		P01-2 MOD02	3600	90,851	0	PT
93.859		RES 502 582	3600	43,761	0	PT
93.859		U54 GM074945-06	3600	90,261	0	PT
93.859		UW BUD# 637103	3600	12,870	0	PT
93.859		UW BUD# 638554	3600	12,988	0	PT
93.859		VUMC 32786	3600	21,133	0	PT
93.859			3650	1,544,670	117,645	
93.859		00006379	3650	90,043	0	PT
93.859		08011	3650	79,977	0	PT
93.859		40123501	3650	39,623	0	PT
93.859		G31108W1286	3650	17,165	0	PT
93.859		P#00080194 SB-UF09051	3700	32,743	0	PT
93.859			3760	36,770	0	
	Federal Program 93.859 Total			**32,616,868**	**1,540,898**	
93.865	Child Health and Human Development Extramural Rese		3600	24,466,628	4,218,926	
93.865		0000659623	3600	15,535	0	PT
93.865		0000678522	3600	99,620	0	PT
93.865		1215 G JB215 AM02	3600	20,917	0	PT
93.865		2007113730	3600	(165)	0	PT

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93.865	Child Health and Human Development Extramural Rese	40143	3600	(24)	0	PT
93.865		412430040101.UW	3600	29,130	0	PT
93.865		414160010101UWRICHARDS	3600	8,542	0	PT
93.865		5-51032	3600	27,547	0	PT
93.865		548398	3600	(3,017)	0	PT
93.865		551032AMENDMENTNO1	3600	293,714	0	PT
93.865		551355AMENDMENTNO1	3600	35,282	0	PT
93.865		605873	3600	137,999	0	PT
93.865		642059	3600	(72)	0	PT
93.865		684136	3600	102,488	0	PT
93.865		A07571 (M10A10376)	3600	102,625	0	PT
93.865		FY2007091MOD03	3600	216,435	0	PT
93.865		GSMMI0106A UW	3600	77,650	0	PT
93.865		NO. 000223A2, AMEND. 2	3600	40,236	0	PT
93.865		SUBAWARD# 0000684142	3600	81,142	0	PT
93.865		SUBCONTRACT5K12HD00109	3600	9,720	0	PT
93.865		UW 803235	3600	30,743	0	PT
93.865		UW BUD# 637972	3600	6,817	0	PT
93.865		UW BUD# 638659	3600	14,031	0	PT
93.865			3650	3,118,588	58,779	
93.865		00001542	3650	45,548	0	PT
93.865		3000610867	3650	26,555	0	PT
93.865		N644607401	3650	53,353	0	PT
93.865		PO10305562	3650	1,458	0	PT
93.865		PROJ00007130600520D3	3650	(39,145)	0	PT
	Federal Program 93.865 Total			**29,019,880**	**4,277,705**	
93.866	Aging Research		3600	18,533,893	1,845,425	
93.866		00000056P992706AM03	3600	139,869	0	PT
93.866		0000636773 AMEND 1	3600	612	0	PT
93.866		0000663964	3600	7,172	0	PT
93.866		0000677015	3600	25,419	0	PT
93.866		0600 370 F371 UW AM02	3600	15,582	0	PT
93.866		10213SUB	3600	29,889	0	PT
93.866		1094521AM05SUBAWD00049	3600	95,364	0	PT
93.866		11ACCT535644AG02639505	3600	141,667	0	PT

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93.866	Aging Research	2 R01 AG 023039-	3600	31,299	0	PT
93.866		2 R01 AG 023039-06	3600	33,655	0	PT
93.866		2000 G HG940	3600	26,178	0	PT
93.866		2000073393AM03	3600	21,359	0	PT
93.866		2008121908, MOD #2	3600	81,357	0	PT
93.866		2009102724	3600	10,573	0	PT
93.866		2009116841	3600	17,090	0	PT
93.866		2009119936	3600	40,472	0	PT
93.866		20091200472U01AG006781	3600	667,550	0	PT
93.866		2803240-S021 AM08	3600	49,953	0	PT
93.866		3000838728 AM02	3600	55,278	0	PT
93.866		41531001.UW AM01	3600	222,530	0	PT
93.866		544030-AM4	3600	225,416	0	PT
93.866		545901 AM01 PO2332991	3600	26,301	0	PT
93.866		552005	3600	39,800	0	PT
93.866		BJ12-MMF-GRAVES	3600	(2,712)	0	PT
93.866		BT123-ELMORE-09-10	3600	14,928	0	PT
93.866		BT123-LEE-09-10	3600	7,222	0	PT
93.866		BT123-STEINBART-09-10	3600	33,034	0	PT
93.866		CRAFT CS120	3600	7,394	0	PT
93.866		CS1 19 GILLETT AM03	3600	6,774	0	PT
93.866		CS1-19/A25609	3600	(9)	0	PT
93.866		CS119BAKERUW33178AM02	3600	5,782	0	PT
93.866		CS120-GILLET09	3600	7,621	0	PT
93.866		CS120-GREEN	3600	8,193	0	PT
93.866		CS120-GREEN3	3600	8,209	0	PT
93.866		CS120-WOJTOWICZ	3600	14,810	0	PT
93.866		CSI-20, MOD 1	3600	(209)	0	PT
93.866		F09684 AM04	3600	(4,607)	0	PT
93.866		FY09001012AMD1UWASH	3600	3,364	0	PT
93.866		FY1O001007AMD2UWASH	3600	204,484	0	PT
93.866		MOA AM04 RO1 AG027002	3600	39,234	0	PT
93.866		PO 2009118745	3600	107,956	0	PT
93.866		PO20101111835R01AG0300	3600	1,554	0	PT
93.866		QL 114-ANDERSON05	3600	36,448	0	PT
93.866		SC-08-1-08-UW MOD02	3600	29,244	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.866	Aging Research	SUB0900012 AMEND 2	3600	2,545	0	PT
93.866		SUB0900012 AMEND NO. 1	3600	65,717	0	PT
93.866		UW BUD# 636195	3600	13,959	0	PT
93.866		UW BUD# 636263	3600	14,585	0	PT
93.866		UW BUD# 636721	3600	(3,768)	0	PT
93.866		UW BUD# 638466	3600	15,018	0	PT
93.866		UW BUD# 638474	3600	27,520	0	PT
93.866			3650	(6,233)	0	
	Federal Program 93.866 Total			**21,196,335**	**1,845,425**	
93.867	Vision Research		3600	11,927,834	52,622	
93.867		00006390 AM01	3600	220,461	0	PT
93.867		00006390 AM02	3600	433,434	0	PT
93.867		520622G1MODIFICATION6	3600	(2,217)	0	PT
93.867		686	3600	89,065	0	PT
93.867		9-29-03	3600	22,632	0	PT
93.867		N640615302	3600	16,500	0	PT
93.867		UW BUD# 636315	3600	25,913	0	PT
93.867		UW BUD# 638479	3600	18,644	0	PT
93.867			3650	386,727	0	
93.867		0000006880	3650	45,264	0	PT
93.867		GCAEI0244A	3650	66,156	0	PT
93.867		GPHYP0181WSU	3650	38,641	0	PT
	Federal Program 93.867 Total			**13,289,054**	**52,622**	
93.879	Medical Library Assistance		3600	1,611,675	0	
93.879		104318 AM01	3600	85,677	0	PT
93.879		17111-01247-S01	3600	2,650	0	PT
93.879		H36653,AM02	3600	(267)	0	PT
	Federal Program 93.879 Total			**1,699,735**	**0**	
	National Institutes of Health Total			**293,784,411**	**30,025,306**	
93.933	Demonstration Projects for Indian Health	ANTHC-06-U-15978	3600	1,495	0	PT
	Federal Program 93.933 Total			**1,495**	**0**	
	Indian Health Service Total			**1,495**	**0**	
93.941	HIV Demonstration, Research, Public and Profession		3030	1,648,423	1,131,832	

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Dept of Health & Human Services

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93.941	HIV Demonstration, Research, Public and Profession		3600	4,460,587	3,216,863	
	Federal Program 93.941 Total			**6,109,010**	**4,348,695**	
93.978	Preventive Health Services_sexually Transmitted DI		3600	320,024	0	
	Federal Program 93.978 Total			**320,024**	**0**	
	Centers for Disease Control and Prevention Total			**6,429,034**	**4,348,695**	
93.989	International Research and Research Training		3600	2,205,973	257,927	
93.989		UW BUD# 673289	3600	36,798	0	PT
93.989		UW BUD# 673532	3600	3,856	0	PT
93.989		VUMC 34746	3600	(13,104)	0	PT
93.989		VUMC 34748	3600	15,051	0	PT
93.989		VUMC 34749	3600	72,175	0	PT
93.989		VUMC 34749 AM01	3600	2,279	0	PT
93.989		VUMC 35540	3600	34,469	0	PT
93.989		VUMC 35542	3600	43,108	0	PT
93.989		VUMC355435R24TW0079880	3600	46,303	0	PT
93.989		VUMC355445R24TW0079880	3600	16,153	0	PT
93.989		VUMC355595R24TW0079880	3600	85,676	0	PT
93.989		VUMC35561	3600	31,983	0	PT
	Federal Program 93.989 Total			**2,580,720**	**257,927**	
	National Institutes of Health Total			**2,580,720**	**257,927**	
	Dept of Health & Human Services Total			**572,945,249**	**57,464,587**	

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Research and Development

Dept of Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.002	Homeland Security		3650	69,580	52,183	
	Federal Program 97.002 Total			**69,580**	**52,183**	
	Homeland Security Total			**69,580**	**52,183**	
	Dept of Homeland Security Total			**69,580**	**52,183**	
Research and Development Total				**878,202,407**	**80,301,654**	

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Student Financial Assistance

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.007	Federal Supplemental Educational Opportunity Grant		3600	2,307,675	0	
84.007			3650	1,274,344	0	
84.007			3700	462,851	0	
84.007			3750	280,531	0	
84.007			3760	241,213	0	
84.007			6990	3,419,805	0	
	Federal Program 84.007 Total			**7,986,419**	**0**	
84.032	Federal Family Education Loans		3650	137,444,367	0	AL
84.032			3700	56,399,090	0	AL
84.032			3760	19,361,089	0	AL
84.032			3800	15,972,015	0	AL
84.032			6990	117,669,881	0	AL
84.032			6990	3,535,758	0	
	Federal Program 84.032 Total			**350,382,200**	**0**	
84.033	Federal Work-Study Program		3600	1,058,179	0	
84.033			3650	989,524	0	
84.033			3700	781,202	0	
84.033			3750	396,200	0	
84.033			3760	298,156	0	
84.033			3800	430,922	0	
84.033			6990	4,083,081	0	
	Federal Program 84.033 Total			**8,037,264**	**0**	
84.033A	ARRA - Federal Work-Study Program		3600	515,243	0	
84.033A			6990	748,658	0	
	Federal Program 84.033A Total			**1,263,901**	**0**	
84.038	Federal Perkins Loan Program_federal Capital Contr		3600	48,809,501	0	OL
84.038			3650	18,331,192	0	OL
84.038			3700	5,508,380	0	OL
84.038			3750	7,502,598	0	OL
84.038			3760	4,135,919	0	OL
84.038			3800	7,995,551	0	OL
84.038			6990	2,848,112	0	OL
	Federal Program 84.038 Total			**95,131,253**	**0**	

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Student Financial Assistance

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.063	Federal Pell Grant Program		3600	37,508,266	0	
84.063			3650	25,811,587	0	
84.063			3700	14,849,161	0	
84.063			3750	13,606,816	0	
84.063			3760	7,918,843	0	
84.063			3800	12,074,938	0	
84.063			6990	234,050,276	0	
	Federal Program 84.063 Total			**345,819,887**	**0**	
84.268	Federal Direct Student Loans		3600	241,507,910	0	AL
84.268			3650	263,335	0	
84.268			3750	60,727,538	0	AL
84.268			3760	1,245,338	0	AL
84.268			3800	44,183,693	0	AL
84.268			6990	69,161,713	0	AL
	Federal Program 84.268 Total			**417,089,527**	**0**	
84.375	Academic Competitiveness Grants		3600	1,376,831	0	
84.375			3650	940,402	0	
84.375			3700	464,036	0	
84.375			3750	436,613	0	
84.375			3760	111,846	0	
84.375			3800	400,138	0	
84.375			6990	538,193	0	
	Federal Program 84.375 Total			**4,268,059**	**0**	
84.376	National Science and Mathematics Access to Retain		3600	3,160,276	0	
84.376			3650	990,563	0	
84.376			3700	657,965	0	
84.376			3750	389,978	0	
84.376			3760	155,353	0	
84.376			3800	260,848	0	
	Federal Program 84.376 Total			**5,614,983**	**0**	
84.379	Teacher Education Assistance for College and Highe		3650	189,500	0	
84.379			3750	575,003	0	
84.379			3760	20,291	0	
84.379			3800	39,198	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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(Expressed in whole dollars)

Student Financial Assistance

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.379	Teacher Education Assistance for College and Highe		6990	20,001	0	
	Federal Program 84.379 Total			**843,993**	**0**	
	Dept of Education Total			**1,236,437,486**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Student Financial Assistance

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.342	Health Professions Student Loans, Including Primar		3600	1,306,101	0	
93.342			3600	12,333,559	0	OL
93.342			3650	2,179,445	0	OL
	Federal Program 93.342 Total			**15,819,105**	**0**	
93.364	Nursing Student Loans		3600	1,808,857	0	OL
93.364			3600	70,694	0	
93.364			3650	1,187,384	0	OL
	Federal Program 93.364 Total			**3,066,935**	**0**	
93.925	Scholarships for Health Professions Students From		3600	285,137	0	
93.925			3650	164,399	0	
	Federal Program 93.925 Total			**449,536**	**0**	
	Dept of Health & Human Services Total			**19,335,576**	**0**	
Student Financial Assistance Total				**1,255,773,062**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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SNAP

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.551	Snap - Food Stamps (C)		3000	1,323,931,446	0	NC
10.551			3000	26,574	0	
	Federal Program 10.551 Total			**1,323,958,020**	**0**	
10.561	State Admin Match - Grants for Snap		3000	62,227,839	2,692,856	
	Federal Program 10.561 Total			**62,227,839**	**2,692,856**	
10.561A	ARRA - State Admin Match - Grants for Snap		3000	3,459,900	0	
	Federal Program 10.561A Total			**3,459,900**	**0**	
	Dept of Agriculture Total			**1,389,645,759**	**2,692,856**	
SNAP Total				**1,389,645,759**	**2,692,856**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Emergency Food Assistance

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.568	Temp Emerg Food Assist - Admin		1500	1,359,306	1,124,943	
	Federal Program 10.568 Total			**1,359,306**	**1,124,943**	
10.568A	ARRA - Temp Emerg Food Assist - Admin		1500	492,721	492,721	
	Federal Program 10.568A Total			**492,721**	**492,721**	
10.569	Temp Emergency Food Assist		1500	3,027,714	0	NC
	Federal Program 10.569 Total			**3,027,714**	**0**	
	Dept of Agriculture Total			**4,879,741**	**1,617,664**	
Emergency Food Assistance Total				**4,879,741**	**1,617,664**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Child Nutrition

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.553	School Breakfast Program		3500	43,214,628	43,214,628	
	Federal Program 10.553 Total			**43,214,628**	**43,214,628**	
10.555	National School Lunch Program		3500	170,727,608	170,727,608	
	Federal Program 10.555 Total			**170,727,608**	**170,727,608**	
10.556	Special Milk Program for Children		3500	214,629	214,629	
	Federal Program 10.556 Total			**214,629**	**214,629**	
10.559	Summer Food Service Program for Children		3500	3,961,424	3,830,457	
	Federal Program 10.559 Total			**3,961,424**	**3,830,457**	
	Dept of Agriculture Total			**218,118,289**	**217,987,322**	
Child Nutrition Total				**218,118,289**	**217,987,322**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Fish and Wildlife

Dept of the Interior

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
15.605	Sport Fish Restoration Program		4770	8,211,887	0	
	Federal Program 15.605 Total			**8,211,887**	**0**	
15.611	Wildlife Restoration		4770	6,510,290	0	
15.611			4900	7,446	0	
	Federal Program 15.611 Total			**6,517,736**	**0**	
	Dept of the Interior Total			**14,729,623**	**0**	
Fish and Wildlife Total				**14,729,623**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Employment Service

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.207	Employ Serv/Wagner-Peyser Funded		5400	22,819,356	0	
	Federal Program 17.207 Total			**22,819,356**	**0**	
17.207A	ARRA - Employ Serv/Wagner-Peyser Funded		5400	5,086,446	0	
	Federal Program 17.207A Total			**5,086,446**	**0**	
17.801	Disabled Veterans' Outreach Program (Dvop)		5400	2,107,938	0	
	Federal Program 17.801 Total			**2,107,938**	**0**	
17.804	Local Veterans' Employment Representative Program		5400	2,184,880	0	
	Federal Program 17.804 Total			**2,184,880**	**0**	
	Dept of Labor Total			**32,198,620**	**0**	
Employment Service Total				**32,198,620**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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WIA

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.258	WIA Adult Program		5400	24,128,060	20,477,599	
17.258		Contracts	5400	1,352,485	0	PT
	Federal Program 17.258 Total			**25,480,545**	**20,477,599**	
17.258A	ARRA - WIA Adult Program		5400	6,996,781	6,698,841	
17.258A		Contracts	5400	634,828	0	PT
17.258A		145-111-1U3S	6990	15,495	0	PT
17.258A		C9NSC-506-VAR	6990	114,099	0	PT
17.258A		C9SSC-501-VAR	6990	46,144	0	PT
17.258A		C9SSC-502-VAR	6990	118,280	0	PT
17.258A		KC445-09	6990	34,603	0	PT
17.258A		WBS09-C772-ICTSPS	6990	153,822	0	PT
17.258A		WBS09-C773-ICTOC	6990	14,340	0	PT
	Federal Program 17.258A Total			**8,128,392**	**6,698,841**	
17.259	WIA Youth Activities		5400	13,765,813	13,765,602	
17.259		Contracts	5400	260,783	0	PT
	Federal Program 17.259 Total			**14,026,596**	**13,765,602**	
17.259A	ARRA - WIA Youth Activities	WDC0827WSUVSYEP	3650	132,848	0	PT
17.259A			5400	17,209,074	16,513,837	
17.259A		Contracts	5400	183,535	0	PT
17.259A		C9SSSC-502-VAR	6990	157,720	0	PT
17.259A		D39342D	6990	139,832	0	PT
17.259A		WBS09-C773-ICTOC	6990	14,340	0	PT
17.259A		Y8SSC-824-WYO	6990	7,131	0	PT
	Federal Program 17.259A Total			**17,844,480**	**16,513,837**	
17.260	WIA Disclocated Workers		5400	18,168,555	17,097,184	
17.260		Contracts	5400	4,240,613	0	PT
17.260		DW Truck Train2 2010	6990	42,546	0	PT
17.260		DW Truck Train3 2010	6990	52,212	0	PT
	Federal Program 17.260 Total			**22,503,926**	**17,097,184**	
17.260A	ARRA - WIA Disclocated Workers		5400	14,959,468	14,297,188	
17.260A		Contracts	5400	1,530,811	0	PT
17.260A		08EDC-0740AWD	6990	18,786	0	PT
17.260A		08EDC-AC747AWD	6990	237,601	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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WIA

Dept of Labor

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
17.260A	ARRA - WIA Disclocated Workers	09 CCS CDL Colville	6990	25,335	0	PT
17.260A		09 CCS CDL Whitman	6990	25,044	0	PT
17.260A		09 CCS Weld Colville	6990	120,673	0	PT
17.260A		09-EDC-O-754-AWD	6990	48,968	0	PT
17.260A		09-EDC-O-755-AWD	6990	53,033	0	PT
17.260A		09-EDC-O-757-AWD	6990	83,967	0	PT
17.260A		09-EVC-0-756-AWD	6990	103,812	0	PT
17.260A		0910-WDC	6990	223,643	0	PT
17.260A		111-3285	6990	224,155	0	PT
17.260A		1U 2,3,4 S	6990	414,915	0	PT
17.260A		ARRA-Cohort-Aviation	6990	103,541	0	PT
17.260A		ARRA-Cohort-Career	6990	44,140	0	PT
17.260A		ARRA-Cohort-IBest	6990	54,237	0	PT
17.260A		ARRA-Cohort-LPN	6990	31,956	0	PT
17.260A		ARRA-Cohort-MA	6990	62,350	0	PT
17.260A		ARRA-Cohort-Mach	6990	68,217	0	PT
17.260A		ARRA-Cohort-Pr Mgt	6990	48,981	0	PT
17.260A		ARRA-Cohort-Soc Srv	6990	25,525	0	PT
17.260A		C9NSC-506-VAR	6990	114,098	0	PT
17.260A		C9SSC-501-VAR	6990	118,656	0	PT
17.260A		C9SVI-511-VAR	6990	34,412	0	PT
17.260A		KC-445-09	6990	34,603	0	PT
17.260A		PC-CNA IBEST 09-R3	6990	23,660	0	PT
17.260A		PC-DW LIA MB 09-R3	6990	28,679	0	PT
17.260A		PC-DW LIA MB2009-R2	6990	51,340	0	PT
17.260A		PC-DW LIA NE 2009-R2	6990	43,597	0	PT
17.260A		PC-SI IBEST 10-R3	6990	35,927	0	PT
17.260A		SKS10	6990	126,422	0	PT
17.260A		WBS09-C773-ICTOC	6990	55,674	0	PT
	Federal Program 17.260A Total			**19,176,226**	**14,297,188**	
	Dept of Labor Total			**107,160,165**	**88,850,251**	
WIA Total				**107,160,165**	**88,850,251**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Federal Transit

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.500	Fedl Transit - Capital Invest Grants		3800	2,730	0	
20.500			4050	8,566,676	595,631	
	Federal Program 20.500 Total			**8,569,406**	**595,631**	
20.500A	ARRA - Fedl Transit - Capital Invest Grants		4050	2,209,804	0	
	Federal Program 20.500A Total			**2,209,804**	**0**	
	Dept of Transportation Total			**10,779,210**	**595,631**	
Federal Transit Total				**10,779,210**	**595,631**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Highway Safety

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.600	State and Community Highway Safety		2280	4,665,394	3,165,895	
20.600			3600	515,595	0	
20.600		WSU001158	3650	2,500	0	PT
20.600		NONE	3800	1,982	0	PT
	Federal Program 20.600 Total			**5,185,471**	**3,165,895**	
20.601	Alcohol Traffic Safety and Drunk Driving Preventio		2280	2,601,814	2,601,814	
	Federal Program 20.601 Total			**2,601,814**	**2,601,814**	
20.602	Occupant Protection		2280	704,322	704,322	
	Federal Program 20.602 Total			**704,322**	**704,322**	
20.609	Safety Belt Performance Grants		2280	1,897,883	1,897,883	
	Federal Program 20.609 Total			**1,897,883**	**1,897,883**	
20.610	State Traffic Safety Information System Improvemen		2280	395,406	395,406	
	Federal Program 20.610 Total			**395,406**	**395,406**	
20.611	Incentive Grant Program to Prohibit Racial Profili		2280	60,000	60,000	
	Federal Program 20.611 Total			**60,000**	**60,000**	
20.612	Incentive Grant Program to Increase Motorcyclist S		2280	102,170	102,170	
	Federal Program 20.612 Total			**102,170**	**102,170**	
20.613	Child Safety and Child Booster Seats Incentive Gra		2280	591,558	591,558	
	Federal Program 20.613 Total			**591,558**	**591,558**	
	Dept of Transportation Total			**11,538,624**	**9,519,048**	

Highway Safety Total **11,538,624** **9,519,048**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Special Education (Idea)

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.027	Special Ed - State Grants		3500	207,114,287	204,252,997	
84.027		12108000013/1210800014	3750	180,521	0	PT
	Federal Program 84.027 Total			**207,294,808**	**204,252,997**	
84.173	Special Ed - Preschool Grants		3500	7,518,897	7,162,615	
	Federal Program 84.173 Total			**7,518,897**	**7,162,615**	
84.391	ARRA - Special Education Grants to States		3500	95,493,397	95,493,397	
	Federal Program 84.391 Total			**95,493,397**	**95,493,397**	
84.392	ARRA - Special Education - Preschool Grants		3500	3,425,568	3,425,568	
	Federal Program 84.392 Total			**3,425,568**	**3,425,568**	
	Dept of Education Total			**313,732,670**	**310,334,577**	

Special Education (Idea) Total **313,732,670** **310,334,577**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Trio

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.042	Trio Student Support Services		3600	424,581	0	
84.042			3650	257,116	0	
84.042			3700	425,536	0	
84.042			3750	356,243	0	
84.042			3760	297,320	0	
84.042			6990	5,672,590	0	
	Federal Program 84.042 Total			**7,433,386**	**0**	
84.044	Trio Talent Search		3600	330,107	0	
84.044			6990	1,068,655	0	
	Federal Program 84.044 Total			**1,398,762**	**0**	
84.047	Trio Upward Bound		3600	413,060	0	
84.047			3650	1,022,669	9,500	
84.047			3760	428,069	0	
84.047			6990	2,491,323	0	
	Federal Program 84.047 Total			**4,355,121**	**9,500**	
84.066	Trio Educational Opportunity Centers		3750	255,277	0	
	Federal Program 84.066 Total			**255,277**	**0**	
84.217	Trio Mcnair Post-Baccalaureate Achievement		3600	227,651	0	
84.217			3650	235,624	0	
84.217			3700	254,690	0	
84.217			3750	219,586	0	
	Federal Program 84.217 Total			**937,551**	**0**	
	Dept of Education Total			**14,380,097**	**9,500**	
Trio Total				**14,380,097**	**9,500**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Aging

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.044	Special Programs for the Aging Title Iii, Part B G		3000	8,746,519	7,984,614	
	Federal Program 93.044 Total			**8,746,519**	**7,984,614**	
93.045	Special Programs for the Aging Title Iii, Part C N		3000	9,804,674	9,804,674	
	Federal Program 93.045 Total			**9,804,674**	**9,804,674**	
93.053	Nutrition Services Incentive Program		3000	1,778,385	1,778,385	
	Federal Program 93.053 Total			**1,778,385**	**1,778,385**	
93.705	ARRA - Aging Home-Delivd Nutrition Services		3000	360,095	360,095	
	Federal Program 93.705 Total			**360,095**	**360,095**	
93.707	ARRA - Aging Congre Nutrition Serv for States		3000	687,493	687,491	
	Federal Program 93.707 Total			**687,493**	**687,491**	
	Dept of Health & Human Services Total			**21,377,166**	**20,615,259**	
Aging Total				**21,377,166**	**20,615,259**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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CCDF

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.575	Child Care & Dev - Block Grant		3000	122,799,891	0	
93.575			3570	34,274,665	0	
93.575		WSU000640	3650	3,056	0	PT
93.575		WSU000668	3650	295	0	PT
93.575		WSU000678	3650	(58)	0	PT
93.575		WSU001043	3650	55,062	0	PT
93.575		WSU001044	3650	69,951	0	PT
93.575		WSU001045	3650	66,443	0	PT
	Federal Program 93.575 Total			**157,269,305**	**0**	
93.596	Child Care Mandatory and Matching Funds of the Chi		3000	61,335	0	
93.596			3570	77,226,149	0	
	Federal Program 93.596 Total			**77,287,484**	**0**	
93.713	ARRA - Child Care & Dev - Block Grant		3570	20,947,160	0	
	Federal Program 93.713 Total			**20,947,160**	**0**	
	Dept of Health & Human Services Total			**255,503,949**	**0**	
CCDF Total				**255,503,949**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Medicaid

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.775	State Medicaid Fraud Control Units		1000	1,766,299	0	
	Federal Program 93.775 Total			**1,766,299**	**0**	
93.777	State Survey and Certification of Health Care Prov		3000	8,967,945	0	
93.777			3030	1,117,311	30	
	Federal Program 93.777 Total			**10,085,256**	**30**	
93.778	Medical Assistance Program		3000	3,879,125,241	69,337,582	
93.778			3050	5,122,563	0	
93.778		D36418D	3600	(1)	0	PT
93.778		UW BUD# 638142	3600	50,427	0	PT
	Federal Program 93.778 Total			**3,884,298,230**	**69,337,582**	
93.778A	ARRA - Medical Assistance Program		3000	820,152,283	0	
	Federal Program 93.778A Total			**820,152,283**	**0**	
	Dept of Health & Human Services Total			**4,716,302,068**	**69,337,612**	
Medicaid Total				**4,716,302,068**	**69,337,612**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Schools and Roads

Dept of Agriculture

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
10.665	Secure Payments for States and Counties Containing		0050	34,004,194	0	
	Federal Program 10.665 Total			**34,004,194**	**0**	
	Dept of Agriculture Total			**34,004,194**	**0**	
Schools and Roads Total				**34,004,194**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Disability Insurance/SSI

Social Security Administration

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
96.001	Social Security Disability Insurance		3000	42,579,692	0	
	Federal Program 96.001 Total			**42,579,692**	**0**	
	Social Security Administration Total			**42,579,692**	**0**	
Disability Insurance/SSI Total				**42,579,692**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Highway Planning and Construction

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.205	Highway Planning & Constructn	C737	3650	53,745	0	PT
20.205			4050	559,339,592	226,276,147	
	Federal Program 20.205 Total			**559,393,337**	**226,276,147**	
20.205A	ARRA - Highway Planning & Constructn		4050	300,522,961	105,221,451	
	Federal Program 20.205A Total			**300,522,961**	**105,221,451**	
20.219	Recreational Trails Program		4670	1,595,492	1,489,556	
	Federal Program 20.219 Total			**1,595,492**	**1,489,556**	
	Dept of Transportation Total			**861,511,790**	**332,987,154**	
Highway Planning and Construction Total				**861,511,790**	**332,987,154**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Public Works and Economic Development

Dept of Commerce

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
11.307	Economic Adjustment Assistance		3800	154,262	0	
11.307			6990	100,000	0	
	Federal Program 11.307 Total			**254,262**	**0**	
	Dept of Commerce Total			**254,262**	**0**	
Public Works and Economic Development Total				**254,262**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Homeland Security

Dept of Homeland Security

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
97.004	State Domestic Preparedness Equipment Support Prog		2450	11,589,014	10,270,555	
	Federal Program 97.004 Total			**11,589,014**	**10,270,555**	
97.053	Citizen Corps		2450	286,259	286,259	
	Federal Program 97.053 Total			**286,259**	**286,259**	
97.067	Homeland Security Grant Program		2450	1,675,222	1,675,222	
	Federal Program 97.067 Total			**1,675,222**	**1,675,222**	
97.071	Metropolitan Medical Response System		2450	635,850	622,102	
	Federal Program 97.071 Total			**635,850**	**622,102**	
	Dept of Homeland Security Total			**14,186,345**	**12,854,138**	
Homeland Security Total				**14,186,345**	**12,854,138**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Transit Services Programs

Dept of Transportation

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
20.513	Capital Assistance Program for Elderly Persons And		4050	2,413,560	2,326,199	
20.513		GCA6192	4050	3,566	0	PT
	Federal Program 20.513 Total			**2,417,126**	**2,326,199**	
20.516	Job Access Reverse Commute		4050	2,391,678	2,053,326	
	Federal Program 20.516 Total			**2,391,678**	**2,053,326**	
20.521	New Freedom Program		4050	706,355	646,307	
	Federal Program 20.521 Total			**706,355**	**646,307**	
	Dept of Transportation Total			**5,515,159**	**5,025,832**	
Transit Services Programs Total				**5,515,159**	**5,025,832**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

CDBG - Entitlement Grants

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.218	ARRA - Commun Dev Blk Grts/Entitlemnt	HUD-CDBG-2007	3700	1,517	0	PT
	Federal Program 14.218 Total			**1,517**	**0**	
	Housing & Urban Development Total			**1,517**	**0**	
CDBG- Entitlement Grants Total				**1,517**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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CDBG - State Administered Small Cities Program

Housing & Urban Development

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
14.228	Comm Dev Blk Grts States Prgm & Non Ent		1030	26,213,227	25,475,428	
14.228		TMC129	6990	10,038	0	PT
	Federal Program 14.228 Total			**26,223,265**	**25,475,428**	
14.255A	ARRA - Cdbg-State & Non-Entit Grnt In Hawaii		1030	1,362,505	1,304,139	
	Federal Program 14.255A Total			**1,362,505**	**1,304,139**	
	Housing & Urban Development Total			**27,585,770**	**26,779,567**	
CDBG - State Administered Small Cities Program Total				**27,585,770**	**26,779,567**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Title I, Part A

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.010	Title 1 Grants to Local Ed Agys		3500	191,491,861	183,500,469	
	Federal Program 84.010 Total			**191,491,861**	**183,500,469**	
84.389	ARRA - Title I Grants to Local Educl Age		3500	39,164,263	38,994,255	
	Federal Program 84.389 Total			**39,164,263**	**38,994,255**	
	Dept of Education Total			**230,656,124**	**222,494,724**	
Title I, Part A Total				**230,656,124**	**222,494,724**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

For the Year Ended
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(Expressed in whole dollars)

Vocational Rehabilitation

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.126	Vocl Rehab Grants to State Basic		3000	40,786,515	0	
84.126			3150	6,864,530	0	
	Federal Program 84.126 Total			**47,651,045**	**0**	
84.390	ARRA - Vocl Rehab Grants to States		3000	1,963,930	0	
84.390			3150	416,258	0	
84.390		0965-70173	6990	60,120	0	PT
	Federal Program 84.390 Total			**2,440,308**	**0**	
	Dept of Education Total			**50,091,353**	**0**	
Vocational Rehabilitation Total				**50,091,353**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Early Intervention Services (Idea)

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.181	Spec Ed-Grants for Infants & Families		3000	9,084,088	0	
	Federal Program 84.181 Total			**9,084,088**	**0**	
84.393	ARRA - Grants for Infants and Families		3000	1,439,287	0	
84.393		KC241000-Amend #1	3700	76,957	0	PT
84.393		10000LC-65	6990	1,054	0	PT
	Federal Program 84.393 Total			**1,517,298**	**0**	
	Dept of Education Total			**10,601,386**	**0**	
Early Intervention Services (Idea) Total				**10,601,386**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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State Fiscal Stabilization Fund

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.394	ARRA - Sfsf - Education State Grant		3500	301,428,408	301,428,408	
84.394			3600	43,971,000	0	
84.394			3650	15,772,000	0	
84.394			3700	5,522,000	0	
84.394			3750	6,975,000	0	
84.394			3760	2,366,000	0	
84.394			3800	8,885,000	0	
84.394			6990	17,170,000	0	
	Federal Program 84.394 Total			**402,089,408**	**301,428,408**	
84.397	ARRA - Sfsf - Government Services		3100	182,433,162	0	
	Federal Program 84.397 Total			**182,433,162**	**0**	
	Dept of Education Total			**584,522,570**	**301,428,408**	
State Fiscal Stabilization Fund Total				**584,522,570**	**301,428,408**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Immunization

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.268	Immunization Grants		3030	90,487,389	86,883,308	
	Federal Program 93.268 Total			**90,487,389**	**86,883,308**	
93.712	ARRA - Immunization		3030	904,100	380,608	
	Federal Program 93.712 Total			**904,100**	**380,608**	
	Dept of Health & Human Services Total			**91,391,489**	**87,263,916**	
Immunization Total				**91,391,489**	**87,263,916**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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TANF

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.558	Temp Assistance for Needy Families (Tanf)		3000	263,686,116	28,041,596	
	Federal Program 93.558 Total			**263,686,116**	**28,041,596**	
93.714	ARRA - Emerg Conting TANF State Prog		3000	100,107,179	0	
	Federal Program 93.714 Total			**100,107,179**	**0**	
	Dept of Health & Human Services Total			**363,793,295**	**28,041,596**	
TANF Total				**363,793,295**	**28,041,596**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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(Expressed in whole dollars)

CSBG

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.569	Community Services Block Grant		1030	7,491,099	7,111,072	
93.569		F09-3210F-314	6990	15,948	0	PT
	Federal Program 93.569 Total			**7,507,047**	**7,111,072**	
93.710	ARRA - Commty Services Block Grant		1030	7,753,449	7,710,699	
93.710		CS-09-12-03-203	6990	35,554	0	PT
	Federal Program 93.710 Total			**7,789,003**	**7,710,699**	
	Dept of Health & Human Services Total			**15,296,050**	**14,821,771**	
CSBG Total				**15,296,050**	**14,821,771**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Head Start

Dept of Health & Human Services

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
93.600	Head Start		3570	258,525	0	
93.600			3600	694,671	107,809	
93.600		WSU000828	3650	2,648	0	PT
93.600		WSU001053	3650	10,890	0	PT
93.600			3700	1,803,605	15,946	
93.600			6990	20,604,675	0	
93.600		05378	6990	(5,889)	0	PT
93.600		05964	6990	45,054	0	PT
93.600		06388	6990	54,572	0	PT
93.600		145-161-1N46	6990	94,473	0	PT
93.600		1500809184	6990	9,374	0	PT
93.600		570-265-1550	6990	181,079	0	PT
93.600		600-161-1N47	6990	19,358	0	PT
93.600		LOA#6431	6990	164,957	0	PT
	Federal Program 93.600 Total			**23,937,992**	**123,755**	
93.708	ARRA - Head Start	WSU001053	3650	604	0	PT
93.708			3700	76,358	0	
93.708			6990	557,605	0	
93.708		LOA#6431	6990	4,036	0	PT
93.708		LOA#6538	6990	18,659	0	PT
	Federal Program 93.708 Total			**657,262**	**0**	
93.709	ARRA - Early Head Start	WSU001177	3650	1,274	0	PT
	Federal Program 93.709 Total			**1,274**	**0**	
	Dept of Health & Human Services Total			**24,596,528**	**123,755**	

Head Start Total **24,596,528** **123,755**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Educational Technology State Grants

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.318	Education Technology State Grants		3500	3,382,684	3,137,797	
	Federal Program 84.318 Total			**3,382,684**	**3,137,797**	
84.386	ARRA - Education Technology State Grants		3500	3,902,048	3,801,583	
	Federal Program 84.386 Total			**3,902,048**	**3,801,583**	
	Dept of Education Total			**7,284,732**	**6,939,380**	
Educational Technology State Grants Total				**7,284,732**	**6,939,380**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Independent Living State Grants

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.169	Independent Living - State Grants		3000	228,055	288,944	
84.169			3150	14,325	0	
	Federal Program 84.169 Total			**242,380**	**288,944**	
84.398	ARRA - Indep Living State Grants,		3000	179,782	204,758	
84.398			3150	41,647	0	
	Federal Program 84.398 Total			**221,429**	**204,758**	
	Dept of Education Total			**463,809**	**493,702**	
Independent Living State Grants Total				**463,809**	**493,702**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Indepent Living Svcs for Older Indiv Who Are Blind

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.177	Rehabilitation Services Independent Living Service		3150	460,136	0	
	Federal Program 84.177 Total			**460,136**	**0**	
84.399	ARRA - Older Individuals Who Are Blind		3150	149,648	0	
	Federal Program 84.399 Total			**149,648**	**0**	
	Dept of Education Total			**609,784**	**0**	
Indepent Living Svcs for Older Indiv Who Are Blind Total				**609,784**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Education of Homeless Children & Youth

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.196	Ed for Homeless Children/Youth		3500	1,108,994	986,851	
	Federal Program 84.196 Total			**1,108,994**	**986,851**	
	Dept of Education Total			**1,108,994**	**986,851**	
Education of Homeless Children & Youth Total				**1,108,994**	**986,851**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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Teacher Quality Pertnership Grants

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.336	Teacher Quality Partnership Grants	555025	6990	13,625	0	PT
	Federal Program 84.336 Total			**13,625**	**0**	
	Dept of Education Total			**13,625**	**0**	
Teacher Quality Pertnership Grants Total				**13,625**	**0**	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Schedule of Expenditures of Federal Awards

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School Improvement Grants

Dept of Education

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
84.377	School Improvement Grants		3500	8,206,957	3,511,252	
	Federal Program 84.377 Total			**8,206,957**	**3,511,252**	
84.388	ARRA - School Improve Grants, Recovery Act		3500	59,433	59,433	
	Federal Program 84.388 Total			**59,433**	**59,433**	
	Dept of Education Total			**8,266,390**	**3,570,685**	
School Improvement Grants Total				**8,266,390**	**3,570,685**	

Total Federal Assistance	**18,280,120,745**	**2,638,496,554**

Footnotes:
NC - Expenditure amount noncash in nature
PT - Expenditure, Pass-through in nature (federal funds received through another nonfederal entity).
AL - Loan Amount (total annual loan issuance activity).

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Note A: **Purpose of the Schedule**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to the State's financial statements and is presented for purposes of additional analysis. The Schedule is required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Note B: **Significant Accounting Policies**

Note B1: Basis of Presentation - The information in the Schedule is presented in accordance with OMB Circular A-133.

- 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 OMB Circular A-133, 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. Solicited contracts between the State and federal agencies for which the State provides tangible goods or services, acting as a vendor, are not considered to be federal assistance.

- Catalog of Federal Domestic Assistance (CFDA) - OMB Circular A-133 requires the Schedule to show total expenditures for each of the State's federal assistance programs as identified in the CFDA. The Federal Single Audit Clearinghouse has modified several of the CFDA programs for reporting purposes. The Schedule includes those modifications.

- Each program included in the CFDA is assigned a five-digit program identification number (CFDA number), the first two digits designating federal agency and the last three digits designating federal assistance program within the federal agency. The CFDA number is reflected in the Schedule. Federal assistance programs and awards which have not been assigned a CFDA number, but have a grant award or agreement number, are assigned a five digit code consisting of the first two digits indicating federal agency and the last three digits all zeros. Where no CFDA number has been identified and no award or agreement number was identifiable, a five-digit code consisting of two digits indicating federal agency followed by three nines, is displayed on the Schedule.

- Cluster of Programs - Closely related programs with different CFDA 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 appearing 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 Circular A-133 *Compliance Supplement* (June 2010). No expenditures of federal awards were recorded in the following mandated clusters in the report year:

  Rural Rental Housing
  Section 8 Project-Based
  Foster Grandparent/Senior Companion
  Food for Peace
  Indian CDBG Program
  Indian Housing Block Grants
  CFP
  Native Hawaiian Housing
  Lead Hazard Control
  Impact Aid
  Emergency Food and Shelter Program
  Centers for Independent Living
  Statewide Data Systems
  Housing Voucher
  Teacher Incentive Fund

Note B2: Reporting Entity - The State reporting entity is fully described in Note 1A of the State's financial statements. The Schedule includes all federal assistance programs administered by the State during fiscal year ending June 30, 2010.

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 of 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. 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 $1,883,047 was recovered for state central service costs during fiscal year ending June 30, 2010.

- Matching Costs - The Schedule does not include matching expenditures with the exception specified in Note C.

- Non-monetary Assistance - Generally, non-monetary assistance programs included on the Schedule are identified with an non-cash expenditure (NC) including:

  1. The **Supplemental Nutrition Assistance Program (SNAP)** is administered through Electronic Benefit (EBT) cards that provide each eligible client with an authorized limit of service (purchase of specific food products). The dollar expenditure reported for the SNAP consists of actual disbursements for client purchases of authorized food products via the EBT card program.

  2. The **Temporary Food Assistance** program is 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 fair market value was estimated to be 23% of the property's original acquisition value.

     However, for the Fiscal Year 2010 Schedule, the following non-monetary assistance programs are included on the Schedule without the NC designation:

     - **Commodity Supplemental Food** program……. $18,959,176
     - **Immunization** programs……... $102,097,078

- Endowment, Loan and Loan Guarantee Programs - Additional information on federal endowment, federal loan, and federal loan guarantee programs is included in Footnote G. Amounts in Footnote G included in the Schedule of Expenditures of Federal Awards are indicated with an (**s**).

- Indirect (Pass-Through) Federal Assistance - The majority of the State's federal assistance is received directly from federal awarding agencies (i.e., the State is the primary recipient). However, agencies and institutions of the State 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.

- Federal Transactions Between State Agencies and Institutions - Some state agencies and institutions subaward federal assistance to other state agencies or institutions (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 reported once on the Schedule. This method avoids duplication and the overstatement of the aggregate level of federal assistance expended by the State. However, purchases of services between state organizations using federal monies are reported in the financial statements as expenditures or expenses by the purchasing organization and as revenues for services rendered by the providing organization.

Note B4: Reporting Change

For the Fiscal Year 2010 Schedule, CFDA Program No. 93.389, National Center for Research Resources, is reported under the Research and Development (R&D) cluster. CFDA Program No. 93.389 was reported in previous years as Non Clustered. Analysis of the nature of the largest awards received under CFDA Program No. 93.389 in Fiscal Year 2010 indicated that it was more properly reported as R&D.

Note B5: 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, 2010:

  10.557 - Special Supplemental Nutrition Program for WIC..... $33,837,989
  (Infant formula rebates provided by private companies)

  93.917 - HIV Care..... $9,687,102
  (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, 2010:

  20.205 Debt service costs for Referendum 49 bonds..... $4,056,656

- 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: **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, CFDA Program No. 17.225, for fiscal year ending June 30, 2010 include:

State of Washington/Employer Funded	$2,175,659,724
Federal Funds	2,424,867,943
Total	$4,600,527,667

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

As described previously in Note B3, non-monetary assistance is reported in the Schedule. As of June 30, 2010, the state held the following inventories of non-monetary assistance:

Food Commodities (10.565)	$4,223,632
Temporary Emergency Food Assistance (10.569)	629,977
Total	$4,853,609

Note E: **Other Footnote Designations**

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

NC - Non-cash expenditures.

PT - Pass Through (expenditures of resources received from a nonfederal entity outside of the State entity which the nonfederal entity recognized as federal assistance).

AL - Value of loans made during the year.

OL - Value of new loans made during the year plus balance of loans from previous years, net of payments to date, for which the federal government imposes continuing compliance requirements.

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
03.000	3600	MICHIGAN STATE UNIV	61-5202A	61,155
05.000	3600	WESTERN ARTS FEDERATION	TW20090059	2,500
05.025	3600	WESTERN ARTS FEDERATION	TW20090058	2,500
06.149	3650	CO ST UNIV FED FLOW	G10102	21,228
06.168	3650	HUMANITIES WA	GA02662	7,381
07.000	0800	Northwest HIDRA	9008000083	43,178
07.000	0800	Northwest HIDTA	9007000120	8,520
07.000	2250	San Diego Sheriff's Office	C090207FED-NMI9	264,023
10.000	3600	CASCADE LAND CONSERVANCY	UW BUD# 638421	8,493
10.000	3600	CORRIM	SUBCONTRACT #310B	85,153
10.000	3600	FAMILY FOREST FOUNDATION	FFFRTI0801	80,834
10.000	3600	MARINE BIOLOGICAL LABORATORY	35540	18,629
10.000	3650	NW INDIAN COLLEGE FED FLOW	WSU001099	2,576
10.000	3650	PA ST UNIV FED FLOW	3310WSUNASULGC0114	1,889
10.000	3650	UNIV OF ID FED	BAK465SB001	2,940
10.000	3650	UNIV OF ID FED	BJKF48WSU	-8
10.000	3650	UNIV OF TN FED FLOW	AES00792300104	2,159
10.000	3750	Green Mountain College	06-CR-11132427-114	2,564
10.000	3750	U of Southern Miss	06-CR-11132427-114	32,665
10.001	3650	CORNELL UNIV FED FLOW	547588795	-41
10.001	3650	MI ST UNIV FED FLOW	614684E	12,874
10.001	3650	UNIV OF CT FED FLOW	5650	40,000
10.200	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF 09-0066 FP903462	30,000
10.200	3650	CO ST UNIV FED FLOW	AFE742346	1,486
10.200	3650	MT ST UNIV-FED FLOW	G01107W1120	-633
10.200	3650	OR ST UNIV FED	C0340AJ	-3,427
10.200	3650	OR ST UNIV FED	C0353AA	4,196
10.200	3650	OR ST UNIV FED	C0380AA	81,185

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10.200	3650	OR ST UNIV FED	C0396AE	140
10.200	3650	OR ST UNIV FED	C0406AA	44,169
10.200	3650	OR ST UNIV FED	SL063AA	122
10.200	3650	UNIV OF CA DAVIS FED	07010ETX	18,748
10.200	3650	UNIV OF CA DAVIS FED	08001136WSU1	14,437
10.200	3650	UNIV OF CA DAVIS FED	08001136WSU2	11,106
10.200	3650	UNIV OF CA DAVIS FED	08001136WSU3	55,366
10.200	3650	UNIV OF CA DAVIS FED	09002101WSU1	91,935
10.200	3650	UNIV OF CA DAVIS FED	09002101WSU2	45,494
10.200	3650	UNIV OF CA DAVIS FED	09002101WSU3	177
10.200	3650	UNIV OF CA DAVIS FED	SA7486	15,522
10.200	3650	UNIV OF CA DAVIS FED	SA7487	5,103
10.200	3650	UNIV OF CA DAVIS FED	SA7580	6,336
10.200	3650	UNIV OF ID FED	BAK302SB001	-617
10.200	3650	UNIV OF ID FED	BAK303SB002	-334
10.200	3650	UNIV OF ID FED	BAK463WSU	9,121
10.200	3650	UNIV OF ID FED	BAK464	90,389
10.200	3650	UNIV OF ID FED	BAK465SB001	19,940
10.200	3650	UNIV OF ID FED	BAK631WSU	-1,096
10.200	3650	UNIV OF ID FED	GPK205SB0012	61,786
10.200	3650	UNIV OF ID FED	GPK360WSU	209
10.200	3650	UNIV OF ID FED	GPK701WSU	97,641
10.200	3650	UT ST UNIV - FED FLOW	051687039	13,102
10.200	3650	UT ST UNIV - FED FLOW	061553001	28,599
10.200	3650	UT ST UNIV - FED FLOW	061553035	1,892
10.200	3650	UT ST UNIV - FED FLOW	061553043	3,047
10.200	3750	U of Wisconsin	068K725	40,434
10.200	3750	U of Wisconsin	USDA/PSU RGIS 2009-10	79,117

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.206	3600	NORTHERN ARIZONA UNIVERSITY	FOR34FT012008351011904	46,199
10.206	3650	NC ST UNIV - FED FLOW	2004157807	9,609
10.206	3650	OH ST UNIV RSCH FNDN FED FLOW	60015822	6,129
10.206	3650	UNIV OF AZ	Y452468	35
10.206	3650	UNIV OF CA DAVIS FED	K01661814	75,260
10.206	3650	UNIV OF CO FED FLOW	2592158	13,720
10.206	3650	UNIV OF GA FED FLOW	RC2935023843688	13,147
10.206	3650	UNIV OF MN FED FLOW	Q4096504901	46,792
10.206	3650	UNIV OF MN FED FLOW	Q6736000501	1,376
10.206	3650	VA TECH UNIV	42204819276	2,522
10.212	3650	BEST LLC	0200900215	19,974
10.212	3650	MULTIFORM HARVEST INC FED FLOW	WSU000651	1,322
10.215	3650	UT ST UNIV - FED FLOW	080019009	119,027
10.215	3650	UT ST UNIV - FED FLOW	080019042	5,895
10.215	3650	UT ST UNIV - FED FLOW	080019044	12,553
10.215	3650	UT ST UNIV - FED FLOW	080861009	57,417
10.215	3650	UT ST UNIV - FED FLOW	080861054	18,433
10.215	3650	UT ST UNIV - FED FLOW	080861059	58
10.215	3650	UT ST UNIV - FED FLOW	090758003	20,185
10.217	3650	MT ST UNIV-FED FLOW	G23309W2325	56,893
10.227	3650	NW INDIAN COLLEGE FED FLOW	WSU001000	3,721
10.227	3650	NW INDIAN COLLEGE FED FLOW	WSU001120	7,351
10.227	3800	Northwest Indian College	NONE	4,650
10.303	3650	ND ST UNIV FED FLOW	FAR0014806	13,968
10.303	3650	OR ST UNIV FED	C0368AA	5,033
10.303	3650	UNIV OF CA DAVIS FED	07001492WA2	72,225
10.303	3650	UNIV OF ID FED	BJKE27WSUCES	-2,878
10.303	3650	UNIV OF ID FED	BJKH03SB001	56,430

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.303	3650	UNIV OF ID FED	BJKH03SB002	225
10.303	3650	UNIV OF ID FED	BJKH15SB001	130,436
10.303	3650	UNIV OF ID FED	BJKH15SB002	41,233
10.303	3650	UNIV OF ID FED	BLK594SB001	90,810
10.303	3650	UNIV OF NE FED	2563210113004	2,136
10.304	3650	UNIV OF CA FED	8700255817	13,945
10.309	3650	CARNEGIE MELLON UNIV FED FLOW	1080198219090	107,648
10.309	3650	MI ST UNIV	614296A	193,803
10.309	3650	PA ST UNIV FED FLOW	3826WSUUSDA9561	39,621
10.309	3650	RUTGERS ST UNIV OF NJ FED FLOW	3651	19,066
10.309	3650	UNIV OF CA DAVIS FED	0800399602	16,668
10.309	3650	UNIV OF CA-BERKELEY FED FLOW	00006986	49,130
10.310	3650	BROAD INSTITUTE	50300805500000108	51,042
10.310	3650	MI ST UNIV	614202A	4,487
10.310	3650	ND ST UNIV FED FLOW	FAR00156802	17,570
10.310	3650	OR ST UNIV FED	C0414CB	4,394
10.310	3650	UNIV OF ID FED	BJKH55SB001	336
10.310	3650	UNIV OF MN FED FLOW	H000972009	32,162
10.315	3650	UNIV OF MN FED FLOW	H001344204	92,057
10.500	3650	CORNELL UNIV FED FLOW	548748872	1,294
10.500	3650	KS ST UNIV FED FLOW	S09160	76,682
10.500	3650	KS ST UNIV FED FLOW	S10088	21,753
10.500	3650	KS ST UNIV FED FLOW	S10174	1,641
10.500	3650	OR ST UNIV FED	SL061AA	4,320
10.500	3650	PURDUE UNIV	8000020482AG	16,083
10.500	3650	PURDUE UNIV	8000025986AG	2,356
10.500	3650	TX A&M UNIV FED	TCEIRAQ1	231,185
10.500	3650	UNIV OF AZ	Y550112	4,526

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10.500	3650	UNIV OF HI RES CORP FED FLOW	Z885827	15,273
10.500	3650	UNIV OF MN FED FLOW	S4079036501	463,190
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46442WA	1,889
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46448	4,176
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46460EES	21,564
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46466WA	9,630
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46467WA2	290
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46471EES	7,500
10.500	3650	UT ST UNIV - FED FLOW	080018003	45,437
10.500	3650	UT ST UNIV - FED FLOW	080827002	4,870
10.567	3650	S PUGET INTERTRIBAL PLAN AGCY	WSU001011	10,024
10.567	3650	S PUGET INTERTRIBAL PLAN AGCY	WSU001160	7,873
10.773	3600	NCW RES. CONSERVATION DVLPMT COUNCIL	UW BUD# 662090	101
10.912	3650	NAT'L FISH & WILDLIFE FNDN	20080116039	107,418
10.912	3650	OR ST UNIV FED	DA525AA	15,566
11.000	3600	ALASKA DEPARTMENT OF FISH & GAME	COOP 09-012,AM 2	32,511
11.000	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP 09-015	102,598
11.000	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	UW BUD# 637733	14,000
11.000	3600	NORTH PACIFIC RESEARCH BOARD	F3813-00	16,616
11.000	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 801191	7,326
11.000	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 801214	8,660
11.000	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 801215	649
11.000	3600	OCEANGRAPHIC (CORE)	NA07SEC4690001	-2,522
11.000	3600	PACIFIC SALMON COMMISSION	CTC-2009	59,625
11.000	3600	PACIFIC SHELLFISH INST	NMFS-FHQ-2009-2001464	26,954
11.000	3600	PACIFIC SHELLFISH INST	UW BUD# 637814	8,939
11.000	3600	PACIFIC SHELLFISH INST	UW BUD# 669062	-53
11.000	3600	PACIFIC ST MARINE FISHERIES COMM	0980NOAAHA133F09SE0725	21,294

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11.000	3600	PARAMETRIX	553-3975-003	13,583
11.000	3600	RUTGERS UNIVERSITY	PO#S1142140	114
11.000	3600	UNIV OF ALASKA FAIRBANKS	PO FP00983	46,591
11.000	3600	UNIV OF CA SAN DIEGO	R/FISH-208	33,903
11.000	4770	N. Pacific Fishery Management Council	2009-3	12,827
11.000	4770	N. Pacific Fishery Management Council	2010-3	22,729
11.000	4770	N. Pacific Fishery Management Council	NI-2005-3	19,576
11.000	4770	Oregon Dept of Fish & Wildlife	020-8275-ISA-FISH	169,610
11.000	4770	Pacific Fish Mgmt Council	06-10	111,016
11.000	4770	Pacific Fishery Management Council	06-09	58,767
11.000	4770	Pacific States Marine Fisheries Commission	10-44	122,864
11.000	4770	Pacific States Marine Fisheries Commission	10-79	3,683
11.000	4770	Pacific States Marine Fisheries Commission	10-80	3,360
11.000	4770	Pacific States Marine Fisheries Commission	10-81	15,399
11.430	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF 08-0119 MOD 3	73,001
11.431	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	S08-67883	94,351
11.431	3600	WOODS HOLE OCEANOGRAPHIC INST	A100469	35,582
11.432	3600	RESEARCH CORP OF THE UNIV OF HAWAII	Z806572	131
11.432	3600	UNIV OF MICHIGAN	PO#3001446790	393
11.437	4770	Pacific States Marine Fisheries Commission	09-115	246,183
11.437	4770	Pacific States Marine Fisheries Commission	09-116	178,379
11.437	4770	Pacific States Marine Fisheries Commission	09-117	15,744
11.437	4770	Pacific States Marine Fisheries Commission	09-17	13,634
11.437	4770	Pacific States Marine Fisheries Commission	10-35	200,277
11.437	4770	Pacific States Marine Fisheries Commission	10-59	50,000
11.437	4770	Pacific States Marine Fisheries Commission	Agreement-UBE	318,175
11.438	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP 10-029	45,038
11.438	3600	ALASKA DEPT OF FISH AND GAME	COOP 08-083	-279

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11.438	3600	ALASKA DEPT OF FISH AND GAME	COOP-09-009	206,761
11.438	3600	ALASKA DEPT OF FISH AND GAME	COOP-10-008, AMEND #1	26,718
11.438	3600	ALASKA DEPT OF FISH AND GAME	PROJ # 11145128	183,126
11.439	3600	NORTH PACIFIC MARINE SCIENCE FOUNDATION	NA05NMF4391068	10,902
11.460	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100609,AMEND#2	106,341
11.467	3600	UCAR	Z10-81101	7,540
11.472	3600	NORTH PACIFIC RESEARCH BOARD	814	449
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 53	51,136
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 59	26,018
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 73	15,169
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B61	5,037
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B62	6,617
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2623-00	-290
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2624-00	16,013
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2707-00	4,127
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2716-00	30,451
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2732-00	-2,156
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2852-03	3,906
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2862-01	38,424
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2870-01	96,174
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2871-01	39,181
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2873-00	62,451
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F3859-01	77,590
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F3861-01	41,631
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F3869-06	9,771
11.472	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 634022	30,475
11.472	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 638967	2,825
11.609A	3650	UNIV OF CA SAN DIEGO	10305702	7,583

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
11.999	4770	Columbia Basin Fish & Wildlife Foundation	None	138,160
12.000	3600	ADVANCED IMAGING TECHNOLOGIES	UW BUD# 662154	-12,213
12.000	3600	AEROVEL CORPORATION	UW BUD# 635688	24,558
12.000	3600	AEROVEL CORPORATION	UW BUD# 638557	18,218
12.000	3600	AEROVEL CORPORATION	UW BUD# 638640	17,491
12.000	3600	ANDREWS SPACE, INC.	SC-0809-0004	9,765
12.000	3600	BBN TECHNOLOGIES CORP.	13705	334,739
12.000	3600	COMPUTATIONAL SCIENCES LLC	UW BUD# 635677	40,161
12.000	3600	CUBRC	07688-02	51,630
12.000	3600	DUKE UNIVERSITY	UW BUD# 636641	1,322
12.000	3600	DUKE UNIVERSITY	UW BUD# 637561	29,370
12.000	3600	EAGLE HARBOR TECHNOLOGIES, INC.	A55795	5,274
12.000	3600	ERC, INC.	RS100297	339
12.000	3600	FNDN FOR HLTH CARE QUALITY	UW BUD# 668965	5,424
12.000	3600	FNDN FOR HLTH CARE QUALITY	UW BUD# 668990	82,756
12.000	3600	HONEYWELL INTERNATIONAL	PO C09110002	28,883
12.000	3600	HSTAR TECHNOLOGIES CORP.	UW BUD# 638300	4,942
12.000	3600	IMPULSE DEVICES, INC.	W9113M07S4BASEMOD07	469,014
12.000	3600	INNOVATIVE SCIENTIFIC SOLUTIONS, INC.	2227-001	-1,980
12.000	3600	IPITEK	UW BUD# 634602	119,578
12.000	3600	JOHNS HOPKINS UNIVERSITY	106314	6,163
12.000	3600	JOHNS HOPKINS UNIVERSITY	849637 MOD#5	-1
12.000	3600	MANDEX, INC.	PO # 27874	14,925
12.000	3600	MANDEX, INC.	PO# 28074	2,214
12.000	3600	MANDEX, INC.	PO#27725	-47
12.000	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002101-06	196,053
12.000	3600	MICRO MAGNETICS, INC.	UW BUD# 631537	-7
12.000	3600	MOBILISA, INC.	UW BUD# 634021	313,743

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
12.000	3600	MOBILISA, INC.	UW BUD# 634057	123,349
12.000	3600	MOBILISA, INC.	UW BUD# 634257	52,784
12.000	3600	MOIRE INCORPORATED	MOIRE-SUB-2010	35,245
12.000	3600	MSNW	UW BUD# 632320	52,416
12.000	3600	NORTHWEST RESEARCH ASSOCIATES	NWRA-10-S-128	28,139
12.000	3600	NORTHWEST RESEARCH ASSOCIATES, INC.	NWRA-09-S-127	12,776
12.000	3600	NOVELTECH	UW BUD# 668088	-21
12.000	3600	OMEGA OPTICS, INC	CMOS-OMG804	49,591
12.000	3600	PHOTON-X	UW BUD# 633478	-24
12.000	3600	RADIO-HYDRO-PHYSICS, LLC	UW BUD# 635081	13,962
12.000	3600	SARCOMA ALLIANCE FOR RSCH THU COLLAB	UW BUD# 638538	1,583
12.000	3600	SMARTRONIX, INC.	SMX052016UOWTDMUW0002	-143
12.000	3600	SPI SURGICAL	UW BUD# 638108	24,237
12.000	3600	SPI SURGICAL	UW BUD# 638119	25,867
12.000	3600	SRI INTERNATIONAL, INC.	27-001340 RELEASE 1	82,063
12.000	3600	SRI INTERNATIONAL, INC.	27-001341 RELEASE 1	360,645
12.000	3600	SRI INTERNATIONAL, INC.	55-000916	21,690
12.000	3600	SRI INTL INC	55-000754 MOD # 6	903
12.000	3600	SRI INTL INC	71-000134, MOD. #3	149,174
12.000	3600	SYSTIMA TECHNOLOGIES, INC.	PO 33164	7,000
12.000	3600	TELCORDIA TECHNOLOGIES INC	10083184 AM16	34,956
12.000	3600	TELEDYNE BROWN ENGINEERING INC	955492	153,935
12.000	3600	THE BOEING COMPANY	UW BUD# 637648	17,231
12.000	3600	THE GENEVA FNDN	S-2004-TSNRP-03 MOD03	19,038
12.000	3600	THE GENEVA FNDN	S2005TSNRP07HU0001051T	21,147
12.000	3600	THE UNIVERSITY OF TEXAS HEALTH	SUB AWD 0006622B	275,532
12.000	3600	UNIV OF CALIFORNIA, SAN DIEGO	PO #10291495	242,287
12.000	3600	UNIVERSAL TECHNOLOGY CORP	09-S590-0011-14-C1	97,973

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12.000	3600	UNIVERSAL TECHNOLOGY CORP	10-T583-013-C1	70,835
12.000	3600	UNIVERSITY OF HAWAII	Z917917-02	118,743
12.000	3600	UNIVERSITY OF NOTRE DAME	UND-201563	61,882
12.000	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	0160-S-JD905	40,323
12.000	3650	ACADEMY OF APPLIED SCI-FED	09102	2,600
12.000	3650	ACADEMY OF APPLIED SCI-FED	W91NF0410226	2,600
12.000	3650	ADVANCED TECHNOLOGY INSTITUTE	2010315	25,743
12.000	3650	BATTELLE COLUMBUS FED FLOW	TCN08187	3,585
12.000	3650	BATTELLE COLUMBUS FED FLOW	TCN09258	9
12.000	3650	FC & ASSOCIATES INC	WSU001027	18,000
12.000	3650	INFINIA CORP	113700	10,535
12.000	3650	NORTHROP GRUMMAN CORP	2634052	73
12.000	3650	PRINTPACK INC	113970	14,830
12.000	3650	SCIENCE APPLICATIONS INTL CORP	P010007799	54,175
12.000	3650	SRI INT'L FED FLOW	61000802	27,803
12.000	3650	THE NATURE CONSERVANCY	WAFO161052907	7,754
12.000	3650	UNIV OF NM	889236874P	-3,880
12.300	3600	CARNEGIE MELLON UNIV	UW BUD# 637570	116,185
12.300	3600	IOWA STATE UNIV	421-23-01-AMEND#3	8,567
12.300	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002230	90,152
12.300	3600	OREGON STATE UNIVERSITY	K9643H-A	22,841
12.300	3600	UNIV OF MICHIGAN	F012919	118,253
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF 08-0047	46,990
12.300	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2008-2038 AM02	178,987
12.300	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10276960-005	169,058
12.300	3600	UNIVERSITY OF CHICAGO	27499-B	6,749
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100587	33,569
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100593	24,413

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12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100615	64,366
12.300	3650	MASS INST OF TECH-FED FLOW	5710002043	377,388
12.300	3650	MT ST UNIV-FED FLOW	G19207W0917	-184
12.300	3650	UNIV OF ID FED	KKK745SB001	101,287
12.300	3650	UNIV OF ID FED	KKK777SB001	105,568
12.300	3650	UNIV OF ID FED	KKK800SB01	5,437
12.300	3650	UNIV OF TX	UTA09000560	80,000
12.400	3600	HENRY M. JACKSON FOUNDATION	669610 AM01	111,185
12.420	3600	DUKE UNIVERSITY	SUB # 135606 AM02	-1,000
12.420	3600	HENRY M. JACKSON FOUNDATION	669701	293,495
12.420	3600	HENRY M. JACKSON FOUNDATION	671800	242,975
12.420	3600	INSTITUTE FOR SYSTEMS BIOLOGY	2007.0007 AM01	9,104
12.420	3600	SIBCR	UW BUD# 673333	29,310
12.420	3600	VANDERBILT UNIV MED CTR	W81XWH-05-1-0239 AM02	59,279
12.420	3650	INST SYST MEDICINE	WSU000864	782,133
12.431	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	28D 1083900	119,841
12.431	3600	COLORADO STATE UNIVERSITY	G-2308-1	154,024
12.431	3600	TULANE UNIVERSITY	TUL-570-08/09	54,241
12.431	3600	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z848401	246,065
12.431A	6990	Academy of Applied Science	W911NF-04-1-0001	7,540
12.630	3600	BOSTON UNIVERSITY	GC200014NGD AMD 3	321,300
12.630	3650	ADVANCED BRAIN MONITORING	NBCHC090054	132,042
12.800	3600	AFOSR	FA955-09-1-0587	263,710
12.800	3600	AFOSR	FA9550-10-1-0053	34,273
12.800	3600	ARIZONA STATE UNIVERSITY	10-219 AM01	73,308
12.800	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	1021080632	199,934
12.800	3600	UNIVERSITY OF MARYLAND, BALTIMORE COUNTY	0000003957	91,968
12.800	3600	VENTURA HEALTHCARE SYSTEMS LLC	FA7014-08-0002	669,764

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12.800	3650	AT&T	S000006010	7,967
12.910	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RA231-G2	45,848
12.910	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RA231G2W31P4Q0910012AM	17,391
12.910	3600	MIT	5710002617	200,142
14.000	3600	BREMERTON HOUSING AUTHORITY	RED092008-02	69,239
14.000	3600	SEATTLE HOUSING AUTHORITY	SUBGRANT #9920 ORDER#8	-10
14.000	3650	KITSAP CNTY	KC10410	2,130
14.169	1480	King County	D37862F	9,464
14.218	3700	City of Spokane - Neighborhood Center	HUD-CDBG-2007	1,517
14.228	6990	Tacoma Housing Authority	TMC129	10,038
14.239	1480	City of Bellevue	FY 2009-2010 ARCH DPA	8,000
14.239	1480	City of Bothell	FY 2009-2010 ARCH DPA	16,000
14.239	1480	City of Bremerton	FY 2010 DPA Bremerton	18,127
14.239	1480	City of Kenmore	FY 2009-2010 ARCH DPA	14,260
14.239	1480	City of Kirkland	FY 2009-2010 ARCH DPA	16,000
14.239	1480	City of Seattle	FY 2009-2010 HKPS	1,524,415
14.239	1480	King County	D37862F	469,504
14.239	1480	King County	FY 2009-2010 ARCH DPA	70,000
15.000	3600	CENTER FOR PLANT CONSERVATION	H262303W060	1,628
15.000	3600	CENTER FOR PLANT CONSERVATION	UW BUD# 637288	26,567
15.000	3600	CITY OF REDMOND	1981	17,121
15.000	3600	COASTAL RESOURCES ALLIANCE	UW BUD# 637514	2,726
15.000	3600	ROCHESTER INSTITUTE OF TECHNOLOGY	30728-13	19,961
15.000	3650	OR DEPT OF FISH & WILDLIFE	0118109ISAWILDLIFE	694
15.000	3650	OR DEPT OF ST LANDS	E647WSU52211534	-111
15.000	3650	OR DEPT OF ST LANDS	E655WSU52211589	19,406
15.000	3650	UNIV OF CA SAN DIEGO	R09AC20043	24,281
15.615	3600	MARIANA ISLANDS DIV OF FISH & WILDLIFE	438401-OC, AM06	273,834

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15.639	3650	COLVILLE CONFEDERATED TRIBES	C08322	4,726
15.650	3600	THE NATURE CONSERVANCY	WAFO-152-021910	1,165
16.000	3650	SHERIFFS ASSOCIATION OF TEXAS	WSU001017	166,751
16.302	3600	SEATTLE SENSOR SYSTEMS, INC	UW BUD# 632779	82,421
16.543	2250	City of Seattle	C100357FED-ICCI	10,000
16.560	3600	PROFESSOR JEFFREY EDLESON	T3996061101 AMEND 4	17,971
16.560	3600	UNIV OF CALIFORNIA IRVINE MEDICAL CTR	2007-1845, AMEND# 02	30,848
16.580	2250	WA Assoc of Sheriff's & Police Chiefs (WASPC)	C080195FED-WQA8	32,175
16.610	2250	California Dept. of Justice	C090541FED-WSX9	201,729
16.610	2250	California Dept. of Justice	C100584FED-WS10	61,044
16.610	2250	WSIN Inc.	C101015GSC-WS11	131,201
16.710	1030	Pierce County Alliance	09-66100-154	10,897
17.000	6990	Kitsap County	KC134-10	47,278
17.235	5400	WDC01	7389	119,153
17.253	5400	WDC09	7469	142,607
17.258	5400	WDC01	Contracts	319,703
17.258	5400	WDC02	Contracts	195,656
17.258	5400	WDC07	Contracts	205,751
17.258	5400	WDC08	Contracts	99,334
17.258	5400	WDC09	Contracts	117,161
17.258	5400	WDC11	Contracts	193,940
17.258	5400	WDC12	Contracts	220,940
17.258A	5400	WDC01	Contracts	202,332
17.258A	5400	WDC02	Contracts	307,583
17.258A	5400	WDC07	Contracts	25,618
17.258A	5400	WDC08	Contracts	36,099
17.258A	5400	WDC09	Contracts	63,196
17.258A	6990	Kitsap County	KC445-09	34,603

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17.258A	6990	PAC Mountain	WBS09-C772-ICTSPS	153,822
17.258A	6990	Pacific Mtn WIA Grant	WBS09-C773-ICTOC	14,340
17.258A	6990	WDC-Seattle King Cty	145-111-1U3S	15,495
17.258A	6990	WDC-Seattle King Cty	C9NSC-506-VAR	114,099
17.258A	6990	WDC-Seattle King Cty	C9SSC-501-VAR	46,144
17.258A	6990	WDC-Seattle King Cty	C9SSC-502-VAR	118,280
17.259	5400	WDC08	Contracts	138,720
17.259	5400	WDC09	Contracts	122,063
17.259A	3650	SW WA WORKFORCE DEV COUN FED	WDC0827WSUVSYEP	132,848
17.259A	5400	WDC08	Contracts	48,179
17.259A	5400	WDC09	Contracts	135,356
17.259A	6990	King Cty Dept of Comm & Human Svcs	D39342D	139,832
17.259A	6990	Kitsap County	Y8SSC-824-WYO	7,131
17.259A	6990	Pacific Mtn WIA Grant	WBS09-C773-ICTOC	14,340
17.259A	6990	WDC-Seattle King Cty	C9SSSC-502-VAR	157,720
17.260	5400	WDC01	Contracts	796,633
17.260	5400	WDC02	Contracts	1,165,151
17.260	5400	WDC05	Contracts	80,134
17.260	5400	WDC07	Contracts	201,468
17.260	5400	WDC08	Contracts	145,063
17.260	5400	WDC09	Contracts	281,202
17.260	5400	WDC10	Contracts	464,864
17.260	5400	WDC11	Contracts	550,596
17.260	5400	WDC12	Contracts	555,502
17.260	6990	Tac Pierce Cty Emp & Training Consortium	DW Truck Train3 2010	52,212
17.260	6990	Tac Pierce Cty Employment & Training Consortium	DW Truck Train2 2010	42,546
17.260A	5400	WDC01	Contracts	584,239
17.260A	5400	WDC02	Contracts	390,632

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17.260A	5400	WDC04	Contracts	79,734
17.260A	5400	WDC07	Contracts	66,125
17.260A	5400	WDC08	Contracts	18,585
17.260A	5400	WDC09	Contracts	116,111
17.260A	5400	WDC10	Contracts	275,385
17.260A	6990	EW Workforce Dev Council	09 CCS CDL Colville	25,335
17.260A	6990	EW Workforce Development Council	09 CCS CDL Whitman	25,044
17.260A	6990	EW Workforce Development Council	09 CCS Weld Colville	120,673
17.260A	6990	Kitsap County	KC-445-09	34,603
17.260A	6990	NW Workforce Dev Council	111-3285	224,155
17.260A	6990	Pacific Mtn WIA Grant	WBS09-C773-ICTOC	55,674
17.260A	6990	Skillsource	SKS10	126,422
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-Aviation	103,541
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-Career	44,140
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-IBest	54,237
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-LPN	31,956
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-MA	62,350
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-Mach	68,217
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-Pr Mgt	48,981
17.260A	6990	Spokane Area Workforce Dev Council	ARRA-Cohort-Soc Srv	25,525
17.260A	6990	WDC-Seattle King Cty	C9NSC-506-VAR	114,098
17.260A	6990	WDC-Seattle King Cty	C9SSC-501-VAR	118,656
17.260A	6990	WDC-Seattle King Cty	C9SVI-511-VAR	34,412
17.260A	6990	Wkfrc Dev Council Sea King Cty	1U 2,3,4 S	414,915
17.260A	6990	Workforce Central-Tacoma	PC-CNA IBEST 09-R3	23,660
17.260A	6990	Workforce Central-Tacoma	PC-DW LIA MB 09-R3	28,679
17.260A	6990	Workforce Central-Tacoma	PC-DW LIA MB2009-R2	51,340
17.260A	6990	Workforce Central-Tacoma	PC-DW LIA NE 2009-R2	43,597

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17.260A	6990	Workforce Central-Tacoma	PC-SI IBEST 10-R3	35,927
17.260A	6990	Workforce Dev Council of Snohomish Cty	09-EVC-0-756-AWD	103,812
17.260A	6990	Workforce Development Counc of Snoh Cty	08EDC-0740AWD	18,786
17.260A	6990	Workforce Development Counc of Snoh Cty	08EDC-AC747AWD	237,601
17.260A	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-754-AWD	48,968
17.260A	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-755-AWD	53,033
17.260A	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-757-AWD	83,967
17.260A	6990	Workforce Development Council	0910-WDC	223,643
17.268	3650	PACIFIC MOUNTAIN WORKFORCE CONSO	WFF09C795	25,599
17.268	6990	PAC Mountain	WF08-C794-SPSCC	936
17.268	6990	PAC Mountain	WFF08-C773-	18,184
17.268	6990	WDC-Seattle King County	T9SSC-476-ROW	3,133
17.268	6990	Wichita State University	SUB090072	3,574
17.274	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-761-YB	51,906
17.275	6990	WDC-Seattle King County	GJ-19860-10-60-A-36	6,485
17.275	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-783-SEED	1,164
19.000	3600	ACADEMY FOR EDUCATIONAL DEVELOPMENT	3879-UW-01, TO#4 MOD01	58,531
19.000	3600	ACADEMY FOR EDUCATIONAL DEVELOPMENT	GPOA00070000400MOD7	5,864
19.000	3600	CONRAD	MSA-06-442	428
19.000	3600	CONRAD	MSA-06-442 AMEND#2	377,008
19.000	3600	CONRAD	PPA-10-069	29,305
19.000	3600	COUNTERPART INTERNATIONAL	UW BUD# 636261	52,320
19.000	3600	EASTERN VIRGINIA MED SCH	CSA-99-271 AMO1	-1,642
19.000	3600	GEORGETOWN UNIVERSITY	UW-RX2050-896-08-E	326
19.000	3600	INSTITUTE OF INTERNATIONAL EDUCATION	S-ECAAS-08-CA-005	-4
19.000	3600	INSTITUTE OF INTERNATIONAL EDUCATION	S-ECAAS-09-CA-012	202,013
19.000	3600	JOHNS HOPKINS UNIVERSITY	UW BUD# 636885	24,644
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	RPM-09-001 AMD01	-20

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19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SPS08009AM03	200,433
19.000	3600	PATH	AID.1365-07476-CRT TO1	387,186
19.000	3600	PUBLIC HLTH INST	UW BUD# 671589	-540
20.000	3600	APPLIED RESEARCH ASSOCIATES, INC.	L000025.00013	49,273
20.000	3600	KING COUNTY DEPT OF TRANSPORTATION	UW BUD# 651418	-2,862
20.000	3600	TEXAS A&M UNIVERSITY	S090026	-3,111
20.000	3600	THE UNIVERSITY OF IOWA	W000172109	18,682
20.000	3600	UNIVERSITIES AND GRANTS PROGRAMS	DDEGRD-09-X-00440	1,500
20.000	3600	UNIVERSITY OF CALIFORNIA, SANTA BARBARA	UW BUD# 633178	11,505
20.000	3600	UNIVERSITY OF MARYLAND	Q222801	27,424
20.000	3600	VIRGINIA TECH	425942-19124	52,092
20.000	3650	NAT'L ACADEMIES	HR0436	63,345
20.000	3650	OR ST UNIV FED	T0013GA	101,824
20.000	3650	OREGON DEPT OF TRANSPORTATION	24800	57,730
20.000	3650	SPOKANE TRANSIT AUTH	WSU000305	21,568
20.000	3650	VA TECH UNIV	M025	176,616
20.200	3600	BERGERABAM ENGINEER, INC.	FABLD-09-171	102,912
20.200	3650	UNIV OF ID FED	KLK262SB003	14,555
20.205	3650	ID DEPT OF ENVIRO QUALITY	C737	53,745
20.235	2250	National Conference of State Legislatures (NCSL)	C100009FED-HIG1	8,394
20.513	4050	Okanogan County	GCA6192	3,566
20.600	3650	WA ASSOC OF SHERIFFS & POLICE CH	WSU001158	2,500
20.600	3800	WA Sooc of Sheriffs & Police Chiefs	NONE	1,982
20.701	3650	UNIV OF AK FAIRBANKS FED FLOW	080116	7,316
20.701	3650	UNIV OF AK FAIRBANKS FED FLOW	UAF080032	49,894
20.701	3650	UNIV OF ID FED	KLK714SB001	16,820
20.761	3650	OR ST UNIV FED	T0013GA	356,618
20.761	3650	OR ST UNIV FED	T0013RB	18,656

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21.000	1480	Neighborworks	161:95x1350	17,570
21.000	1480	Neighborworks	PL110-289:95X1350	542,380
21.000	1480	Neighborworks	PL111-8:95X1350	68,336
21.000	1480	Neighborworks	Training grant 09 & 10	9,229
43.000	3600	ARIZONA STATE UNIVERSITY	08-964 AM03	31,009
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMS00701, AMEND 9	151,078
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMS00701, AMEND. #8	-86
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMST01601	445,918
43.000	3600	CA INST OF TECH JPL	1315034, MOD 03	2,635
43.000	3600	CA INST OF TECH JPL	1318945 MOD07	94,088
43.000	3600	CA INST OF TECH JPL	1331892 MOD 3	-875
43.000	3600	CA INST OF TECH JPL	1380685	32,461
43.000	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	2-1087551	96,386
43.000	3600	CARNEGIE INSTITUTION OF WASHINGTON	4-10067-4051	100,639
43.000	3600	CARNEGIE INSTITUTION OF WASHINGTON	DTM-3159-07, AM10	16,393
43.000	3600	CLEVELAND CLINIC FOUNDATION	NNCO8QA14P	-152
43.000	3600	DESERT RESEARCH INST	03-DEES-04 AM01 & AM02	-1
43.000	3600	EAGLE HARBOR TECHNOLOGIES, INC.	UW BUD# 637092	897
43.000	3600	HAMPTON UNIVERSITY	107-2007, MOD2	-1,218
43.000	3600	HARVARD UNIVERSITY	500497202HU130691AM02	14,330
43.000	3600	JET PROPULSION LAB	1285662	149,420
43.000	3600	JET PROPULSION LAB	1285662 MOD.9	236,601
43.000	3600	JET PROPULSION LAB	1303809 MOD07	55,355
43.000	3600	JET PROPULSION LAB	1318943,MOD07	52,074
43.000	3600	JET PROPULSION LAB	1332735 MOD 3	88,995
43.000	3600	JET PROPULSION LAB	1355111 MOD #2	20,061
43.000	3600	JET PROPULSION LAB	1359623	56,852
43.000	3600	JET PROPULSION LABORATORY	1285663 MOD 8	167,529

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	3600	JET PROPULSION LABORATORY	1317617	69,327
43.000	3600	JET PROPULSION LABORATORY	1317624 MOD01	27,147
43.000	3600	JET PROPULSION LABORATORY	1320389	14,448
43.000	3600	JET PROPULSION LABORATORY	1369586	110,469
43.000	3600	JET PROPULSION LABORATORY	1375272	2,846
43.000	3600	JET PROPULSION LABORATORY	1377557AM001	76,942
43.000	3600	JET PROPULSION LABORATORY	RSA NO 1368483	3,432
43.000	3600	JET PROPULSION LABORATORY	UW BUD# 636586	8,400
43.000	3600	JOHNS HOPKINS UNIVERSITY	2000613225AM02	56,013
43.000	3600	JOHNS HOPKINS UNIVERSITY	935531 AM05	3,728
43.000	3600	JOHNS HOPKINS UNIVERSITY	935532 AM05	29,062
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	BL00408	158,789
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	BL01301	46,720
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	BLO1301	98,114
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01603	207,038
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01603 AM01	179,684
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01604	3,241
43.000	3600	PRINCETON UNIVERSITY	UW BUD# 637293	179,475
43.000	3600	SMITHSONIAN A. O.	AR9-0015X AM01	399
43.000	3600	SMITHSONIAN A. O.	G06-7058X AM02	3,345
43.000	3600	SMITHSONIAN A. O.	GO0-111129B	15,497
43.000	3600	SMITHSONIAN A. O.	GO9-0011X	24,382
43.000	3600	SMITHSONIAN A. O.	GO90126XNAS803060AM01	8,439
43.000	3600	SPACE TELESCOPE SCI INST	HST GO 10907 01A AM01	23,069
43.000	3600	SPACE TELESCOPE SCI INST	HST GO 11163 01-A AM01	16,889
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-10637-01-A	-2,435
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-10646.04-A AM01	39,795
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-10945.01-A AM03	158,530

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-11251.02-A	-155
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-11255.01.A AM01	13,718
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-11750.01-A	27,042
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-11767.03-A	29,963
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-09444.06-A AM04	2,490
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-09799.08-A04	1,055
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10424.10-A AM03	1,156
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10500.01-A AM04	3,229
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10615.01-A AM03	10,359
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10775.09-A AM02	14,566
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10889.05-AAM01	101,345
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10915.01-A AM04	152,386
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11079.02-A	2,922
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11122.01-A AM01	19,111
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11162.01-A	11,079
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11214.05-AAM01	10,669
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11215.01-A AM01	53,224
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11221.01-A	5,474
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11225-02-A AM02	10,008
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11233.01-A AM02	18,724
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11580.01-A AM01	14,883
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11633.08-A	981
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11677.09-A	7,192
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11718.01-A	10,710
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11719.01A AM01	9,897
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11982.01-A	60,603
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11986.01-A	43,705
43.000	3600	SPACE TELESCOPE SCI INST	HSTG00981501AAMEND3	1,096

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43.000	3600	STANFORD UNIVERISTY	PY-2426-22727-D AM19	209,454
43.000	3600	THE RESEARCH FNDN OF SUNY	PROJ1065012/43876AM02	2,729
43.000	3600	THE RESEARCH FNDN OF SUNY	PROJ1065588AW44148AM01	6,539
43.000	3600	UNITED NEGRO COLLEGE FUND (UNCF)	UW BUD# 801329	37,776
43.000	3600	UNIV OF CALIFORNIA, BERKELEY	SA4347-24309 AMEND 5	-9
43.000	3600	UNIV OF CALIFORNIA, SAN DIEGO	10234024-004	1,676
43.000	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	SA5800-11838 AM04	3,883
43.000	3600	UNIVERSITY OF PENNSYLVANIA	PO2023778547974MOD01	69,872
43.000	3600	XIGEN LLC	UW BUD# 638456	24,160
43.000	3650	CA INST OF TECH JET PROP LAB	1236947	37,516
43.000	3650	RUTGERS ST UNIV OF NJ FED FLOW	3890	81,029
43.000	3650	SONOMA TECHNOLOGY INC	STI909046	30,357
43.000	3650	SPACE TELESCOPE SCI INST	HSTG01042906A	2,026
43.000	3650	SPACE TELESCOPE SCI INST	HSTG01108301A	26,661
43.000	3650	SPACE TELESCOPE SCI INST	HSTGO1021712A	2,981
43.000	3650	SPACE TELESCOPE SCI INST	HSTGO1091101A	30,390
43.001	3600	DARTMOUTH COLLEGE	510 AM01	63,716
43.001	3600	DARTMOUTH COLLEGE	510 AM05	132,942
43.001	3600	STONY BROOK UNIVERSITY	1070841-2-46542, AM001	24,016
43.001	3650	INTELLIGENT FIBER OPTIC SYSTEMS	WSU001014	30,999
43.001	3800	U. of Arizona	PS02180	977
43.002	3600	THE OHIO STATE UNIVERSITY RESEARCH FOUN	UW BUD# 635042	62,856
47.000	3600	AERA GRANTS PROGRAM	UW BUD# 637341	8,914
47.000	3600	CARNEGIE MELLON UNIV	1120959-214342 AM2	24,063
47.000	3600	COMPUTING RESEARCH ASSOCIATION	0637190	265,718
47.000	3600	CORNELL UNIVERSITY	58007-9069	31,232
47.000	3600	JET PROPULSION LABORATORY	1288051 MO 01	-548
47.000	3600	JOINT OCEANOGRAPHIC INSTITUTIONS, INC.	JSA 07-08	1,283,137

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47.000	3600	JOINT OCEANOGRAPHIC INSTITUTIONS, INC.	UW BUD# 635893	128,161
47.000	3600	LSST CORPORATION	C44044LAM02	64,844
47.000	3600	LSST CORPORATION	C44068L	78,926
47.000	3600	NEW MEXICO TECH	PO007014	13,850
47.000	3600	NORTHWEST RESEARCH ASSOCIATES, INC.	NWRA-9-S-115MOD1	23,926
47.000	3600	OCEAN NANO TECH, LLC	UW BUD# 637209	114,403
47.000	3600	ROCHESTER INST OF TECHNOLOGY	3084601	24,972
47.000	3600	SUNY	R5661721073996247834	71,650
47.000	3600	TAU THETA INSTRUMENTS LLC	IIP-0750508	63,518
47.000	3600	WORCESTER POLYTECHNIC INSTITUTE	06-201630-02 AM 4	299,163
47.000	3650	PUGET SOUND CTR TEACH LEARN TECH	WSU000407	-1,993
47.000	3650	PUGET SOUND CTR TEACH LEARN TECH	WSU000831	15,496
47.000	3650	UNIV OF CA FED	09MESADUE0324218553	6,250
47.000	6990	N Olympic Pen Res Cons & Dev Counc	NNAA06CN06A	45,934
47.041	3600	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473	124,254
47.041	3600	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473 AM06	516,886
47.041	3600	CORNELL NANOSCALE SCI & TECH FACILITY	52120-8459	7,105
47.041	3600	GEORGIA INSTITUTE OF TECHNOLOGY	E-20-L05-G3 AMD 2	60,281
47.041	3600	GEORGIA INSTITUTE OF TECHNOLOGY	E-20-L05-G7 AMO3	53,566
47.041	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002247	102,991
47.041	3600	NANOFACTURE, INC.	UW BUD# 638771	2,313
47.041	3600	THE PENNSYLVANIA STATE UNIVERSITY	3352-UW-NSF-4219	46,461
47.041	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	130323	435,622
47.041	3650	ND ST UNIV FED FLOW	10915W	5,589
47.041	3650	UNIV OF TX	UTA06818	22,786
47.041	6990	N Carolina A & T State University	260118A	25,000
47.049	3600	COLUMBIA UNIV, NEVIS LABS	16 ACCT 524324AM10	43,502
47.049	3600	INSTITUTE FOR ADVANCED STUDY	7443-2307, AMEND5	-378

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.049	3600	INSTITUTE FOR ADVANCED STUDY	7443-2307AM	48,289
47.049	3600	INSTITUTE FOR ADVANCED STUDY	IAS-EHR-0314808	1,590
47.049	3600	JOHNS HOPKINS UNIVERSITY	UW BUD# 801001	5,000
47.049	3600	LSST CORPORATION	C44009LAM05	241,052
47.049	3600	LSST CORPORATION	C44036L AM02	148,741
47.049	3600	MIT	5710002494	10,740
47.049	3600	MIT	5710002494AM02	6,981
47.049	3600	NEW YORK UNIVERSITY	F094801 AM #A01	-4,641
47.049	3600	OREGON STATE UNIVERSITY	S0983A-A	-19
47.049	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	S08-55366	-4
47.049	3600	UNIVERSITY OF CALIFORNIA, RIVERSIDE	5-00000365	38,000
47.049	3600	UNIVERSITY OF NOTRE DAME	UW BUD# 630560	11,260
47.049	3650	US CIVILIAN RSCH & DEV FNDN	RUB12942ST09	2,079
47.049	6990	Brevard Community College	DUE 0532618	11,201
47.050	3600	COLORADO STATE UNIVERSITY	G-3045-18	25,581
47.050	3600	COLORADO STATE UNIVERSITY	G-3045-5 AM04	81,284
47.050	3600	COLORADO STATE UNIVERSITY	G-3045-5AM02	25,002
47.050	3600	COLUMBIA UNIV	OCE0223951	47,202
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 2	1,834,500
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 4	56,187
47.050	3600	IRIS	14-DMS AM06	43,056
47.050	3600	NORTH CAROLINA STATE UNIVERSITY	UW BUD# 637766	29,921
47.050	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GSTCN0001A7.UW	496,322
47.050	3600	THE TRUSTEES OF COLUMBIA UNIVERSITY, NY	5-24452	103,970
47.050	3600	UNIV CORP FOR ATMOSPHERIC RSCH	S10-75538 M01	254,873
47.050	3600	UNIVERSITY OF CALIFORNIA RIVERSIDE	S-000375	5,650
47.050	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	PO 10294146	8,774
47.050	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	PO 10294147	8,774

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47.050	3600	UNIVERSITY OF CALIFORNIA, SANTA BARBARA	KK4111, MOD03	4,328
47.050	3600	UNIVERSITY OF COLORADO	154-5822	80,952
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100582	23,173
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100666	107,658
47.050	3650	IN UNIV FED FLOW	PO136977	-21
47.050	3750	UNAVCO	EAR-0453975-04	119,092
47.050	3800	Univ. of Oregon	207391C	42,026
47.070	3600	BBN TECHNOLOGIES CORP	UW BUD# 635305	210,026
47.070	3600	BBN TECHNOLOGIES CORP	UW BUD# 635728	30,441
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-364	95,284
47.070	3600	COMPUTING RESEARCH ASSOCIATION	UW BUD# 802140	104,909
47.070	3600	OREGON STATE UNIVERSITY	S1065A-A	103,224
47.070	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	SA5249-23613	-2,739
47.070	3600	UNIVERSITY OF COLORADO	1544772	35,530
47.070	3600	UNIVERSITY OF ILLINOIS	2007-03543-01	90,509
47.070	3600	UNIVERSITY OF MISSOURI-COLUMBIA	C00014708-1	22,632
47.070	3650	UNIV OF IL FED FLOW	20050451002	141,680
47.074	3600	KECK GRADUATE INSTITUTE	UW BUD# 633172	18,774
47.074	3600	OREGON STATE UNIVERSITY	S0720E-A, AM04	5,919
47.074	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2008-2054	59,982
47.074	3600	UNIVERSITY OF KANSAS CENTER FOR RESEARCH	FY2008-84, MOD 02	7,378
47.074	3600	UNIVERSITY OF MASSACHUSETTS, WORCESTER	6110567RFS900119AMD1	54,520
47.074	3600	UNIVERSITY OF WISCONSIN-MADISON	252F195	86,963
47.074	3650	CORNELL UNIV FED FLOW	602479191	40,295
47.074	3650	IA ST UNIV FED FLOW	4204071F	139,197
47.074	3650	UNIV OF ID FED	AKK628	-214
47.075	3600	PORTLAND STATE UNIVERSITY	0751362	854
47.075	3600	STANFORD UNIVERSITY	18442820-36418-A AM04	66,493

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
47.075	3600	UNIVERSITY OF COLORADO	154-1507,MOD 2	-13
47.076	3600	ASSOCIATION OF AMERICAN GEOGRAPHERS	NSF EDGE/REESE 7026	20,134
47.076	3600	IOWA STATE UNIVERSITY	4202152	-208
47.076	3600	UNIV OF ALASKA ANCHORAGE	G-3437	95,451
47.076	3600	UNIVERSITY OF COLORADO	1546952	4,177
47.076	3600	UNIVERSITY OF COLORADO DENVER	FY09.455.001 U WA YR1	3,198
47.076	3600	UNIVERSITY OF COLORADO DENVER	FY10.455.001_AMD1	62,889
47.076	3600	UNIVERSITY OF NORTHERN COLORADO	GKA10-0032	41,868
47.076	3600	WESTED	5060 S09-088 MOD1	76,539
47.076	3650	PA ST UNIV FED FLOW	3558WSUNSF3747	20,235
47.076	3650	UNIV OF MI	3001416490	22,500
47.076	3650	WRIGHT STATE UNIV	WSU000835	30,984
47.076	3700	U of I NSF Computers	UI PO P0026309	5,909
47.076	3750	U of Arkansas	SA08082341	21,483
47.076	3760	University of Wisconsin	0732521	19,996
47.076	3800	Salish Kootenai College	NONE	23,367
47.076	6990	Am Math Assoc of Two Yr Colleges	DUE 0442439	13,643
47.076	6990	Saddleback College	DUE 0702912	33,726
47.076	6990	St Petersburg college	0000013064	6,319
47.078	3600	LAUCKS FOUNDATION	0801392	5,829
47.078	3600	NORTHERN ILLINOIS UNIVERSITY	UW BUD# 631984	9,398
47.078	3600	UNIVERSITY OF ALASKA FAIRBANKS	PO#FP905073	19,949
47.078	3750	Penn State	3778-CWU-NSF-2136	67,706
47.078	3800	Middlebury College	265167A	37,610
47.079	3600	US CIVILIAN RESEARCH & DEV. FOUNDATION	UW BUD# 637644	6,905
47.079	3650	US CIVILIAN RSCH & DEV FNDN	UZB22878TA07	5,666
47.079	3650	US CIVILIAN RSCH & DEV FNDN	WSU001159	3,422
47.080	3600	U TEXAS AT AUSTIN TACC	UTA08-727 AM01	9,232

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47.080	3600	UNIVERSITY OF TEXAS, AUSTIN	UTA08-396	34,727
47.082	3600	BBN TECHNOLOGIES CORP	CONTRACT NO. 1696	123,135
47.082	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09	19,037,668
47.082	3600	CORNELL NANOSCALE SCI & TECH FACILITY	60419-9042	151,362
47.082	3600	THE GENI PROJECT OFFICE	NO. 1833G	78,219
47.082	3600	THE VIRGINIA INSTITUTE OF MARINE SCIENCE	730013/712683	16,210
47.082	3600	UNIVERSITY OF MARYLAND BALTIMORE COUNTY	#0000007352	17,261
47.082	3650	UNITED ENVIRONMENT & ENERGY	WSU001028	50,139
66.000	3600	DEPARTMENT OF ENVIRONMENTAL QUALITY	C796 AM01	191,584
66.000	3600	KING COUNTY WATER & LAND	UW BUD# 637078	46,305
66.000	3600	KING COUNTY WATER AND LAND RESOURCES DIV	UW BUD# 636497	15,272
66.000	3600	NTNL ENVIRONMENTAL EDUCATION FNDTN	UW BUD# 672248	10,277
66.000	3600	SKAGIT COUNTY BOARD OF COMMISSIONERS	C20090028	80,640
66.000	3600	SQUAXIN ISLAND TRIBE	UW BUD# 638165	11
66.000	3650	AMER FARMLAND TRUST	R10200803	2,768
66.000	3650	AMER FARMLAND TRUST	R10200901	29,918
66.000	3650	AMER FARMLAND TRUST	R10200904	-2,316
66.000	3650	CADMUS GROUP INC	058UW1	67,930
66.000	3650	RJ LEE GROUP INC	CEL410826WSU09282007	-1
66.000	3650	SQUAXIN ISLAND TRIBE	WSU000847	19,431
66.000	3650	THE NATURE CONSERVANCY	WAFO149042806	5,949
66.000	3650	THE NATURE CONSERVANCY	WAFO162052306	4,736
66.000	3650	THURSTON COUNTY	WSU001173	1,378
66.034	3600	PUGET SOUND CLEAN AIR AGENCY	XA-96066801-0-SUBAWARD	160,396
66.034	3600	PUGET SOUND CLEAN AIR AGENCY	XA-96069801-0-SUBAWARD	117,054
66.439	3600	IOWA STATE UNIV	429-46-21	17,787
66.500	3600	HARVARD SCHOOL OF PUBLIC HEALTH	UW BUD# 631603	6,732
66.509	3600	UC DAVIS	07-003825-02	11,250

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66.509	3650	CA INST OF TECH	68F1088313	23,999
66.509	3650	KS ST UNIV FED FLOW	505087	-648
66.511	3600	HEALTH EFFECTS INSTITUTE	4749RFA051A06102AM02	740,427
66.605	3650	ID DEPT OF ENVIR QUAL FED FLOW	C794	73,807
81.000	3600	ANASYS INSTRUMENTS CORP	UW BUD# 637951	60,641
81.000	3600	ARGONNE NATIONAL LABORATORY	9F-31401	5,823
81.000	3600	BATTELLE MEMORIAL INST	TO 108989	42,256
81.000	3600	BATTELLE MEMORIAL INST	TO96824MOD01(MA 75501)	159,740
81.000	3600	BATTELLE MEMORIAL INSTITUTE	MCONTRACT75501TASK8047	93,249
81.000	3600	BATTELLE MEMORIAL INSTITUTE	PO# 93697	9,627
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	101126	45,299
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	39189 MOD 3	1,102
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	58219 MOD 3	26,726
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	76089, MOD 03	64,052
81.000	3600	BATTELLE PACIFIC NW LABS	117744	3,333
81.000	3600	BATTELLE PACIFIC NW LABS	41398-MOD02	-29,890
81.000	3600	BATTELLE PACIFIC NW LABS	61103	1
81.000	3600	BATTELLE PACIFIC NW LABS	6630,TO14622 MOD3	4,742
81.000	3600	BATTELLE PACIFIC NW LABS	72419,MOD03	46,292
81.000	3600	BATTELLE PACIFIC NW LABS	74691, MOD02	8,113
81.000	3600	BATTELLE PACIFIC NW LABS	MASTERAGREEMENT6630TO1	-49
81.000	3600	BATTELLE PACIFIC NW LABS	T071981	125,954
81.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDER 117174	17,831
81.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDER 95144	37,960
81.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDEWR 110463	26,561
81.000	3600	BATTELLE PACIFIC NW LABS	TO#14625; MA#6630 MOD2	12,161
81.000	3600	BATTELLE PACIFIC NW LABS	TO#14625; MA#6630 MOD5	3,517
81.000	3600	BATTELLE PACIFIC NW LABS	TO#14625; MA#6630 MOD9	52,381

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81.000	3600	BATTELLE PACIFIC NW LABS	UW BUD# 636516	-28,021
81.000	3600	BATTELLE PACIFIC NW LABS	UW BUD# 636583	-365
81.000	3600	BATTELLE PACIFIC NW NATIONAL LAB	TO104299MA75501MOD2	92,362
81.000	3600	CERAMATEC, INC.	UW BUD# 669757	-6,237
81.000	3600	ENERTECHNIX, INC.	UW BUD# 638340	21,257
81.000	3600	ENERTECHNIX, INC.	UW BUD# 638443	26,606
81.000	3600	LAWRENCE BERKELEY NTL LAB	6853597 MOD 1	32,523
81.000	3600	LOWER COLUMBIA RIVER ESTUARY PARTNERSHIP	14-2010	48,337
81.000	3600	PC TRASK AND ASSOCIATES INC	A45221	41,454
81.000	3600	PNNL	MASTER75501TORDER87940	42,035
81.000	3600	PNNL	TO#107772, MA #75501	15,277
81.000	3600	PNNL	TO119737MASTERAGMT7550	15,583
81.000	3600	RE VISION CONSULTING, LLC	UW BUD# 636092	20,420
81.000	3600	SANDIA NATIONAL LABORATORIES	657280 MOD1	-702
81.000	3600	SANDIA NATIONAL LABORATORIES	867983REV02	34,456
81.000	3600	SAVANNAH RIVER NUCLEAR SOLUTIONS	AC71713O	23,922
81.000	3600	SNOHOMISH COUNTY PUB. UTILITY DIST. NO.1	57469	93,617
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	32449-001-06 MOD04	122,418
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	35020-001-06	-2
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	62745-001-08 MOD01	16,958
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	72367-001-09 C2	718
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	73262-001-09	57,957
81.000	3600	UNIV OF CA IRVINE	2003-1389AM21	17,251
81.000	3600	UNIV OF CA, ERNEST ORLANDO	6700882, MOD07	693,222
81.000	3600	UNIVERSITY OF NEW MEXICO	889186-874J AM05	135,518
81.000	3600	UT BATTELLE, LLC	4000093555	20,376
81.000	3650	ALLIANCE SUSTAINABLE ENERGY	XEA66600101	-8,493
81.000	3650	ALLIANCE SUSTAINABLE ENERGY	XFT888521010	147,544

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
81.000	3650	AZ ST UNIV FED FLOW	09211	7,896
81.000	3650	BATTELLE COLUMBUS FED FLOW	6633	63,805
81.000	3650	BATTELLE ENERGY ALLIANCE FED FLO	00014002	863,711
81.000	3650	BATTELLE LABS	52468	2,228
81.000	3650	BATTELLE LABS	6633	1,369,559
81.000	3650	BATTELLE LABS	GUAR56042002	1,723
81.000	3650	CONSOL	WSU000905	170,215
81.000	3650	DONALD DANFORTH PLANT SCI CTR	GUAR30374194	32,029
81.000	3650	ECOS CONSULTING	WSU000409	6,226
81.000	3650	ENERGY ENTERPRISE SOLUTIONS LLC	01019W01062	2,127,967
81.000	3650	ENERGY ENTERPRISE SOLUTIONS LLC	9W011WAPA0201	325,457
81.000	3650	ENERGY SOLUTIONS LLC	PO007574	12,388
81.000	3650	ID DEPT OF FISH & GAME	IDFGFY09278	52,302
81.000	3650	ID DEPT OF FISH & GAME	WSU001093	45,194
81.000	3650	INLAND NW RES ALLIANCE FED FLOW	M285	70,479
81.000	3650	LONGENECKER & ASSOC	DEAC0707ID60679	11,061
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	5478700107	75,108
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	7496200109	561
81.000	3650	MT ST UNIV-FED FLOW	G22107W0831	-12,036
81.000	3650	NW ENERGY EFFICIENCY ALLIANCE	C10169	122,671
81.000	3650	PROJECT PERFORMANCE CORP	M262	6,656
81.000	3650	PUGET SOUND CLEAN AIR AGCY	2008001	-221
81.000	3650	SANDIA NAT'L LAB FED	888552	18,741
81.000	3650	SANDIA NAT'L LAB FED	A0368	60,440
81.000	3650	SAVANNAH RIVER NUCLEAR LLC	AC695370	76,603
81.000	3650	SAVANNAH RIVER NUCLEAR LLC	AC695380	57,868
81.000	3650	UNIV OF CA-BERKELEY FED FLOW	6714726	-12,064
81.000	3650	UNIV OF CA-BERKELEY FED FLOW	6833311	75,979

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81.000	3650	UNIV OF WI MADISON	097K366	75,009
81.000	3650	WASHINGTON CLOSURE HANFORD LLC	WSU000684	17,109
81.000	4770	Oregon Dept of Fish & Wildlife	020-9359-ISA-FISH	299,192
81.000	4770	Pacific NW National Laboratory	83537	11,422
81.000	4770	Pacific States Marine Fisheries Commission	08-84	1,084
81.000	4770	Pacific States Marine Fisheries Commission	09-104	44,918
81.000	4770	Pacific States Marine Fisheries Commission	09-34	128,570
81.000	4770	Pacific States Marine Fisheries Commission	09-39	20,740
81.000	4770	Pacific States Marine Fisheries Commission	09-48	52,037
81.000	4770	Pacific States Marine Fisheries Commission	09-60	32,441
81.000	4770	Pacific States Marine Fisheries Commission	09-65	1,440
81.000	4770	Pacific States Marine Fisheries Commission	09-71	307,184
81.000	4770	Pacific States Marine Fisheries Commission	09-82	7,773
81.000	4770	Pacific States Marine Fisheries Commission	09-83	6,246
81.000	4770	Pacific States Marine Fisheries Commission	09-84	22,423
81.000	4770	Pacific States Marine Fisheries Commission	09-87	108,063
81.000	4770	Pacific States Marine Fisheries Commission	09-95	486,656
81.000	4770	Pacific States Marine Fisheries Commission	09-98	59,323
81.000	4770	Pacific States Marine Fisheries Commission	09-99	26,955
81.000	4770	Pacific States Marine Fisheries Commission	10-31	285,378
81.000	4770	Pacific States Marine Fisheries Commission	10-37	86,696
81.000	4770	Pacific States Marine Fisheries Commission	10-39	63,118
81.000	4770	Pacific States Marine Fisheries Commission	10-43	20,182
81.000	4770	Pacific States Marine Fisheries Commission	10-50	22,195
81.000	4770	Pacific States Marine Fisheries Commission	10-57	47,767
81.000	4770	Pacific States Marine Fisheries Commission	10-65	22,611
81.000	4770	Pacific States Marine Fisheries Commission	10-66	12,998
81.000	4770	Pacific States Marine Fisheries Commission	10-75	216,620

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81.000	4770	Pacific States Marine Fisheries Commission	10-85	13,023
81.000	4770	Pacific States Marine Fisheries Commission	10-87	37,000
81.000A	3600	BATTELLE PACIFIC NW LABS	TONO95447MANO75501	183,780
81.000A	3650	ENERGY ENTERPRISE SOLUTIONS LLC	01019W01062	1,139,667
81.049	3600	AWWA RSCH FNDN	4148	31,653
81.049	3600	CARNEGIE MELLON UNIVERSITY	1070096-242680	2,548
81.049	3600	NORTHEASTERN UNIVERSITY	503008P1001642MOD02	12,034
81.049	3600	NORTHERN ARIZONA UNIVERSITY	MPC 35VA-01	29,306
81.049	3600	NORTHERN ARIZONA UNIVERSITY	MPC35ZUAM01	70,350
81.049	3600	THE RESEARCH FOUNDATION OF SUNY	39745/1055595AM09	43,696
81.049	3600	UNIVERSITY OF OREGON	234151M AM03	17,591
81.049	3650	UNIV OF NV LAS VEGAS FED FLOW	08X01	102,854
81.049	3700	UCLA EFRC	Sub No. 0190 G MA598	18,107
81.049A	3600	UNIVERSITY OF ARIZONA	Y551851	111,545
81.049A	3650	DONALD DANFORTH PLANT SCI CTR	DDPSC28120WS	160,673
81.086	3800	Puget Sound Clean Air Agency	IA-2010-1	161,984
81.087	3600	CONSORTIUM FOR PLANT BIOTECHNOLOGY	GO12026-278	43,433
81.087	3600	CONSORTIUM FOR PLANT BIOTECHNOLOGY	GO12026-300	1,624
81.087	3600	OREGON STATE UNIVERSITY	G0107A-A	238,121
81.087	3650	UNIV OF CENTRAL FL	PO102756	251,449
81.087A	3600	DONALD DANFORTH PLANT SCIENCE CENTER	28302-U	34,091
81.089	3650	MT ST UNIV-FED FLOW	G29409W2512	388
81.089	3650	MT ST UNIV-FED FLOW	G30208W2036	61,566
81.106	2250	Western Governors Association	C080240FED-TWX9	66,028
81.122	3650	UNIV OF IL FED FLOW	20100125103	108,238
84.000	3600	AMERICAN ACAD OF ORTHOTISTS/PROSTHETISTS	UW BUD# 673206	5,342
84.000	3600	CAROLINAS MEDICAL CENTER	H133A080035	79,661
84.000	3600	COMMUNITY MINDED ENTERPRISES	UW BUD# 633205	810

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84.000	3600	COMMUNITY MINDED ENTERPRISES	UW BUD# 635240	10,606
84.000	3600	DREXEL UNIVERSITY	POO38867	10,143
84.000	3600	EDUCATIONAL SERVICE DISTRICT105	UW BUD# 635637	27,184
84.000	3600	EDUCATIONAL SERVICE DISTRICT105	UW BUD# 635741	37,327
84.000	3600	HEALTH IMPROVEMENT PARTNERSHIP	UW BUD# 631270	400
84.000	3600	HEALTH IMPROVEMENT PARTNERSHIP	UW BUD# 661541	-400
84.000	3600	JFK JOHNSON REHABILITATION INSTITUTE	H133A070030-08A	6,365
84.000	3600	KRELL	UW BUD# 802414	-15,232
84.000	3600	KRELL INSTITUTE	UW BUD# 802319	20,702
84.000	3600	KRELL INSTITUTE	UW BUD# 802320	98,473
84.000	3600	NCTAF	UW BUD# 633746	24,038
84.000	3600	NCTAF	UW BUD# 635496	1,876
84.000	3600	REHABILITATION INSTITUTE OF CHICAGO	H 133B090024	28,887
84.000	3600	RTI INTERNATIONAL	0209234.002.016-25	19,680
84.000	3600	THE URBAN INSTITUTE	0799800000UWA01MOD01	183,248
84.000	3650	MED UNIV OF SC	MUSC08029	46,767
84.000	3750	Nat. Writing Project	92-WA02	55,221
84.027	3750	Noth Central edu Service District	12108000013/1210800014	180,521
84.031	6990	Heritage University	HU101105	148,068
84.101	6990	Tulalip Tribes	V101A010017-03A	121,655
84.116	3600	UNIVERSITY OF TEXAS, AUSTIN	UTA07-187, AM05	5,198
84.116	3600	UNIVERSITY OF TEXAS, AUSTIN	UTA07-187, AM06	3,000
84.116	6990	Workforce Development Counc of Snoh Cty	09-EDC-O-775-FIPSE	14,304
84.133	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	H133G070143	10,198
84.133	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	H133G070143-09	24,962
84.133	3600	MEDSTAR RESEARCH INSTITUTE	201F3132006MRI3132A	13,262
84.133	3600	UNIVERSITY OF MICHIGAN	H133G070020	20,827
84.213	6990	Wahluke	OSPI10	146,831

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
84.215	3650	WASHOUGAL SCHOOL DIST	WSU000752	31,986
84.215	3700	ESD101 Freedom Moves West 08-09 Yr4	PO 1600700011	11,881
84.215	3700	ESD101-Roll on Columbia 08-09 Yr2	PO 1600700056	3,520
84.215	3700	ESD101-Roll on Columbia 09-10 Yr3	N/A	186,930
84.215	3700	MLDS Lifelong Wellness 09-10	N/A	23,470
84.215	3700	MLSD Lifelong Wellness 08-09	N/A	6,230
84.215	3750	ESD 105	9008000108.000	15,000
84.287	3750	NW Cummunity Actin Center	NWCA/CWU	5,747
84.324	3600	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2009-083 MOD01	288,278
84.324	3600	UNIVERSITY OF FLORIDA	UF07089 AM03	108,593
84.334	3750	Ephrata School District	CWU/Ephrata School Dis	229
84.334	3750	Thomas Jefferson High	CWU/FWSD/Gear Up Progr	1,421
84.334	6990	Yakima School District	G064/G065	226,660
84.336	6990	ESD 101	555025	13,625
84.359	3600	CITY OF SEATTLE	DA08-1589	43,658
84.359	3600	CITY OF SEATTLE	DA08-1589 AM1	196,286
84.366	3600	CENTER FOR INQUIRY SCIENCE	GRANT51250001PO28652	17,645
84.366	3600	UNIVERSITY PLACE SCHOOL DISTRICT	UW BUD# 637899	16,998
84.366	3650	EDUC SERVICE DIST 101	2600800010	27,605
84.366	3650	EDUC SERVICE DIST 101	555018	60,837
84.366	3700	ESD 101-EW Connect 08-09	N/A	21,836
84.366	3700	ESD-Bldg Math & Science 08-09	2417-98-7250-98	5,596
84.366	3700	ESD101-Bldg Math & Science 09-10	2425-98-7250-099	52,179
84.390	6990	Workforce Development Council	0965-70173	60,120
84.393	3700	IDHW-MI-AIMH Endorsement	KC241000-Amend #1	76,957
84.393	6990	Workforce Development Council	10000LC-65	1,054
84.928	3600	NTL WRITING PROJECT CORP	92-WA03	52,095
84.928	3600	NTL WRITING PROJECT CORP	92-WA03 AM31	54,972

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.000	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	UW BUD# 671852	-244
93.000	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	5 K12 HD 001097-13	101,929
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY (ACR)	UW BUD# 668266	27,559
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	#4221	10,370
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4221	15,044
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	UW BUD# 636758	14,951
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	UW BUD# 637544	6,236
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	UW BUD# 638600	20,807
93.000	3600	AMERICAN INSTITUTES FOR RESEARCH	PROJECT # 02434.003	34,381
93.000	3600	AMERICAN INSTITUTES FOR RESEARCH	SUB #486.02731	34,405
93.000	3600	AOEC	PEHSU	83,333
93.000	3600	ARIDIS PHARMACEUTICALS, LLC	R43AI08140001A120091	25,699
93.000	3600	ASOCIACION CIVIL IMPACTA SALUD/EDUCACION	CTU-UW-01-2009	30,950
93.000	3600	ASSOC OF SCHS OF PUBLIC HLTH	S3901-27/27	60,751
93.000	3600	ASSOC OF SCHS OF PUBLIC HLTH	S3901-27/28	71,046
93.000	3600	ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH	S3813-26/26	5,916
93.000	3600	ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH	S3951	189,108
93.000	3600	AUCD	AUCDRTOI20040105A3	-18,554
93.000	3600	AUCD	UW BUD# 673231	51,570
93.000	3600	BARLOW SCIENTIFIC, INC.	2R44HL086267	7,489
93.000	3600	BARNES JEWISH HOSP	UW BUD# 665153	30
93.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDER 83883	310,680
93.000	3600	BEHAVIORAL TECH RESEARCH, INC.	1R43DA026244-01	6,426
93.000	3600	BEHAVIORAL TECH RESEARCH, INC.	UW BUD# 635444	71,655
93.000	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY090160189101A40595	255,557
93.000	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	N01AI40030HHSN26620040	42,095
93.000	3600	BOOZ ALLEN HAMILTON, INC.	94682DBS78 MOD01	715,697
93.000	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	SUBAWARD #3470-5	35,340

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93.000	3600	BROAD INSTITUTE, INC.	52158105500000120MOD01	93,560
93.000	3600	BUCK CTR FOR RSCH IN AGING	UW BUD# 633913	10
93.000	3600	CARACAL, INC.	UW BUD# 635390	35,663
93.000	3600	CHILDREN'S HOSPITAL & REGIONAL MEDICAL C	412660060101UWMOD4	515
93.000	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	414470110101 UW	15,908
93.000	3600	CHILDREN'S HOSPITAL AND REGIONAL MEDICAL	41266006UW.01	280,725
93.000	3600	CHILDREN'S HOSPITAL LOS ANGELES	UW BUD# 639008	498
93.000	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	10144SUB	9,142
93.000	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414410030101UW01MOD02	26,732
93.000	3600	COMPUTERCRAFT CORPORATION	CC FORM SUB UW#1 MOD02	282,505
93.000	3600	CONGRESSIONAL GLAUCOMA CAUCUS	SSSP #50	87
93.000	3600	DREXEL UNIVERSITY	232290-3684	24,358
93.000	3600	DUKE CLINICAL RESEARCH INSTITUTE	117161	15,934
93.000	3600	DUKE CLINICAL RESEARCH INSTITUTE (DCRI)	SPS #162060, SITE 070	2
93.000	3600	DUKE UNIVERSITY	N01-AI-05419 AM02	15,592
93.000	3600	DUKE UNIVERSITY	SPSID118204DUKEAC30399	5,593
93.000	3600	DUKE UNIVERSITY	UW BUD# 634090	15,726
93.000	3600	EMORY UNIV	UW BUD# 635315	-44,559
93.000	3600	EVANSTON NORTHWESTERN HEALTHCARE	EH06201S9N01AG60007	160,485
93.000	3600	FAMILY HEALTH INTERNATIONAL	863/0080.0018-AM03	34,911
93.000	3600	FHCRC	0000639363	603
93.000	3600	FHCRC	0000663103	34,182
93.000	3600	FHCRC	0000677274	1,883
93.000	3600	FHCRC	04-200483-01-S0939	-11,651
93.000	3600	FHCRC	93-2900-25 MOD#17	29,168
93.000	3600	FHCRC	PO#0000596327AM04	9,233
93.000	3600	FHCRC	SA09000659 MOD02	4,970
93.000	3600	FHCRC	SA0900673	5,515

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93.000	3600	FHCRC	SA0900681	362
93.000	3600	FHCRC	SA1000699	4,626
93.000	3600	FHCRC	SA1000700	124,798
93.000	3600	FHCRC	SA1000721 MOD01	1,267
93.000	3600	FHCRC	SA1000741	13,811
93.000	3600	FHCRC	SA1000748	3,742
93.000	3600	FHCRC	UW BUD# 638735	5,428
93.000	3600	FIRSTHAND TECHNOLOGY	UW BUD# 635247	29,151
93.000	3600	FIRSTHAND TECHNOLOGY	UW BUD# 635605	144,243
93.000	3600	FOCALPOINT CONSULTING GROUP	HHSH230200532040C*	50,372
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	SA1000698	30,353
93.000	3600	GLAXOSMITHKLINE, INC	UW BUD# 638345	94,288
93.000	3600	GROUP HEALTH CENTER FOR HEALTH STUDIES	UW BUD# 636366	-1,213
93.000	3600	GROUP HEALTH CENTER FOR HEALTH STUDIES	UW BUD# 638721	12,969
93.000	3600	GROUP HEALTH COMMUNITY FNDN	2009119412 MOD01	32,735
93.000	3600	GROUP HEALTH COMMUNITY FNDN	2009119417 MOD01	34,671
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462	-114,937
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 M0D6	140,631
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 MD1	182,698
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 MD2	710,968
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 MD4	177,368
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 MD5	250,642
93.000	3600	GROUP HEALTH COOPERATIVE	2008113462 MOD6	-1,210
93.000	3600	GROUP HEALTH COOPERATIVE	2008124101 MOD1	14,357
93.000	3600	GROUP HEALTH COOPERATIVE	2008124228 MOD04	37,836
93.000	3600	GROUP HEALTH COOPERATIVE	2009119415 MOD01	29,977
93.000	3600	GROUP HEALTH COOPERATIVE	2009119416 MOD02	34,671
93.000	3600	GROUP HEALTH COOPERATIVE	2009125369	7,637

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93.000	3600	GROUP HEALTH COOPERATIVE	UW BUD# 637536	19,302
93.000	3600	GROUP HEALTH RESEARCH INSTITUTE	UW BUD# 638787	2,841
93.000	3600	HARVARD SCHOOL OF PUBLIC HEALTH	PRIME5R01OH00878102AM0	57,542
93.000	3600	HEALTH ALLIANCE INTERNATIONAL	F42-SUB001	79,266
93.000	3600	HERITAGE COLLEGE	M0D#5	8
93.000	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-08-1-08-UW	4,648
93.000	3600	ICOGENEX	UW BUD# 637438	55,556
93.000	3600	IMMUNE TOLERANCE NETWORK	ITN10212-00SC	142,734
93.000	3600	IMPERIAL COLLEGE	1221	98,657
93.000	3600	IMPERIAL COLLEGE	GRANT ID# 1221	34,884
93.000	3600	IMPERIAL COLLEGE	UW BUD# 632740	147
93.000	3600	INSTITUTE FOR SYSTEMS BIOLOGY	2004.0009 AM06	6,831
93.000	3600	INSTITUTE FOR SYSTEMS BIOLOGY	2007.0003	11,264
93.000	3600	INT SOCIETY FOR DISEASE SURVEILLANCE	UW BUD# 637852	247,313
93.000	3600	JOHNS HOPKINS UNIVERSITY	DD000153-01	2,431
93.000	3600	JOHNS HOPKINS UNIVERSITY	UW BUD# 638785	40,509
93.000	3600	KESSLER RESEARCH CENTER	UW BUD# 635786	41,357
93.000	3600	KITWARE, INC.	K000121-S01	13,703
93.000	3600	LM TECH SVCS C/O LM INFO TECH	7200004847	2,342
93.000	3600	LOOKING GLASS ANALYTICS	UW BUD# 635219	13,804
93.000	3600	MACRO INTERNATIONAL INC.	33430-9S-1414	13,395
93.000	3600	MASSACHUSETTS GENERAL HOSPITAL	HHSN26120074400CMOD04	128,643
93.000	3600	MASSACHUSETTS GENERAL HOSPITAL	UW BUD# 636911	-18,665
93.000	3600	MASSACHUSETTS GENERAL HOSPITAL	UW BUD# 638729	17,443
93.000	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002265 MOD04	38,917
93.000	3600	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	PO 4501099944	-21
93.000	3600	MIMOSA ACOUSTICS, INC.	UW BUD# 630322	412
93.000	3600	MOUNT SINAI SCHOOL OF MEDICINE	R01 HL071988	2

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.000	3600	NANOFACTURE	UW BUD# 633479	-13
93.000	3600	NANOFACTURE, INC.	UW BUD# 637773	61,576
93.000	3600	NANOFACTURE, INC.	UW BUD# 637823	41,574
93.000	3600	NASTAD	UW BUD# 673335	73,303
93.000	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	18953 AM#1	2,447
93.000	3600	NATIONAL CONGRESS OF AMERICAN INDIANS	UW BUD# 635601	169,997
93.000	3600	NATL ASSOC OF CHRONIC DISEASE DIRECTORS	UW BUD# 632298	66,390
93.000	3600	NEW ENGLAND RESEARCH INSTITUTES, INC. (NERI)	#01756	2
93.000	3600	NEW ENGLAND RESEARCH INSTITUTES, INC. (NERI)	UW BUD# 635905	11,486
93.000	3600	NORTHROP GRUMMAN	7500031154, AM03	6,612
93.000	3600	NORTHROP GRUMMAN INFORMATION TECHNOLOGY	7500032630MOD01	5,736
93.000	3600	NORTHWEST INDIAN COLLEGE	NWIC 24213 104 22000	18,436
93.000	3600	NORTHWEST INDIAN COLLEGE	NWIC# 24214	48,721
93.000	3600	NORTHWEST INDIAN COLLEGE	NWIC# 24217	46,160
93.000	3600	NORTHWEST INDIAN COLLEGE	UW BUD# 638781	5,769
93.000	3600	NSABP FOUNDATION	UW BUD# 638712	2,102
93.000	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	PO#17217	36,400
93.000	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	PO#18155	17,434
93.000	3600	OAK RIDGE INSTITUTE FOR SCIENCE AND EDU	UW BUD# 635467	97,756
93.000	3600	OAK RIDGE INSTITUTE FOR SCIENCE AND EDU	UW BUD# 635470	6,588
93.000	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GPEDC0036A SAHN AMD#1	46,736
93.000	3600	OSEL, INC.	UW BUD# 660940	66,133
93.000	3600	PACIFIC HEALTH RESEARCH INSTITUTE	PHRI 20101-03-06	-5,651
93.000	3600	PATH	NIH121301708SUBAMEND5	15,010
93.000	3600	PATH	NIH121301708SUBMOD06	-15,010
93.000	3600	PATH	NIH131107261SUBAMEND3	221
93.000	3600	PATH	NIH131107261SUBAMEND4	45,964
93.000	3600	PENNINGTON BIOMEDICAL RESEARCH CENTER	1RO1AG03026601A201	8,769

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.000	3600	PENNINGTON BIOMEDICAL RESEARCH CENTER	CFMS 636370	-51
93.000	3600	PHYSIOSONICS INC.	UW BUD# 631622	36,136
93.000	3600	PORTLAND STATE UNIVERSITY	209YAN147	51,618
93.000	3600	PRIMARY IMMUNODEFICIENCY RSCH CONSORTIUM	N01-A1-30070	20,091
93.000	3600	RADIOLOGICAL SOCIETY OF NORTH AMERICA	MODIFICATION 1	43,219
93.000	3600	RECONNECTING YOUTH COMPANY	5 R42 MH 073199-03REV	7,348
93.000	3600	SAIC FREDERICK INC	24XS036TASKORDER5MOD6	28,562
93.000	3600	SAINT LOUIS UNIVERSITY	UW BUD# 666580	32,479
93.000	3600	SAINT LOUIS UNIVERSITY	UW BUD# 666682	348,512
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077N	16,303
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077NMOD02	132,131
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-15559H	25,299
93.000	3600	SEATTLE BIOMEDICAL RSCH INST	UW BUD# 637447	4,317
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INST	UW BUD# 638669	5,177
93.000	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINIC	QL114/ANDERSON04	34,900
93.000	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLINIC	UW BUD# 636729	-5,170
93.000	3600	SEATTLE INSTITUTE FOR CARDIAC RESEARCH	1RC1HL10062501UW01	12,005
93.000	3600	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D34034D AMEND #4	368
93.000	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	AACTG42UICTU01MOD6	-114
93.000	3600	SOUTHWEST ONCOLOGY GROUP (SWOG)	UW BUD# 669691	401
93.000	3600	SOUTHWEST ONCOLOGY GROUP (SWOG)	UW BUD# 667453	17
93.000	3600	ST LOUIS UNIVERSITY	MOD02	95,786
93.000	3600	STANFORD UNIVERSITY	UW BUD# 635740	-3,134
93.000	3600	SYM TREND, INC.	UW BUD# 637810	62,601
93.000	3600	SYNERGY ENTERPRISES, INC. (SEI)	1027-103	5,799
93.000	3600	SYNTRIX BIOSYSTEMS INC	UW BUD# 634712	40,872
93.000	3600	TALARIA	2444CA106154-02A1	4,099
93.000	3600	TALARIA	2R44CA106154-02A1	19,410

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93.000	3600	THE JOHN HOPKINS UNIVERSITY	PO# 2000931327	54,660
93.000	3600	THE LEWIN GROUP, INC.	TLG060114670TASKORDER1	20,225
93.000	3600	THE UNIVERSITY OF IOWA	1 22048 00	417,909
93.000	3600	UCSF	ITN10064-00 AMD 1	48,900
93.000	3600	UNIV OF ALABAMA	000355935007AM1N01HC95	21,512
93.000	3600	UNIV OF ALABAMA	N01-HC-95095 AM02	-3,276
93.000	3600	UNIV OF CA SAN DIEGO	10221507-009	73,481
93.000	3600	UNIV OF CA SAN DIEGO	PO#10221507-011	263,391
93.000	3600	UNIV OF CA SAN DIEGO	PO: 10221507-007	2,358
93.000	3600	UNIV OF MED & DENTISTRY OF NEW JERSEY	AMENDMENT NO 9	46,268
93.000	3600	UNIVERSITY OF ALABAMA BIRGMINHAM	NO.000189671-243	441
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000355935002AMENDNO1	35,492
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	TASK ORDER 1	8,983
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	UW BUD# 660660	14
93.000	3600	UNIVERSITY OF ARIZONA	Y502727 AMD 1	73,206
93.000	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIEN	31603 AMD 3	5,892
93.000	3600	UNIVERSITY OF CALIFORNIA	5579SC, AMD1	29,363
93.000	3600	UNIVERSITY OF CALIFORNIA	ITN10122-00SC AMEND 1	24,790
93.000	3600	UNIVERSITY OF CALIFORNIA (UCLA)	1558G HB859 AM01	6
93.000	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2010-2385	59,822
93.000	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	5798SC	20,514
93.000	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO (UCSF	UW BUD# 638850	2,252
93.000	3600	UNIVERSITY OF CHICAGO	0745-000-00-CHCC-01	10,383
93.000	3600	UNIVERSITY OF CINCINNATI	P808AMEND6COEUS001080	21,839
93.000	3600	UNIVERSITY OF CONNECTICUT	UW BUD# 638754	4,309
93.000	3600	UNIVERSITY OF HOUSTON	UW BUD# 638075	868
93.000	3600	UNIVERSITY OF MARYLAND	PO#SR00000675	2,530
93.000	3600	UNIVERSITY OF MARYLAND	PO#SR00000898	41,306

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93.000	3600	UNIVERSITY OF MICHIGAN	3001397930AMENDMENT1	27,644
93.000	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	UW BUD# 635050	-1,702
93.000	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	UW BUD# 638686	3,277
93.000	3600	UNIVERSITY OF NAIROBI	1U2GPS001183-01	53,840
93.000	3600	UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	N01MH90001	19,049
93.000	3600	UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL	UW BUD# 638821	9,649
93.000	3600	UNIVERSITY OF OKLAHOMA	UW BUD# 639033	19,119
93.000	3600	UNIVERSITY OF OKLAHOMA HEALTH SCIENCES C	HHSN261-200533000C	366,314
93.000	3600	UNIVERSITY OF PENNSYLVANIA	UW BUD# 638517	6,737
93.000	3600	UNIVERSITY OF PITTSBURGH	116289	93,560
93.000	3600	UNIVERSITY OF UTAH	10008615	99,949
93.000	3600	UNIVERSITY OF UTAH	10008615, AMEND.#1	12,854
93.000	3600	UNIVERSITY OF VIRGINIA	PO 979166	601
93.000	3600	VANDERBILT UNIVERSITY	UW BUD# 673509	5,817
93.000	3600	VANDERBILT UNIVERSITY	UW BUD# 673510	766
93.000	3600	VANDERBILT UNIVERSITY	UW BUD# 673511	766
93.000	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 31997-R AM02	17,214
93.000	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC33951	26,298
93.000	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC35637	186,343
93.000	3600	VPDIAGNOSTICS, INC	UW BUD# 633873	154,492
93.000	3600	WAKE FOREST UNIVERSITY	NO1-HC-95178 AMEND 14	67,246
93.000	3600	WAKE FOREST UNIVERSITY	WFUHS 14107	-1
93.000	3600	YALE UNIVERSITY	UW BUD# 638703	4,093
93.000	3650	AXIO RES CO LLC	WSU000335	64,803
93.000	3650	NW INDIAN COLLEGE FED FLOW	2421310421000	19,496
93.000	3650	SAIGENE CORP	WSU000181	-32,923
93.000	3650	UNIV OF FL FED FLOW	UFEIS0714033WSU	48,984
93.000	3700	CPWR-Masonry Ergonomics 08-09	DHHS U54 OH008307	63,218

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93.000	3700	CPWR-Workplace Solutions 08-09	DHHS U54 OH008307	31,616
93.010	3650	CLARKSTON SCHOOL DIST	PO#7200800092	431
93.051	3600	STATE OF OREGON	130311	11,735
93.067	3600	UNIVERSITY OF NAIROBI	UONCHSUNITIDRES8CDC11V	192,653
93.069	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	#D40033D	124,166
93.069	3600	SCIENCE APPLICATIONS INTERNATIONAL CORP.	4400157809 MOD06	378,307
93.104	3600	YAKIMA COUNTY	UW SOC 09	132,815
93.104	3650	LUMMI NATION	1909	36,092
93.107	3600	MONTANA STATE UNIVERSITY - AHEC	G219-09-W1772	4,782
93.110	3600	CASE WESTERN RESERVE UNIVERSITY	RES502185, AMEND 2	17,129
93.110	3600	CASE WESTERN RESERVE UNIVERSITY	RES502185, AMEND 3	16,628
93.110	3600	UCLA	1920 G KB359 AM01	29,269
93.113	3600	BRIGHAM & WOMENS HOSP	104281 (PROJECT 1)	169,247
93.113	3600	ENERTECHNIX, INC.	UW BUD# 631579	13,817
93.113	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-111008 AM01	15,411
93.113	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-114018 AM01	43,734
93.113	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GCROE0137, AM01	37,849
93.113	3600	OREGON HEALTH AND SCIENCE UNIV	UW BUD# 639078	5,039
93.113	3600	RECONNECTING YOUTH COMPANY	MOD31R41DA01971901REVI	1,410
93.113	3600	SWEDISH MED CTR	WU07136PO29932PAM03	73,708
93.113	3600	THE RESEARCH FOUNDATION OF SUNY	1078897-2-50158	116,707
93.113	3600	THE RESEARCH FOUNDATION OF SUNY	1078897-2-54037	24,867
93.113	3600	UCLA MEDICINE-CARDIOLOGY	1553 G MC571	52,098
93.113	3600	UNIV OF CA BERKELEY	SA5306-11521 AM03	-665
93.113	3600	UNIVERSITY OF CALIFORNIA BERKELEY	SA5746-11753 AM02	-276
93.113	3600	UNIVERSITY OF CALIFORNIA BERKELEY	SA5746-11753 AM03	25,750
93.113	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-10-138	13,369
93.113	3650	UNIV OF CA DAVIS FED	SUB07004128WSU	440

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.113	3650	UNIV OF TX	UTA09000505	57,647
93.115	3600	SWEDISH MEDICAL CENTER	0576-06A MOD3	97,957
93.115	3600	UNIVERSITY OF MARYLAND, BALTIMORE	SR00000562, AM05	8,123
93.121	3600	CASE WESTERN RESERVE UNIVERSITY	RES502558 AMD 1	-1
93.121	3600	CASE WESTERN RESERVE UNIVERSITY	RES502558 MOD 2	18,146
93.121	3600	CHILDREN'S HOSPITAL & REGIONAL MEDICAL	8144145DE017741UW02	5,509
93.121	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414450020101.UW01	12,494
93.121	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414730010101.UW MOD03	117,222
93.121	3600	TUFTS UNIVERSITY	R01-DE017207, AMD 2	50,823
93.121	3600	UNIV OF NORTH CAROLINA CHAPEL HILL	5-51223	3,005
93.121	3600	UNIV OF NORTH CAROLINA CHAPEL HILL	5-51223, AM01	26,813
93.121	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	3408SC	-11,489
93.121	3600	USC	114038 AMENDMENT NO 05	76,779
93.135	3600	UNIVERSITY OF SOUTH CAROLINA	PO# 91862 (1157O-FA80)	9,949
93.136	3600	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20071627-01	-2
93.136	3600	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20081722-01	21,569
93.136	3600	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20092114-01	57,127
93.142	3600	UCLA	2105 G HB431 AM05	34,858
93.142	3600	UCLA	2105 G HB431 AM07	9,358
93.142	3600	UCLA	2105 G HB431-AM08	145,238
93.143	3600	SAN DIEGO STATE UNIVERSITY RSCH FDN	54065E P3531 7801 211	34,303
93.143	3600	UNIV OF CA BERKELEY	SA5306-11522 AM04	20,585
93.143	3600	UNIV OF CA BERKELEY	SA5306-11523 AM05	1,691
93.153	3600	SEATTLE KING COUNTY DEPT OF HLTH	D38477D, AMD 1	14,187
93.153	3600	SEATTLE KING COUNTY DEPT OF HLTH	D39464D	25,198
93.172	3600	ARIZON STATE UNIV	10-225	171,427
93.172	3600	ARIZONA STATE UNIVERSITY	10-225	1,266,981
93.172	3600	ARIZONA STATE UNIVERSITY	10225	355,440

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93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634391	88,898
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634605	39,538
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634606	43,512
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634607	85,339
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634631	52,138
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634657	41,440
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634748	-13,762
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634749	32,269
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634750	18,493
93.172	3600	BRIGHAM AND WOMEN'S HOSPITAL	105074	49,551
93.172	3600	EUROPEAN MOLECULAR BIOLOGY LAB-EBI	5U01HG00469502SUBGRANT	177,678
93.172	3600	EUROPEAN MOLECULAR BIOLOGY ORG (EMBO)	UW BUD# 638859	48,815
93.172	3600	GROUP HEALTH COOPERATIVE	2008129101	4,746
93.172	3600	GROUP HEALTH COOPERATIVE	2009102834	33,409
93.172	3600	GROUP HEALTH COOPERATIVE	PO#2009119754	355,679
93.172	3600	GROUP HEALTH COOPERATIVE	PO#2009119755	52,242
93.172	3600	JOHNS HOPKINS UNIVERSITY	SUBAWARD: 2000752483	368,893
93.172	3600	THE JOHNS HOPKINS UNIVERSITY	2000870255	4,775
93.172	3600	UNIV NC CHAPEL HILL EPIDEMIOLOGY	5-51148, AMEND# YR2 #1	66,015
93.172	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2007.1912 AM03	78,002
93.172	3600	UNIVERSITY OF IOWA	1000611489	294
93.172	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-09-298 PO#2905961N	48,163
93.172	3600	WASHINGTON UNIVERSITY SCHOOL OF MEDICINE	WU-10-282	96,932
93.172	3600	YALE UNIVERSITY	C10A10330	82,885
93.173	3600	FATHER FLANAGAN'S BOYS' HOME	PRIME #R01DC010202-01	98,368
93.173	3600	FHCRC	0000679351	67,734
93.173	3600	NORTHWESTERN UNIVERSITY	610-4610000-60026244	10,774
93.173	3650	PURDUE UNIV	410227628	7,962

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93.173	3650	UNIV OF IA FED FLOW	1123580001	44,517
93.213	3600	BASTYR UNIVERSITY	H94B11 MOD 4	49,387
93.213	3600	BOSTON UNIVERSITY	33335, RA254815 BAJ	30,551
93.213	3600	FHCRC	0000611873	-153
93.213	3600	GROUP HEALTH COOPERATIVE	PO#2009126142	17,733
93.213	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	5576SC	14,105
93.213	3600	UNIVERSITY OF PITTSBURGH(NEUROLOGY)	0005127/114449-1	45,951
93.213	3600	UNIVERSITY OF PITTSBURGH(NEUROLOGY)	0005127/116131-1	172,881
93.213	3600	YALE UNIV	DKP108778 (A05509)	-1
93.224	3600	SEATTLE KING COUNTY	D39093D	28,090
93.224	3600	SEATTLE KING COUNTY	D40003D	29,092
93.226	3600	DUKE UNIVERSITY	162328	37,600
93.226	3600	SEATTLE CHILDREN'S HOSPITAL	10031SUB	111,965
93.226	3600	UNIVERSITY OF COLORADO HEALTH SCIENCES	FY07001009AMD5UWASHYR0	-1
93.226	3600	UNIVERSITY OF ILLINOIS, CHICAGO	2007-02872-04-04 KN	16,850
93.231	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	U26IHS300107/04	59,189
93.238	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	T02818TAM02	9,965
93.238	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	T03152T	8,784
93.239	3650	BOWLING GREEN STATE UNIV	NCMRSUBWSU08	2
93.242	3600	CAMBRIDGE HEALTH ALLIANCE	5U01 MH622209	1
93.242	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	415140010101.UW MOD02	68,963
93.242	3600	DARTMOUTH COLLEGE	502	2,924
93.242	3600	DARTMOUTH COLLEGE	UW BUD# 673022	104,578
93.242	3600	DUKE UNIV	UW BUD# 634089	1,127
93.242	3600	DUKE UNIVERSITY	10-NIH-1015	19,681
93.242	3600	GROUP HEALTH COOPERATIVE	2008117127	4,957
93.242	3600	GROUP HEALTH COOPERATIVE	PO#2009115461	24,831
93.242	3600	HEALTHPARTNERS RESEARCH FOUNDATION	A06-102 DIAMOND, AM 02	49,085

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93.242	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	07-0925, AMENDMENT #1	-32,047
93.242	3600	OREGON RSCH INST	R01 MH065340 MOD#6	19,089
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	SUB#10001SUB	20,114
93.242	3600	SIBCR	UW BUD# 638613	16,190
93.242	3600	THE REGENTS OF THE UNIVERSITY OF CALIFOR	2000 G KR408	9,320
93.242	3600	TUFTS UNIVERSITY	PO#5002244-SERV	33,389
93.242	3600	UC DAVIS	0800094	45,307
93.242	3600	UC DAVIS	SUB0800037 AM02	1,048,916
93.242	3600	UC DAVIS	SUB0800044AM02	233,938
93.242	3600	UCLA	PO #0875PJC059 04	24,195
93.242	3600	UCLA	PO# 0875PJC059	-633
93.242	3600	UNIV OF COLUMBIA	1-5-27585AM07	140,251
93.242	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA	PO #0875PJC059	1,370
93.242	3600	UNIVERSITY OF IOWA	PRIME1117710002W000154	7,050
93.242	3600	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z182801AMFREVISED	10,066
93.242	3600	UNIVERSITY OF SOUTH FLORIDA	5820-1112-00-A, MOD.1	21,998
93.242	3600	UNIVERSITY OF SOUTHERN CA	H31544, AM04	96
93.242	3600	WASHINGTON UNIVERSITY	WU-09-19 (PO 2904889N)	35,791
93.243	3600	OREGON DEPARTMENT OF HUMAN SERVICES	130307	58,580
93.243	3600	OREGON HEALTH SCIENCES UNIVERSITY	GPHPM0144-ADAI	13,621
93.243	3600	OREGON HEALTH SCIENCES UNIVERSITY	GPHPM0144-ADAI, AM02	42,519
93.243	3650	JUSTICE RESOURCE INSTITUTE	WSU001170	27,481
93.243	3650	SPOKANE CNTY	WSU001129	10,645
93.243	3650	SPOKANE CNTY	WSU001130	39,914
93.253	3600	WASHINGTON POISON CONTROL CENTER	UW BUD# 671624	-30
93.253	3600	WASHINGTON POISON CONTROL CENTER	UW BUD# 672024	30
93.262	3600	COLORADO STATE UNIVERSITY	4493-3	2,392
93.262	3600	UNIVERSITY OF CINCINNATI	COEUS#005180 AM02	80,779

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.262	3600	UNIVERSITY OF CINCINNATI	COEUS005180Y2SAP100643	23,728
93.262	3700	CPWR-Workplace Solutions 09-10	301-011-02 DHHS U60	22,220
93.265	3650	OR HLTH SCI UNIV FED FLOW	GSONO287A1-WSU	17,922
93.273	3600	IOWA STATE UNIVERSITY	430-78-12, AM05	21,568
93.273	3600	PALO ALTO INSTITUTE FOR RSRCH & EDUCATIO	HAX0005-01	19,222
93.273	3600	PENNSYLVANIA STATE UNIVERSITY	2827-UW-DHHS-2529 AM05	20,932
93.273	3600	RUTGERS UNIVERSITY	4046	5,463
93.273	3600	SEATTLE INST. FOR BIOMEDICAL & CLIN RES	ST19FLAHERTY5R01AA0171	571
93.273	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	RD111AA018604RASMUSSEN	20,596
93.273	3600	SIBCR	ST18 GRAHAM-09	11,714
93.273	3600	SIBCR	ST18/605799469	5,935
93.273	3600	SIBCR	ST19FLAHERTY5R01AA0171	6,846
93.273	3600	THE UNIVERSITY OF TEXAS HEALTH	00006876-AMD2	33,811
93.273	3600	THE UNIVERSITY OF TEXAS HEALTH	00006876A-AMD1	10,271
93.273	3600	UNIVERSITY OF TORONTO, CAMH	UW BUD# 634814	3,704
93.279	3000	WESTAT-NIDA	B08B80	194,562
93.279	3600	BAYLOR COLLEGE OF MEDICINE	5600291023	98,763
93.279	3600	BEHAVIORAL TECH RESEARCH, INC.	1R43DA027251-01	43,493
93.279	3600	DUKE UNIV	04-SC-NIH-1013, MOD05	13,000
93.279	3600	GROUP HEALTH COOPERATIVE	2007115920	-30
93.279	3600	GROUP HEALTH COOPERATIVE	2009113192	91,905
93.279	3600	IOWA STATE UNIV	430-46-65, AM03	-1
93.279	3600	NORTHWEST INDIAN COLLEGE	#24215	79,549
93.279	3600	NORTHWEST INDIAN COLLEGE	NWIC24216UWA51479	57,977
93.279	3600	SUNY	R433627AM03	38,566
93.279	3600	SUNY	R446560 AM03	42,111
93.279	3600	TALARIA, INC.	AM01	83,958
93.279	3600	TALARIA, INC.	STTR2R42DA020284AM2	201,566

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.279	3600	THE JOHNS HOPKINS UNIVERSITY, SOM	2000452210 AM01	3,361
93.279	3600	THE REGENTS OF THE UNIV OF CALIFORNIA	5170SC	5,190
93.279	3600	UNIV OF CA SAN DIEGO	1935 G JE131	-997
93.279	3600	UNIVERSITY OF CALIFORNIA	5170SC	-537
93.279	3600	UNIVERSITY OF CALIFORNIA - UCLA	1935 G JB131 AM03	85,705
93.279	3600	UNIVERSITY OF CALIFORNIA DAVIS	010059-07, AM04	44,089
93.279	3600	UNIVERSITY OF ROCHESTER	414141-G, AMD 1	124,679
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	521429/PO P116384	-142
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PT091038-SC100202 AM02	31,971
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PT096151-SC100139	-145
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PT103743SC101985	26,567
93.279	3650	PACIFIC INST FOR RES & EVAL	00490201	12,852
93.283	3600	CHILDREN'S HOSPITAL (SEATTLE)	414230010301.UW	-1,575
93.283	3600	CHILDREN'S HOSPITAL (SEATTLE)	414230010401.UW MOD 01	13,004
93.283	3600	CHILDRENS HOSP SEATTLE	HR.7659.110405UW03	-4,020
93.283	3600	JOHNS HOPKINS UNIVERSITY	2000110652	15,814
93.283	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	D40007D	3,536
93.283	3600	UNIVERSITY OF COLORADO	FY05.253.003, AMEND 1	-8,287
93.283	3600	USC	05-1040, PO#41801	-13,710
93.283	3600	UTAH DEPARTMENT OF HEALTH	076092 AM02	3
93.283	3600	UTAH DEPARTMENT OF HEALTH	096317	79,015
93.283	3600	UTAH DEPARTMENT OF HEALTH	101820	84,978
93.286	3600	AOEC	PEHSU	80,861
93.286	3600	CLEMSON UNIV	107075582092005410FA12	67,592
93.286	3600	FHCRC	UW BUD# 638760	1,575
93.286	3600	PATH	NIH.1374-03-08614-SUB	326,789
93.286	3600	PATH	NIH.1374-07768-SUB	-141
93.286	3600	PATH	UW BUD# 673548	37,599

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93.286	3600	UNIV OF CA, IRVINE	2003-1328 MOD03	3,656
93.286	3600	UNIVERSITY OF CALIFORNIA	6860120	20,414
93.286	3600	WEST VIRGINIA UNIVERSITY	06-674-UW	2,327
93.307	3600	MOUNT SINAI SCHOOL OF MEDICINE	UW BUD# 637271	921
93.307	3600	MOUNTAIN STATES GROUP, INC	UW BUD# 636964	50,737
93.307	3600	MOUNTAIN STATES GROUP, INC	UW BUD# 638461	15,708
93.307	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	CO9-11 PO#19323	18,068
93.307	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	CONTRACTC0911PO17805	34,534
93.307	3600	TALARIA, INC.	UW BUD# 635158	24,295
93.310	3600	FHCRC	0000658331	4,854
93.310	3600	FHCRC	0000658332	391
93.310	3600	FHCRC	0000678346	14,079
93.310	3600	FHCRC	0000678349	42,664
93.310	3600	FHCRC	0000680299	3,722
93.310	3600	FHCRC	0000680306	111,542
93.310	3600	FHCRC	0000680313	16,905
93.310	3600	FHCRC	0000680314	14,650
93.310	3600	FHCRC	680309	49,872
93.359	3600	UIC	HRSA-09-106	48,608
93.361	3600	BAYLOR COLLEGE OF MEDICINE	4600412829-AM02	25,483
93.361	3600	DANA-FARBER CANCER INSTITUTE	1145306-AM2	268,547
93.361	3600	DANA-FARBER CANCER INSTITUTE	7 R01 NR 008726-05	-48,991
93.361	3600	FHCRC	0000666599	6,604
93.361	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10171SUB	68,513
93.361	3600	UNIVERSITY OF CALIFORNIA	4308SC, AMEND # 3	64
93.361	3600	UNIVERSITY OF CALIFORNIA	4308SC, AMEND #4	166,135
93.361	3600	UNIVERSITY OF CALIFORNIA	4308SC,AM02	-132
93.361	3600	UNIVERSITY OF CALIFORNIA	UW BUD# 632145	83

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93.361	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	UW BUD# 638766	7,468
93.389	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	413450050401.UW05	633
93.389	3600	SEATTLE CHILDREN'S HOSPITAL	10037SUB AM01	22,336
93.389	3600	STANFORD UNIV.	15024040469AAMEND4	48,397
93.389	3600	UNIVERSITY OF CALIFORNIA, DAVIS	06-000931-1	3,755
93.389	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB0800135	-6
93.389	3600	UNIVERSITY OF CINCINNATI	SRS 20309/SAP 1004717	-1,380
93.389	3600	UNIVERSITY OF CINCINNATI	SRS20309SAP1004717AMD3	81,964
93.389	3600	UNIVERSITY OF VERMONT	17998 INITIAL	4,997
93.389	3600	UNIVERSITY OF WISCONSIN-MADISON	P397375	15
93.389	3600	UNIVERSITY OF WISCONSIN-MADISON	P397714	321,291
93.393	3600	FHCRC	0000633414	1,943
93.393	3600	FHCRC	0000638338, AMEND NO.2	270
93.393	3600	FHCRC	0000638477, AMD 03	27,737
93.393	3600	FHCRC	0000651372	-345
93.393	3600	FHCRC	0000660593	1,278
93.393	3600	FHCRC	0000661652	1,715
93.393	3600	FHCRC	0000665965AM01	150,596
93.393	3600	FHCRC	0000666740	5,535
93.393	3600	FHCRC	0000666950	4,959
93.393	3600	FHCRC	0000675045	9,718
93.393	3600	FHCRC	0000677073CA13424502	15,335
93.393	3600	FHCRC	0000678309	31,238
93.393	3600	FHCRC	0000678526	11,208
93.393	3600	FHCRC	0000680602	11,493
93.393	3600	FHCRC	0000683937	1,907
93.393	3600	FHCRC	0000685364	128,303
93.393	3600	FHCRC	0000689029	5,133

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93.393	3600	FHCRC	05-106734-05-S1250	1
93.393	3600	FHCRC	2003-2872-493400	-11
93.393	3600	FHCRC	5R01CA125231SUB659324	1,462
93.393	3600	FHCRC	651645 AM01	364
93.393	3600	FHCRC	676911	25,247
93.393	3600	FHCRC	SA0700478	1,658
93.393	3600	FHCRC	SA0800578	-138
93.393	3600	FHCRC	SA0900665	10,824
93.393	3600	FHCRC	SA1000743MOD01	12,236
93.393	3600	FHCRC	SUB0000675686	17,881
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000671031	5,827
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000675732	57,288
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000691144	1,019
93.393	3600	GROUP HEALTH COOPERATIVE	2008113780 MOD01	7,372
93.393	3600	GROUP HEALTH COOPERATIVE	2009118253	74,510
93.393	3600	GROUP HEALTH COOPERATIVE	UW BUD# 637913	33,703
93.393	3600	GROUP HEALTH COOPERATIVE	UW BUD# 638597	10,178
93.393	3600	KAISER FOUNDATION HEALTH PLAN COLORADO	08JDEAR-01WU	10,624
93.393	3600	KAISER FOUNDATION HEALTH PLAN COLORADO	08JDEAR01WUAMENDMENT1	53,223
93.393	3600	PARKER B FRANCIS FNDN	R01CA097199	14
93.393	3600	TALARIA, INC.	1R42CA141875	3,792
93.393	3650	IA ST UNIV FED FLOW	4304626A	65,694
93.394	3600	DUKE UNIVERSITY	161895	15,407
93.394	3600	FHCRC	0000651660	-1
93.394	3600	FHCRC	0000656297 AM01	61,124
93.394	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002444	1,572
93.394	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002445	2,340
93.394	3600	THE BROAD INSTITUTE, INC	#6615110-5500000159	15,666

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93.394	3600	THE BROAD INSTITUTE, INC	6615110-55000000133	5,755
93.394	3600	THE BROAD INSTITUTE, INC	66151105500000125MOD1	42,361
93.394	3600	UNIV OF MICHIGAN	3001147532	10,505
93.394	3600	VANDERBILT UNIVERSITY	VUMC34777-R, AMEND #1	36,502
93.394	3600	WEST VIRGINIA UNIVERSITY	01-335-UW	30,687
93.395	3600	FHCRC	0000617186	-68
93.395	3600	FHCRC	0000634539	-7
93.395	3600	FHCRC	0000644532 AM02	-2
93.395	3600	FHCRC	0000652796	2,094
93.395	3600	FHCRC	0000654328	-1
93.395	3600	FHCRC	0000654751	16,442
93.395	3600	FHCRC	0000655568AM02	1,540
93.395	3600	FHCRC	0000663249	48,153
93.395	3600	FHCRC	0000664923	51,138
93.395	3600	FHCRC	0000667234	47,058
93.395	3600	FHCRC	0000669008	54,816
93.395	3600	FHCRC	00006705932P01CA078902	11,407
93.395	3600	FHCRC	0000670695	73,995
93.395	3600	FHCRC	0000671036	9,985
93.395	3600	FHCRC	0000672267	27,431
93.395	3600	FHCRC	0000674114	83
93.395	3600	FHCRC	0000674118	216,524
93.395	3600	FHCRC	0000674120	8,831
93.395	3600	FHCRC	0000681415	19,767
93.395	3600	FHCRC	0000681879	56,907
93.395	3600	FHCRC	0000683042	39,549
93.395	3600	FHCRC	0000683434	61,747
93.395	3600	FHCRC	0000691860	20,691

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93.395	3600	FHCRC	659814 AM3	63,472
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000653375	-10,609
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000674238	32,509
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000687121	29,436
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	648058	18
93.395	3600	INDIANA UNIVERSITY	PRIME: R21CA1300849	32,243
93.395	3600	JOHNS HOPKINS UNIVERSITY	2000056564 AM01	-1
93.395	3600	JOHNS HOPKINS UNIVERSITY	2000056564 AM03	155,982
93.395	3600	JOHNS HOPKINS UNIVERSITY	2000056564 AMEND 2	53,534
93.395	3600	JOHNS HOPKINS UNIVERSITY	SUBAWARD 8610-07509-X	-4
93.395	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	16601	-1,220
93.395	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	18954	198,528
93.395	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	19837	62,580
93.395	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LS2-16-KUVER	21,197
93.395	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LS216-KUVER	37,096
93.395	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	LS2-16-KUVER	-1
93.395	3600	SIBCR	LS2-16-SAVARD	41,397
93.395	3600	UNIVERSITY OF MICHIGAN	F020110	10,651
93.395	3600	UNIVERSITY OF TEXAS	24912/98017734	1,654
93.395	3600	UNIVERSITY OF TEXAS	28894/98017734	8,312
93.395	3650	FRED HUTCHINSON CANCER RSCH FED	0000672082	113,910
93.395	3650	UNIV OF KS FED FLOW	FY2008076	8,255
93.396	3600	FHCRC	0000670702 AM01	42,455
93.397	3600	FHCRC	0000611486	-1,785
93.397	3600	FHCRC	0000613078	-28
93.397	3600	FHCRC	0000618114	-14
93.397	3600	FHCRC	0000632755 AMEND 01	-2
93.397	3600	FHCRC	0000646824	-1,619

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93.397	3600	FHCRC	0000646830	-1
93.397	3600	FHCRC	0000648863	-1,747
93.397	3600	FHCRC	0000648865	-3,353
93.397	3600	FHCRC	0000651228	-10
93.397	3600	FHCRC	0000657837	-85
93.397	3600	FHCRC	0000659885	2,905
93.397	3600	FHCRC	0000659886	7,154
93.397	3600	FHCRC	0000659888	62,420
93.397	3600	FHCRC	0000660693	-6,407
93.397	3600	FHCRC	0000661565	-1,214
93.397	3600	FHCRC	0000671107	4,233
93.397	3600	FHCRC	0000671111	26,678
93.397	3600	FHCRC	0000671136	28,556
93.397	3600	FHCRC	0000672076	10,752
93.397	3600	FHCRC	0000672078	22,347
93.397	3600	FHCRC	0000672666	27,634
93.397	3600	FHCRC	0000673566	31,306
93.397	3600	FHCRC	0000674081	7,939
93.397	3600	FHCRC	0000675383	41,722
93.397	3600	FHCRC	0000675394	37,428
93.397	3600	FHCRC	0000675558	65,088
93.397	3600	FHCRC	0000676984	54,165
93.397	3600	FHCRC	0000677012	191,550
93.397	3600	FHCRC	00006783505U54CA118647	168,948
93.397	3600	FHCRC	0000680535	30,522
93.397	3600	FHCRC	0000680858	46,067
93.397	3600	FHCRC	0000680902	29,772
93.397	3600	FHCRC	0000682880	29,141

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93.397	3600	FHCRC	0000690497	10,244
93.397	3600	FHCRC	0000690498	238,029
93.397	3600	FHCRC	0000690499	75,619
93.397	3600	FHCRC	0000690500	32,471
93.397	3600	FHCRC	0000690708	80,032
93.397	3600	FHCRC	0000690740	22,270
93.397	3600	FHCRC	0000690746	44,580
93.397	3600	FHCRC	0000690922	92,044
93.397	3600	FHCRC	2P30CA0157043500006692	18,968
93.397	3600	FHCRC	2P30CA0157043500006711	17,098
93.397	3600	FHCRC	2P30CA01570435671263	27,451
93.397	3600	FHCRC	659884	1,440
93.397	3600	FHCRC	SUB0000675678	2,657
93.397	3600	FHCRC	SUB0000691139	13,364
93.397	3600	FHCRC	SUBAWARD #0000675381	18,193
93.397	3600	FHCRC	SUBAWARD #0000678225	7,847
93.397	3600	FHCRC	SUBAWARD #0000691138	24,562
93.397	3600	FHCRC	SUBAWARD 0000675055	99,918
93.397	3600	FHCRC	SUBAWARD 0000675058	34,385
93.397	3600	FHCRC	SUBAWARD 0000675069	64,156
93.397	3600	FHCRC	SUBAWARD 0000675070	91,418
93.397	3600	FHCRC	SUBAWARD 0000675396	8,211
93.397	3600	FHCRC	UW BUD# 631763	-2,894
93.397	3600	FHCRC	UW BUD# 633020	-1,750
93.397	3600	FHCRC	UW BUD# 635530	8,395
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000639361 AM02	-114
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000679684	25,718
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000691146	17,084

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93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000691356	30,779
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	5P30CA0157043600069091	1,901
93.397	3600	HARVARD MEDICAL SCHOOL	5 P50 CA093683-04	-3,837
93.399	3600	EMORY UNIV	5-40255-G4, AM 1	-9,970
93.399	3600	EMORY UNIVERSITY	5-40255-G4	9,970
93.399	3600	FHCRC	0000612235	8
93.399	3600	FHCRC	0000646098,AM01	6,635
93.399	3600	FHCRC	0000646118, AMD # 1	1,866
93.399	3600	FHCRC	0000659773	15,961
93.399	3600	FHCRC	0000660150	-1,268
93.399	3600	FHCRC	0000679095	58,009
93.399	3600	FHCRC	00006791165P50CA097186	115,314
93.399	3600	FHCRC	0000679117 AMEND. 1	8,542
93.399	3600	FHCRC	000646103	2,339
93.399	3600	FHCRC	5P50CA09718607SUB66070	41,010
93.399	3600	FHCRC	646955	-15,792
93.399	3600	FHCRC	SUB AWARD 659768	59,514
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000620710	7,327
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000659771	51,863
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000659778	8,074
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000679059 AM01	37,354
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000679087 AM01	287,575
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000679295	32,003
93.399	3600	NSABP FNDN	UW-YR24, AMEND 2	25,710
93.399	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GHEMA0202A UW	1,304
93.399	3600	SIBCR	PS1-9-SUN	5,440
93.399	3600	SIBCR	PS19-SUN-09-10	28,105
93.399	3600	UNIVERSITY OF CALIFORNIA, DAVIS	K-013506-UW AMEND#4	48,938

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93.399	3600	UNIVERSITY OF CALIFORNIA, DAVIS	K-013506-UW AMEND. 3	1,944
93.399	3600	UNIVERSITY OF MICHIGAN	UW BUD# 636093	96,050
93.399	3600	UTHSCSA - UNIVERSITY OF TEXAS HEALTH	SELECT-08001	9,394
93.556	3700	IDHW-ICPC Pilot Project	KC241000	39,628
93.568	3600	MONTANA DEPT OF PUBLIC HLTH & HUMAN SVC	UW BUD# 633956	3,546
93.569	6990	Kitsap Community Resources	F09-3210F-314	15,948
93.575	3650	SCHOOLS OUT WA	WSU000640	3,056
93.575	3650	SCHOOLS OUT WA	WSU000668	295
93.575	3650	SCHOOLS OUT WA	WSU000678	-58
93.575	3650	SCHOOLS OUT WA	WSU001043	55,062
93.575	3650	SCHOOLS OUT WA	WSU001044	69,951
93.575	3650	SCHOOLS OUT WA	WSU001045	66,443
93.600	3650	CHILDREN'S HOME SOC WA	WSU000828	2,648
93.600	3650	CHILDREN'S HOME SOC WA	WSU001053	10,890
93.600	6990	Olympic ESD 114	145-161-1N46	94,473
93.600	6990	Olympic ESD 114	1500809184	9,374
93.600	6990	Olympic ESD 114	600-161-1N47	19,358
93.600	6990	Puget Sound Educational Svcs Dist	LOA#6431	164,957
93.600	6990	Puget Sound ESD Headstart	05378	-5,889
93.600	6990	Puget Sound ESD Headstart	05964	45,054
93.600	6990	Puget Sound ESD Headstart	06388	54,572
93.600	6990	Puget Sound ESD Headstart	570-265-1550	181,079
93.658	3700	Idaho-Center Director	KC212800 Amend #3	103,202
93.658	3700	Idaho-In Service Training	KC212700 Amend #6	58,219
93.658	3700	Idaho-IV-E Foster Parent/PreAdopt	KC212200 Amend #7	222,518
93.658	3700	Idaho-IV-E-Stipend	KC212100 Amend #8	99,044
93.658	3700	IDHW-Center	KC241000	376,306
93.658	3700	IDHW-Child Welfare Scholars	KC241000	49,972

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93.658	3700	IDHW-In Service Training	KC241000	123,428
93.658	3700	IDHW-Resource Family	KC241000 Amend #4	868,634
93.670	3650	SPOKANE REGIONAL HEALTH DISTRICT	200225608	64,737
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY (ACR)	6687	15,341
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY (ACR)	ACRIN 6684	24,835
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4221	23,911
93.701	3600	ARIZONA STATE UNIVERSITY	10-217	14,353
93.701	3600	ARIZONA STATE UNIVERSITY	UW BUD# 203036	-983
93.701	3600	BAYLOR COLLEGE OF MEDICINE	#101098627	88,660
93.701	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	30.6692.910135	134,421
93.701	3600	BENAROYA RSCH INST AT VIRGINIA MASON	3R01 AI067750-04S1	18,829
93.701	3600	CALIFORNIA PACIFIC MED CTR RESEARCH INST	AGREEMT2803262S108PO11	38,883
93.701	3600	CEDARS-SINAI MEDICAL CENTER	218596	9,736
93.701	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	3R01AI05763905S1SUB100	33,910
93.701	3600	COLUMBIA UNIVERSITY	2(ACCT#538156)PO580188	34,775
93.701	3600	DANA-FARBER CANCER INSTITUTE	SUBAWARD 2815108	9,783
93.701	3600	DANA-FARBER CANCER INSTITUTE, INC.	2802301	98,120
93.701	3600	DUKE UNIVERSITY	163360	6,527
93.701	3600	EMORY UNIVERSITY	S329788	29,022
93.701	3600	FATHER FLANAGAN'S BOYS' HOME	96377	27,863
93.701	3600	FHCRC	#0000675730	125,421
93.701	3600	FHCRC	0000677074	42,482
93.701	3600	FHCRC	0000678787	118,828
93.701	3600	FHCRC	0000680206	33,072
93.701	3600	FHCRC	0000680635	177,520
93.701	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000688822	19,333
93.701	3600	GROUP HEALTH COOPERATIVE	2009119413MODIFICATION	5,682
93.701	3600	GROUP HEALTH COOPERATIVE	2009120764	18,264

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.701	3600	GROUP HEALTH COOPERATIVE	2009121754	25,563
93.701	3600	GROUP HEALTH COOPERATIVE	2009122469	52,898
93.701	3600	H. LEE MOFFITT CANCER CENTER & RSCH INST	14-15885-01-01-G1	81,624
93.701	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-09-15-09-UW-ARRA-AS	7,636
93.701	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-09-15-09-UW-ARRA-CR	6,309
93.701	3600	JOHNS HOPKINS UNIVERSITY	2000784427	107,362
93.701	3600	LA BIOMED RES INST, HARBOR-UCLA MED CTR	2 R01 HL 071739-05A2	34,531
93.701	3600	LOYOLA UNIVERSITY CHICAGO	3R01CA12545502S1SUBAWA	13,222
93.701	3600	MEDICAL COLLEGE OF WISCONSIN	1RO1HD061312-01 ARRA	10,284
93.701	3600	MOUNT SINAI SCHOOL OF MEDICINE	0256-8101-4609	459,014
93.701	3600	MOUNTAIN STATES GROUP, INC	8350-2	24,097
93.701	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	#19307	27,475
93.701	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AFAMP0076ST-UW	9,045
93.701	3600	OREGON HEALTH AND SCIENCE UNIVERSITY	GVGTI0101UOFWNMAIZELS	249,985
93.701	3600	OREGON STATE UNIVERSITY	P0304A-A	144,287
93.701	3600	PUBLIC HEALTH FNDN ENTERPRISES, INC	2324.001 AWARE	126,936
93.701	3600	REGENTS OF THE UNIVERSITY OF CALIFORNIA	10302992-SUB	48,111
93.701	3600	ROLLINS SCHOOL OF PUBLIC HEALTH	S363826	28,968
93.701	3600	SAINT LOUIS UNIVERSITY	1 RC1 DK 086450-01	33,856
93.701	3600	SEATTLE CHILDREN'S HOSPITAL	10025SUB	112,912
93.701	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ18-ANAU-ARRA	36,042
93.701	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ18-BAKER-ARRA	28,437
93.701	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	BJ18-GRAVES-ARRA	25,254
93.701	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	SA 131-DONOVAN	4,851
93.701	3600	SIBCR	BJ118-CO-SFS-BAKER1	1,659
93.701	3600	SIBCR	BJ118-CO-SFS-GARRETT1	9,633
93.701	3600	SIBCR	BJ118-CO-SFS-GILLET1	1,694
93.701	3600	SIBCR	BJ118-CO-SFS-TSAI1	3,860

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93.701	3600	SIBCR	BJ118COSFSCALLAGHANI	3,434
93.701	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSACUREQ0600130T004	27,592
93.701	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSIMPCTQ0600124T002	5,790
93.701	3600	SYRACUSE UNIVERSITY	24301-02345-S01	3,016
93.701	3600	THE MIRIAM HOSPITAL	SUB NO.710-7142005	8,077
93.701	3600	THE UNIVERSITY OF TEXAS	0007224E	81,823
93.701	3600	UCLA - LOSH PROGRAM	SUBAWARD# 2105 G MA308	55,354
93.701	3600	UNIVERISTY OF UTAH	100162380-02	7,199
93.701	3600	UNIVERSITY OF ALABAMA	000240501-115	2,866
93.701	3600	UNIVERSITY OF ALABAMA	000259927-011	3,354
93.701	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA	UW BUD# 203547	21,020
93.701	3600	UNIVERSITY OF CHICAGO	#42989-E	15,985
93.701	3600	UNIVERSITY OF CHICAGO	42932-A	10,856
93.701	3600	UNIVERSITY OF CINCINNATI	006467/L10-4500044887	8,267
93.701	3600	UNIVERSITY OF CINCINNATI	006467/L10-4500044893	31,301
93.701	3600	UNIVERSITY OF COLORADO, DENVER	FY10.253.001 #2515348	36,591
93.701	3600	UNIVERSITY OF ILLINOIS	2006-06651-01	13,024
93.701	3600	UNIVERSITY OF MINNESOTA	N000949304	89,921
93.701	3600	UNIVERSITY OF NORTH CAROLINA	5-30299	24,069
93.701	3600	UNIVERSITY OF PENNSYLVANIA	553471 PO#2327301	77,087
93.701	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR	0007006-C	36,509
93.701	3600	UNIVERSITY OF VIRGINIA	ZC10075-134968	6,697
93.701	3600	UNIVERSITY OF VIRGINIA	ZC10075-134969	14,174
93.701	3600	UNIVERSITY OF WISCONSIN-MADISON	180K541	70,154
93.701	3600	VANDERBILT U MED CTR INST FOR GLOB HLTH	VUMC34746	8,100
93.701	3600	VANDERBILT UNIVERSITY	VUMC36046	151,242
93.701	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 34748	15,897
93.701	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC35940	37,675

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93.701	3600	WAKE FOREST UNIVERSITY	UW BUD# 203518	1,798
93.701	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU10224 PO NO.2911856A	172,144
93.701	3650	SYRACUSE UNIV FED FLOW	2363902331S01	1,530
93.708	3650	CHILDREN'S HOME SOC WA	WSU001053	604
93.708	6990	Puget Sound Educational Svcs Dist	LOA#6431	4,036
93.708	6990	Puget Sound Educational Svcs Dist	LOA#6538	18,659
93.709	3650	CHILDREN'S HOME SOC WA	WSU001177	1,274
93.710	6990	Workforce Development Counc of Snoh Cty	CS-09-12-03-203	35,554
93.778	3600	CITY OF SEATTLE	UW BUD# 638142	50,427
93.778	3600	SEATTLE KING COUNTY DEPT OF HLTH	D36418D	-1
93.824	3600	MONTANA HEALTH RESEARCH	UW BUD# 638589	10,414
93.824	3600	MONTANA STATE UNIVERSITY - AHEC	G267-10-W2821	4,992
93.824	3600	UNIV OF ALASKA ANCHORAGE	U76HP06096	-13
93.824	3600	UNIVERSITY OF ALASKA ANCHORAGE	G00002898 PO 397212	9,207
93.824	3600	UNIVERSITY OF ALASKA ANCHORAGE	UW BUD# 638585	12,704
93.837	3600	AXIO	UW Bud# 630629	34,741
93.837	3600	AXIO RESEARCH CORP	NHL243-01	468,157
93.837	3600	AXIO RESEARCH CORPORATION	UW BUD# 630548	197,933
93.837	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	UW BUD# 635730	171,272
93.837	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	NHLBI CVD	52,561
93.837	3600	BOSTON UNIVERSITY	RA207256NGM AM01	21,634
93.837	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	3376-5	15,474
93.837	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	3724-5	45,935
93.837	3600	CEDARS-SINAI MED CTR	PO#489044 AM06	-4,410
93.837	3600	CEDARS-SINAI MEDICAL CENTER	PO 491965, MOD 5	3,477
93.837	3600	CHILDREN'S HOSPITAL & RSRCH CTR OAKLAND	128044UNIVOFWASHINGTON	157,797
93.837	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	412430030101.UWMOD01	8,017
93.837	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	41447011 UW	161,950

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93.837	3600	CLEVELAND CLINIC LERNER COLLEGE OF MED.	PO# 3762264	1,149
93.837	3600	COLUMBIA UNIVERSITY	UW BUD# 638528	12,105
93.837	3600	DUKE UNIV	165825AM01	45,979
93.837	3600	DUKE UNIVERSITY	144752	48
93.837	3600	DUKE UNIVERSITY	157062	109,204
93.837	3600	DUKE UNIVERSITY	203-9990	5,009
93.837	3600	FHCRC	0000615554	-63
93.837	3600	FHCRC	0000634675 AM02	118,077
93.837	3600	FHCRC	0000680052	189,487
93.837	3600	FHCRC	0000682535 AM01	281,292
93.837	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-113954-UW AMD #3	164,319
93.837	3600	JOHNS HOPKINS UNIVERSITY (JHU)	2000011167AM03	4,784
93.837	3600	MASSACHUSETTS GENERAL HOSPITAL	205514, AMEND 01	-25,280
93.837	3600	MASSACHUSETTS GENERAL HOSPITAL	205514, AMEND 02	195,299
93.837	3600	N CA INST RSCH EDUC	2 FRAM 761-02 AM05	28,173
93.837	3600	SEATTLE CHILDREN'S HOSPITAL	#10150SUB	51,520
93.837	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	SM58-SMITH	2,988
93.837	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	SM58-SMITH02	1,494
93.837	3600	SEATTLE INSTITUTE FOR CARDIAC RESEARCH	1U01HL08970901A1SICR01	74,590
93.837	3600	THE GEORGE INSTITUTE FOR INT'L HEALTH	UW BUD# 669966	-535
93.837	3600	THE UNIVERSITY OF PENNSYLVANIA	553525	167,365
93.837	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10283220-002	15,657
93.837	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10299796	30,583
93.837	3600	UNIVERSITY OF COLORADO	5 R01 HL073824-05EXT	89,328
93.837	3600	UNIVERSITY OF MICHIGAN	30012909822R01HL071759	14,758
93.837	3600	UNIVERSITY OF MINNESOTA	Q6636266908	2,894
93.837	3600	UNIVERSITY OF PENNSYLVANIA	551412	193
93.837	3600	UNIVERSITY OF PENNSYLVANIA	551412 MOD 1	2,311

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93.837	3600	VANDERBILT UNIVERSITY	R01 HL 094786-01	27,088
93.837	3600	WAKE FOREST UNIVERSITY	UW BUD# 638885	349
93.837	3600	WAKE FOREST UNIVERSITY	UW155030-11140AM05	16
93.837	3600	WAKE FOREST UNIVERSITY	UW15503011140AMEND4REV	47,178
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 10120	-60
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 10800-AM03	16,731
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 11128	-21
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 13860	7,092
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 14060	28,071
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS 53390	140,637
93.837	3600	WAKE FOREST UNIVERSITY	WFUHS17168 AMD#5	5,980
93.837	3600	YALE UNIVERSITY	M0700086	298,037
93.837	3650	UNIV OF TX HEALTH SCIENCE CTR	0006439B	-10
93.838	3600	CHILDREN'S HOSPITAL & REGIONAL MEDICAL	413390300501.UW MOD032	87,692
93.838	3600	COLUMBIA UNIV	5R01HL0776124SUBAWARD5	4,296
93.838	3600	COLUMBIA UNIVERSITY	3 (ACCT# 5-36361) AM02	76,567
93.838	3600	DUKE UNIV	UW BUD# 635327	70,561
93.838	3600	FHCRC	636677	-3,100
93.838	3600	FHCRC	658670	494
93.838	3600	INDIANA UNIVERSITY MEDICAL CENTER	IUPUI4687918UWASHU01HL	8,375
93.838	3600	SEATTLE CHILDREN'S HOSPITAL	10216SUB	4,902
93.838	3600	SUNNYBROOK HEALTH SCIENCES CENTRE	HL67939	39,978
93.838	3600	UCSF CONTROLLER'S OFFICE	6020SC	2,633
93.838	3600	UNIV OF CA BERKELEY	SA5614-11560AM02	86,567
93.838	3600	UNIV OF IOWA	1000660275	2,673
93.838	3600	UNIVERSITY OF PENNSYLVANIA	SUBAWARD #551976AM02	14,619
93.838	3600	UNIVERSITY OF PITTSBURGH	0016623 PROJ.116438-4	75,455
93.838	3600	UNIVERSITY OF PITTSBURGH	106908-2	-15

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93.838	3600	UNIVERSITY OF PITTSBURGH	106908-3 AM01	1,133
93.838	3600	WAKE FOREST UNIVERSITY BAPTIST MEDICAL	WFUHS17168 AMD#2	-2
93.838	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	2PO1HL02959426SUBWU091	-19,309
93.838	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	SUBWU09179PONO2905559N	518,442
93.838	3600	WASHINGTON UNIVERSITY SCHOOL OF MEDICINE	UW BUD# 638638	91,654
93.839	3600	FHCRC	00006742355R01HL084345	275,938
93.839	3600	FHCRC	0000674801-AM1	201,268
93.839	3600	FHCRC	0000684710	45,175
93.839	3600	FHCRC	5 R01HL084345-03	35
93.839	3600	FHCRC	5R01HL08569303SUB65564	5,958
93.839	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000682728 AM01	62,048
93.839	3600	PUGET SOUND BLOOD CTR	715 UW2009/10 -1	17,441
93.839	3600	PUGET SOUND BLOOD CTR	969-UW-2008-01	23,163
93.839	3600	PUGET SOUND BLOOD CTR	969-UW-2009-3	88,022
93.839	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	413110070101-UW	98,146
93.839	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000308405-001	65,262
93.839	3600	UNIVERSITY OF PENNSYLVANIA	PO#2372080	13,341
93.839	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC33664AM1R01HL06519	21,159
93.839	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU091101U01HL08847601A	2,347
93.846	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	413950150101.UW	10,777
93.846	3600	EVANSTON NORTHWESTERN HEALTHCARE	EH04-179-S5 AMEND 1	-1,755
93.846	3600	FHCRC	0000678603	60,013
93.846	3600	INDIANA UNIVERSITY	92948	8,900
93.846	3600	JOHNS HOPKINS UNIVERSITY	20000100073 AM04	10,724
93.846	3600	MAYO CLINIC ROCHESTER	5 RO1 AR049373-06	-851
93.846	3600	NORTHWESTERN UNIVERSITY FEINBERG SCHOOL	60023942UWREFSP0007529	2,544
93.846	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AFAMP0076-UW, AMD#1	79,706
93.846	3600	OREGON HEALTH AND SCIENCE UNIV	UW BUD# 635914	3,055

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93.846	3600	SEATTLE CHILDREN'S HOSPITAL	10166SUB	27,102
93.846	3600	STANFORD UNIVERSITY	13458140-30300-B-AM05	32,601
93.846	3600	TALARIA	UW BUD# 635945	26,599
93.846	3600	UNIVERSITY OF CALIFORNIA (SD)	10266442-006	218,516
93.846	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PD300330-SC100911	3,412
93.847	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY090230189701A40600	12,682
93.847	3600	CASE WESTERN RESERVE UNIV	RES429675,AMENDMENT 17	337,855
93.847	3600	CHILDREN'S HOSPITAL RESEARCH FOUNDATION	5U01DK072493MOD3103075	74,650
93.847	3600	GEORGE WASHINGTON UNIV	10-D19	150,634
93.847	3600	GEORGE WASHINGTON UNIV	6119-1144-00-AA	459
93.847	3600	GEORGE WASHINGTON UNIV	UW BUD# 638377	6,839
93.847	3600	GEORGE WASHINGTON UNIVERSITY	09-D17	14,555
93.847	3600	GEORGE WASHINGTON UNIVERSITY	09-D18	29,585
93.847	3600	GEORGE WASHINGTON UNIVERSITY	09-D19	400,178
93.847	3600	GEORGE WASHINGTON UNIVERSITY	10-D17	3,239
93.847	3600	GEORGE WASHINGTON UNIVERSITY	S-DPP0809-JT02	-5,102
93.847	3600	GEORGE WASHINGTON UNIVERSITY	S-DPP0910-MR02	752,287
93.847	3600	GEORGE WASHINGTON UNIVERSITY	S-DPP1011-MR02	267,686
93.847	3600	HEALTHPARTNERS RESEARCH FOUNDATION	X08132001R01DK08447501	82,980
93.847	3600	KAISER FOUNDATION RSCH INST	115.9347	5,515
93.847	3600	MEDICAL COLLEGE OF GEORGIA	1U24DK0761690107204976	-776
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-12	-25
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-19	26,286
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-22	44,353
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-23	64,027
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-25	60,570
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-27	31,690
93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-28	34,276

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93.847	3600	MEDICAL COLLEGE OF GEORGIA	20497-29	22,504
93.847	3600	OREGON HEALTH & SCIENCE UNIVERSITY	ACSWR0005-A, AMD.2	31,536
93.847	3600	OREGON HEALTH AND SCIENCE UNIV	ACSWR0005-A,	11,628
93.847	3600	SEATTLE INST. FOR BIOMED. & CLINICAL RES	KS1-21-SOCHA	44,571
93.847	3600	SEATTLE INST. FOR BIOMEDICAL & CLIN RES	KS16-SOCHA	8,982
93.847	3600	SEATTLE INST. FOR BIOMEDICAL & CLIN RES	TG1-7-MEI	64,637
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	KS1-21-KNOPP	104,909
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	LW1-15	2,377
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	TG1-7-MUNDINGER	72,801
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	UW BUD# 634738	6,164
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	UW BUD# 634739	5,385
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	UW BUD# 635938	38,778
93.847	3600	SIBCR	KS1-21-LOVATO	9,683
93.847	3600	SIBCR	KS1-21-SPIVEY	3,522
93.847	3600	SIBCR	KS1-6-KNOPP	22,893
93.847	3600	SIBCR	KS1-6-LOVATO	6,571
93.847	3600	SIBCR	KS1-6-SOCHA	22,911
93.847	3600	SIBCR	KS1-6-SPIVEY	1,601
93.847	3600	SIBCR	KSA-6-SPIVEY	3,179
93.847	3600	SIBCR	LW1-15	1,296
93.847	3600	SIBCR	LW115-WANG	14,891
93.847	3600	SIBCR	UW BUD# 638278	13,823
93.847	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10289887-001	250,890
93.847	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10303997-SUB	7,965
93.847	3600	UNIVERSITY OF IOWA	PO#1000740355; AMEND#7	59,026
93.847	3600	UNIVERSITY OF IOWA	W000096953, AMEND 043	20,157
93.847	3600	UNIVERSITY OF MIAMI	66444R\R01DK078907-02	644,694
93.847	3600	UNIVERSITY OF NORTH CAROLINA	SUBAWARD550803AMEND3	31,105

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.847	3600	UNIVERSITY OF PITTSBURGH MEDICAL CENTER	0015374PROJECT1154245	255,902
93.847	3600	UNIVERSITY OF PITTSBURGH MEDICAL CENTER	19802056238100AMEND2	2,472
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	05E08PRI5U01DK06105506	637
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AA MOD 3	19,990
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AA MOD1&2	93,435
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AD	6,095
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AD MOD 1	290,146
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-Z MOD 1	566,649
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	S-TRN0708-NL07	3,170
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	STRN0708NL075U01DK6610	293
93.847	3600	UNIVERSITY OF TEXAS AT AUSTIN	UTA08-443	67,353
93.847	3600	WA UNIV	2905423A, AMD#1	8,717
93.847	3600	WA UNIV	2905423A, AMD#2	391,639
93.847A	3650	ARCADIA BIOSCIENCES INC	WSU001086	154,010
93.848	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY08.01864-02.A40574	3,829
93.848	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	R01DK068598BIDMCPIDARY	3,477
93.848	3600	MAYO CLINIC ROCHESTER	5 R01 DK56924-05	-29
93.848	3600	SEATTLE INST. FOR BIOMED. & CLINICAL RES	KS1-21-SOCHA	2,924
93.848	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	KS1-21-KNOPP	10,005
93.848	3600	SIBCR	KS1-21-LOVATO	880
93.848	3600	SIBCR	KS1-21-SPIVEY	320
93.848	3600	THE UNIVERISTY OF TEXAS SOUTHWESTERN	GMO-500801	23,471
93.848	3600	THE UNIVERISTY OF TEXAS SOUTHWESTERN	GMO500801MOD2WILLIAMML	10
93.848	3600	UNIVERSITY OF COLORADO	FY07284003UWAMD2NOCOST	21
93.848	3600	UNIVERSITY OF MINNESOTA	Q6636457103, AMD #4	83,796
93.848	3600	UNIVERSITY OF PITTSBURGH	0012368PROJECT1161641	243,427
93.848	3600	UNIVERSITY OF PITTSBURGH	SUBAWARD0005316PROJECT	207
93.848	3600	WAKE FOREST UNIVERSITY	WFUHS 14109 REV #1	52,052

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.848	3600	WAKE FOREST UNIVERSITY	WFUHS 14130	308,280
93.849	3600	FHCRC	0000617630	1,273
93.849	3600	FHCRC	0000648061	-7
93.849	3600	FHCRC	0000666020	9,188
93.849	3600	FHCRC	0000669289	11,924
93.849	3600	FHCRC	0000681257	6,040
93.849	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000681240	6,774
93.849	3600	INDIANA UNIVERSITY	IUPUI4682197 U WA	337,141
93.849	3600	INDIANA UNIVERSITY	UW BUD# 668667	33,604
93.849	3600	MEDICINE FOR MALARIA VENTURES	UW BUD# 634926	112,695
93.849	3600	RIVERSIDE RESEARCH INSTITUTE	PURCHASE ORDER 010726	23,019
93.849	3600	VANDERBILT UNIVERSITY MEDICAL CTR	VUMC32483-R	-16,650
93.853	3600	BAYLOR COLLEGE OF MEDICINE	PO #4600507997	146
93.853	3600	BAYLOR COLLEGE OF MEDICINE	PO 4600507997, AM01	-146
93.853	3600	BRIGHAM AND WOMEN'S HOSPITAL	077244A01CK0003187298	15,103
93.853	3600	EMORY UNIV	5 K23 NS 049100	-16,860
93.853	3600	EMORY UNIVERSITY	5-41845-G1 AM01	18,816
93.853	3600	EMORY UNIVERSITY	5-41845-G1 AM2	29,027
93.853	3600	EMORY UNIVERSITY	5-42415-G19	3,536
93.853	3600	EMORY UNIVERSITY	S381854 (G-19)	12,819
93.853	3600	FHCRC	0000690301	34,322
93.853	3600	MASSACHUSETTS GENERAL HOSPITAL	208248AM01R01NS0597270	3,366
93.853	3600	MEDICAL UNIVERSITY OF SOUTH CAROLINA	MUSCO8-111-AM02	2,560
93.853	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AAIRC0023A	8,428
93.853	3600	PUGET SOUND ACTION TEAM	PO 1000534513	-2
93.853	3600	TRUSTEES OF COLUMBIA UNIVERSITY NEW YORK	SUBAWARD NO. 1, AM01	-1,824
93.853	3600	U OF TEXAS SW MEDICAL CTR	GMO-100104	85,861
93.853	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	077	139

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.853	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	077-AM1	162
93.853	3600	UNIVERSITY OF BRITISH COLUMBIA	F09044872U01NS03852909	37,302
93.853	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB08-000674	101,434
93.853	3600	UNIVERSITY OF FLORIDA	UF07075	-614
93.853	3600	UNIVERSITY OF IOWA	W000056245 AMEND 8	60
93.853	3600	UNIVERSITY OF IOWA	W000056245 AMEND. 8	-8
93.853	3600	UNIVERSITY OF IOWA	W000075588, AMEND. 10	8
93.853	3600	UNIVERSITY OF IOWA	W000075588, AMEND. 11	555
93.853	3600	UNIVERSITY OF PITTSBURGH	00005174	194,199
93.853	3600	UNIVERSITY OF PUERTO RICO	916-00-1537	-164
93.853	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	142318	47,446
93.853	3600	UNIVERSITY OF TEXAS, SAN ANTONIO	126155-32	-1,127
93.853	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-08-204 CHECK#904169	15,110
93.853	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU07103PO29990P	-31
93.855	3600	BAYLOR COLLEGE OF MEDICINE	101114198	79,104
93.855	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	20386.914123.6692	36,425
93.855	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	30.914123	-2
93.855	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	6694-915858	-1,233
93.855	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	AMEND3COSTCTR30914123	35,989
93.855	3600	BRIGHAM & WOMENS HOSP	104281	-1,896
93.855	3600	CHILDREN'S HOSPITAL	413910020101UWFANNMOD4	13,032
93.855	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	413910020101 MOD5	29,017
93.855	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	SUBAGREEMENT41341018UW	89,039
93.855	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	SUBAWARD #10189SUB	33,153
93.855	3600	CHILDREN'S HOSPITAL REGIONAL MEDICAL CTR	412660240101.UW	3,890
93.855	3600	CHILDREN'S HOSPITAL REGIONAL MEDICAL CTR	412660240101CFARMOD2	6,594
93.855	3600	CHILDRENS HOSPITAL & REG. MEDICAL CENTER	SUB 412660240101.UW	1,441
93.855	3600	DREXEL UNIVERSITY	DREXEL 232284 AM03	113,147

State of Washington
Schedule of Expenditures of Federal Awards
Note F:
Supplemental Information for Pass-Through Funds

For the Year Ended
June 30, 2010
(Expressed in whole dollars)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.855	3600	DREXEL UNIVERSITY	DREXEL 232284 AM04	77,745
93.855	3600	FHCRC	0000	5,878
93.855	3600	FHCRC	0000657180	-3
93.855	3600	FHCRC	0000660415	122,797
93.855	3600	FHCRC	0000660420, AMEND#1	129,741
93.855	3600	FHCRC	0000661029	8,307
93.855	3600	FHCRC	0000664853	190,439
93.855	3600	FHCRC	0000666776	49,472
93.855	3600	FHCRC	0000668660	33,075
93.855	3600	FHCRC	00006703635R37AI425281	63,374
93.855	3600	FHCRC	0000670661	38,727
93.855	3600	FHCRC	0000674594	11,145
93.855	3600	FHCRC	0000674594 AM01	132,447
93.855	3600	FHCRC	0000675914 AMEND 1	569,092
93.855	3600	FHCRC	0000675915 AM01	835,556
93.855	3600	FHCRC	0000677234	299,698
93.855	3600	FHCRC	0000677252 AM 1	314,343
93.855	3600	FHCRC	0000677260	73,015
93.855	3600	FHCRC	0000677266	247,389
93.855	3600	FHCRC	0000677272	182,468
93.855	3600	FHCRC	0000677276	206,961
93.855	3600	FHCRC	0000677284	343,061
93.855	3600	FHCRC	0000677706	177,963
93.855	3600	FHCRC	0000677717-AM1	4,416
93.855	3600	FHCRC	0000677727	130,229
93.855	3600	FHCRC	0000678248	29,408
93.855	3600	FHCRC	0000678788	25,150
93.855	3600	FHCRC	0000680856	7,092

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.855	3600	FHCRC	0000681952	169,951
93.855	3600	FHCRC	0000681995	41,716
93.855	3600	FHCRC	0000681998	1,158,230
93.855	3600	FHCRC	0000683329	156,575
93.855	3600	FHCRC	0000683436	937,380
93.855	3600	FHCRC	0000683439	151,471
93.855	3600	FHCRC	0000685260	24,984
93.855	3600	FHCRC	0000690072	20,506
93.855	3600	FHCRC	0000690913	6,106
93.855	3600	FHCRC	000643701	43,705
93.855	3600	FHCRC	5U01AI06861403654622	-7,106
93.855	3600	FHCRC	5U01AI06861803SUB65596	2,833
93.855	3600	FHCRC	654520	3,888
93.855	3600	FHCRC	655851	-7,719
93.855	3600	FHCRC	658593	8,562
93.855	3600	FHCRC	658609	-33
93.855	3600	FHCRC	658612	-196
93.855	3600	FHCRC	658619	-3,543
93.855	3600	FHCRC	658623	-1,016
93.855	3600	FHCRC	SUB #0000683331	287,030
93.855	3600	FHCRC	SUBAWARD 0000675336	284,686
93.855	3600	FHCRC	SUBAWARD 0000690492	35,879
93.855	3600	FHCRC	SUBAWARD0000675336AMD1	1,999,549
93.855	3600	FHCRC	UW BUD# 638420	18,701
93.855	3600	FHCRC	UW BUD# 638599	37,885
93.855	3600	FHCRC	UW BUD# 638692	51,894
93.855	3600	FHCRC	UW BUD# 638695	20,501
93.855	3600	FHCRC	UW BUD# 638713	15,041

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.855	3600	FHCRC	UW BUD# 638738	4,265
93.855	3600	FHCRC	UW BUD# 638884	12,068
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000666123 - REVISED	24,852
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000667648	53,574
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000677264	51,455
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000677728	313,411
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000688821	44,084
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	687311	-7,875
93.855	3600	JOHNS HOPKINS UNIVERSITY	JHU PO 8609-04589-X	-12
93.855	3600	JOHNS HOPKINS UNIVERSITY	JHU PO2000056550	-1,469
93.855	3600	JOHNS HOPKINS UNIVERSITY	JHUPO2000056550MOD4	469,476
93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE	26-3301-4267	737
93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE	4320	487,849
93.855	3600	MAGEE-WOMENS RSCH INST & FNDN	UW BUD# 638734	29,986
93.855	3600	MEDICINE FOR MALARIA VENTURES	MMV06/0013	388,155
93.855	3600	MOUNT SINAI SCHOOL OF MEDICINE	0254-6835-4609/6A	-2,036
93.855	3600	MOUNT SINAI SCHOOL OF MEDICINE	0254-6835-4609/6B	998
93.855	3600	NORTHWESTERN UNIV	0600370F527UNIVWA01	418
93.855	3600	NORTHWESTERN UNIV	0600370F527WUAMA02	3,069
93.855	3600	NORTHWESTERN UNIVERSITY	610 4733000 60024693	34,128
93.855	3600	OHIO STATE U RESEARCH FOUNDATION	PROJ 60020299	199,979
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	#AVGTI0102-UOFWN-KATZE	345,896
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGT10101-UOFWN-GALE	214,498
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0101-UOFWN-BEVAN	288,811
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0101UOFWNANDERSON	233,061
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0101UOFWNKATZE	660,501
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0101UOFWNKRISHNAK	53,990
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0102-UOFWN-BEVAN	137,739

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0102-UOFWN-GALE	76,166
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0102UOFWNANDERSON	100,697
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0102UOFWNKRISHNAK	105,539
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GPRC00765A1 AM04	54,448
93.855	3600	PUBLIC HEALTH FOUNDATION ENTERPRISES	SUB 1R01AI083060AM01	154,648
93.855	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-15015	33,997
93.855	3600	SEATTLE BIOMEDICAL RSCH INST	UW-1100 MOD 2	24,460
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10013SUBAMENDMENT2	58,888
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10038SUB	15,169
93.855	3600	SIMON FRASER UNIVERSITY	31-864023,AM001	11,676
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T00100	221,703
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACUREQ0600130T001MO	-172
93.855	3600	SOCIAL AND SCIENTIFIC SYSTEMS, INC	UW BUD# 638693	20,408
93.855	3600	SOCIAL AND SCIENTIFIC SYSTEMS, INC	UW BUD# 638694	29,669
93.855	3600	SOCIAL AND SCIENTIFIC SYSTEMS, INC.	BRSACUREQ0600130T005	45,342
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACUREQ0600130T002MO	285,458
93.855	3600	STANFORD UNIVERSITY	22941520-39760-A	63,047
93.855	3600	UMDNJ	191675W	52,180
93.855	3600	UNIV OF CA SAN DIEGO	PO# 10289256	-11,897
93.855	3600	UNIVERSITY OF ALABAMA BIRGMINHAM	219866	-930
93.855	3600	UNIVERSITY OF ALABAMA BIRGMINHAM	219866 AMD 2	930
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000259927-001	639,922
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	1R24AI06703903SUBCODE0	217,495
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10293192-001	224,028
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10287084	24,050
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10289256-001	48,009
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10293192-002	47,509
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO (UCSD)	PO# 10289256-001	16,068

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	5538SC	-47
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	5651SC	9,979
93.855	3600	UNIVERSITY OF ILLINOIS, CHICAGO	2007-01064-02-04	44,424
93.855	3600	UNIVERSITY OF MASSACHUSETTS, WORCESTER	1P01AO082274-01	315,927
93.855	3600	UNIVERSITY OF MASSACHUSETTS-AMHERST	07-004309 B-03 AM03	84,973
93.855	3600	UNIVERSITY OF NORTH CAROLINA	5-50817 AMEND #3	126,751
93.855	3600	UNIVERSITY OF PITTSBURGH	0001010PROJECT1143761	111,112
93.855	3600	UNIVERSITY OF PITTSBURGH	00052631139862AMEND2	33,190
93.855	3600	UNIVERSITY OF PITTSBURGH	0005263PROJ1139862AMEN	157,399
93.855	3600	UNIVERSITY OF PITTSBURGH	0007748	18,802
93.855	3600	UNIVERSITY OF PITTSBURGH	0010255PROJECTNO115675	74,416
93.855	3600	UNIVERSITY OF PITTSBURGH	UW BUD# 638584	6,818
93.855	3600	UNIVERSITY OF TEXAS	08-065	600
93.855	3600	UNIVERSITY OF TEXAS	09-110	311,386
93.855	3600	UNIVERSITY OF WISCONSIN-MADISON	171K765	162,038
93.855	3600	WAKE FOREST UNIVERSITY	PA-03-047	-56
93.855	3600	WAKE FOREST UNIVERSITY	PA-03-047, AMEND 3	-402
93.855	3650	UNIV OF TX HEALTH SCIENCE CTR	127555127271	-3,306
93.856	3600	DANA-FARBER CANCER INSTITUTE	1015107, AMEND#2	10,921
93.856	3600	DANA-FARBER CANCER INSTITUTE	1015107, AMEND#4	195,053
93.856	3600	FHCRC	0000610124	1,705
93.856	3600	FHCRC	0000647470	3
93.856	3600	FHCRC	0000666263	-1,439
93.856	3600	FHCRC	0510482503S1205PO58767	-1,705
93.856	3600	FHCRC	629880 AMD 2	-1,746
93.856	3600	FHCRC	658553	3,508
93.856	3600	HARVARD SCHOOL OF PUBLIC HEALTH	113911.0007AM04	29,809
93.856	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1555 MOD05	7,602

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.856	3600	U OF TEXAS SW MEDICAL CTR	GMO-400421 MOD5	51,292
93.856	3600	UCLA CENTER FOR PREVENTION RESEARCH	1556 G FD985, AMEND.4	498
93.856	3600	UNIV OF CA SAN FRANCISCO	3573SC, AMEND#3	-7,523
93.856	3600	UNIV OF COLORADO, DENVER & HLTH SCI CTR	FY092840025U19AI066328	31,047
93.856	3600	UNIV OF COLORADO, DENVER & HLTH SCI CTR	FY102840025U19AI066328	147,250
93.856	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCI	13880	21,364
93.856	3600	UNIVERSITY OF CINCINNATI	SRS#19372, SAP#1001744	-55
93.856	3600	UNIVERSITY OF COLORADO	FY06284002AW1U19AI0663	2
93.856	3600	UNIVERSITY OF COLORADO	FY07.284.002,AMD#2	-2
93.856	3600	UNIVERSITY OF COLORADO	FY07284002AW5U19AI0663	-60
93.856	3600	VICAL INCORPORATED	REF A30732	142,634
93.856	3600	WA UNIV	WU0440MOD4PO29740F	-8
93.856	3650	TX A & M RSCH FNDN FED FLOW	S050053	141,883
93.859	3600	ARIZONA STATE UNIVERSITY	09-130, AM01	29,587
93.859	3600	CASE WESTERN RESERVE UNIVERSITY	RES 502 582	43,761
93.859	3600	COLORADO UNIV	FY10,001-003 AMEND #2	441,021
93.859	3600	DUKE UNIVERSITY	147497	30,175
93.859	3600	DUKE UNIVERSITY	165859/147497	18,802
93.859	3600	ELI LILLY AND COMPANY	U54 GM074945-06	90,261
93.859	3600	FOX CHASE CANCER CENTER	11138-03	70,444
93.859	3600	FOX CHASE CANCER CENTER	11138-04, MOD03	99,219
93.859	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-113936 AM01	26,171
93.859	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-114041	58,387
93.859	3600	INDIANA UNIVERSITY	IU4630804PROPOSAL91382	98,079
93.859	3600	INST. FOR CANCER RESEARCH/FOX CHASE CENT	11138-02 MOD03	10,983
93.859	3600	INSTITUTE FOR SYSTEMS BIOLOGY	2009.0020 AMEND 1	19,061
93.859	3600	MASSACHUSETTS GENERAL HOSPITAL	204804	432,373
93.859	3600	MEDICAL COLLEGE OF WISCONSIN	AM 01	2,702

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Note F:
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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.859	3600	MONTANA STATE UNIVERSITY	G12607W1286AMEND3	216,855
93.859	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INST	GM058881075184045402	251,929
93.859	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INST	UW BUD# 637103	12,870
93.859	3600	SLOAN-KETTERING INSTITUTE	BD513577	45,413
93.859	3600	SUNY STONY BROOK	10110063-3-31912 AM#1	-6
93.859	3600	THE PENNSYLVANIA STATE UNIVERSITY	3189-UW-DHHS-2432 AM03	61,229
93.859	3600	THE RESEARCH FOUNDATION OF SUNY	1068602-2-45609	-64
93.859	3600	UMDNJ	P01-2 MOD02	90,851
93.859	3600	UNIVERSITY OF COLORADO, DENVER	FY09,001-005	27,288
93.859	3600	UNIVERSITY OF MASSACHUSETTS-AMHERST	05-003292B02AM02	634
93.859	3600	UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW	UW BUD# 638554	12,988
93.859	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5-30194	51,381
93.859	3600	UNIVERSITY OF VIRGINIA	GC11617-132049	1,851
93.859	3600	UNIVERSITY OF VIRGINIA	GC11617-134421	3,479
93.859	3600	VANDERBILT UNIVERSITY	18821-S1 AMD 3	138,890
93.859	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 32786	21,133
93.859	3650	MIAMI UNIV-FED FLOW	40123501	39,623
93.859	3650	MT ST UNIV-FED FLOW	G31108W1286	17,165
93.859	3650	UNIV OF ALABAMA	08011	79,977
93.859	3650	UNIV OF CA-BERKELEY FED FLOW	00006379	90,043
93.859	3700	UF-Sigma Virus	P#00080194 SB-UF09051	32,743
93.865	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	SUBCONTRACT5K12HD00109	9,720
93.865	3600	CEDARS-SINAI MEDICAL CENTER	548398	-3,017
93.865	3600	CEDARS-SINAI MEDICAL CENTER	605873	137,999
93.865	3600	CEDARS-SINAI MEDICAL CENTER	UW BUD# 638659	14,031
93.865	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	412430040101.UW	29,130
93.865	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414160010101UWRICHARDS	8,542
93.865	3600	CHILDRENS HOSPITAL LOS ANGELES	NO. 000223A2, AMEND. 2	40,236

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93.865	3600	FHCRC	0000659623	15,535
93.865	3600	FHCRC	0000678522	99,620
93.865	3600	FHCRC	642059	-72
93.865	3600	FHCRC	684136	102,488
93.865	3600	FHCRC	SUBAWARD# 0000684142	81,142
93.865	3600	GROUP HEALTH COOPERATIVE	2007113730	-165
93.865	3600	GROUP HEALTH COOPERATIVE	40143	-24
93.865	3600	OREGON HLTH SCI UNIV	GSMMI0106A UW	77,650
93.865	3600	SWEDISH HEALTH SERVICES	UW 803235	30,743
93.865	3600	UCLA CCPR	1215 G JB215 AM02	20,917
93.865	3600	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2007091MOD03	216,435
93.865	3600	UNIVERSITY OF MIAMI	UW BUD# 637972	6,817
93.865	3600	UNIVERSITY OF NORTH CAROLINA	5-51032	27,547
93.865	3600	UNIVERSITY OF NORTH CAROLINA	551032AMENDMENTNO1	293,714
93.865	3600	UNIVERSITY OF NORTH CAROLINA	551355AMENDMENTNO1	35,282
93.865	3600	YALE UNIVERSITY	A07571 (M10A10376)	102,625
93.865	3650	NORTHWESTERN UNIV FED FLOW	PROJ00007130600520D3	-39,145
93.865	3650	PRINCETON UNIV	00001542	45,548
93.865	3650	UNIV OF CA SAN DIEGO	PO10305562	1,458
93.865	3650	UNIV OF MI	3000610867	26,555
93.865	3650	UNIV OF MN FED FLOW	N644607401	53,353
93.866	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	UW BUD# 636263	14,585
93.866	3600	BROWN UNIVERSITY	00000056P992706AM03	139,869
93.866	3600	CALIFORNIA PACIFIC MED CTR RESEARCH INST	2803240-S021 AM08	49,953
93.866	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	10213SUB	29,889
93.866	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	41531001.UW AM01	222,530
93.866	3600	FHCRC	0000636773 AMEND 1	612
93.866	3600	FHCRC	0000663964	7,172

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93.866	3600	FHCRC	0000677015	25,419
93.866	3600	GROUP HEALTH CENTER FOR HEALTH STUDIES	UW BUD# 638474	27,520
93.866	3600	GROUP HEALTH COOPERATIVE	2008121908, MOD #2	81,357
93.866	3600	GROUP HEALTH COOPERATIVE	2009102724	10,573
93.866	3600	GROUP HEALTH COOPERATIVE	2009116841	17,090
93.866	3600	GROUP HEALTH COOPERATIVE	2009119936	40,472
93.866	3600	GROUP HEALTH COOPERATIVE	20091200472U01AG006781	667,550
93.866	3600	GROUP HEALTH COOPERATIVE	PO 2009118745	107,956
93.866	3600	GROUP HEALTH COOPERATIVE	PO20101111835R01AG0300	1,554
93.866	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-08-1-08-UW MOD02	29,244
93.866	3600	JOHNS HOPKINS AT EASTERN A/P SVC CTR	2000073393AM03	21,359
93.866	3600	NORTHWESTERN UNIVERSITY	0600 370 F371 UW AM02	15,582
93.866	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	CSI-20, MOD 1	-209
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLIN RES	CS120-GREEN3	8,209
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLIN RES	QL 114-ANDERSON05	36,448
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	BT123-ELMORE-09-10	14,928
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	BT123-LEE-09-10	7,222
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	BT123-STEINBART-09-10	33,034
93.866	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	CS120-GREEN	8,193
93.866	3600	SIBCR	BJ12-MMF-GRAVES	-2,712
93.866	3600	SIBCR	CRAFT CS120	7,394
93.866	3600	SIBCR	CS1 19 GILLETT AM03	6,774
93.866	3600	SIBCR	CS1-19/A25609	-9
93.866	3600	SIBCR	CS119BAKERUW33178AM02	5,782
93.866	3600	SIBCR	CS120-GILLET09	7,621
93.866	3600	SIBCR	CS120-WOJTOWICZ	14,810
93.866	3600	SIBCR	UW BUD# 636721	-3,768
93.866	3600	TRUSTEES OF COLUMBIA UNIV, CITY OF N.Y.	11ACCT535644AG02639505	141,667

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.866	3600	TUFTS MEDICAL CENTER	MOA AM04 RO1 AG027002	39,234
93.866	3600	UCLA	2000 G HG940	26,178
93.866	3600	UMDNJ	2 R01 AG 023039-06	33,655
93.866	3600	UNIV OF MICHIGAN	3000838728 AM02	55,278
93.866	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB0900012 AMEND 2	2,545
93.866	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB0900012 AMEND NO. 1	65,717
93.866	3600	UNIVERSITY OF COLORADO	FY1O001007AMD2UWASH	204,484
93.866	3600	UNIVERSITY OF COLORADO, DENVER	FY09001012AMD1UWASH	3,364
93.866	3600	UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW	2 R01 AG 023039-	31,299
93.866	3600	UNIVERSITY OF MICHIGAN	F09684 AM04	-4,607
93.866	3600	UNIVERSITY OF PENNSYLVANIA	544030-AM4	225,416
93.866	3600	UNIVERSITY OF PENNSYLVANIA	545901 AM01 PO2332991	26,301
93.866	3600	UNIVERSITY OF PENNSYLVANIA	552005	39,800
93.866	3600	UNIVERSITY OF PENNSYLVANIA	UW BUD# 636195	13,959
93.866	3600	UNIVERSITY OF PENNSYLVANIA	UW BUD# 638466	15,018
93.866	3600	UNIVERSITY OF PITTSBURGH	1094521AM05SUBAWD00049	95,364
93.867	3600	DARTMOUTH COLLEGE	686	89,065
93.867	3600	EMORY UNIV	520622G1MODIFICATION6	-2,217
93.867	3600	HEALIONICS CORPORATION	UW BUD# 638479	18,644
93.867	3600	JAEB CENTER FOR HEALTH RESEARCH, INC.	9-29-03	22,632
93.867	3600	JAEB CENTER FOR HEALTH RESEARCH, INC.	UW BUD# 636315	25,913
93.867	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	00006390 AM01	220,461
93.867	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	00006390 AM02	433,434
93.867	3600	UNIVERSITY OF MINNESOTA	N640615302	16,500
93.867	3650	OR HLTH SCI UNIV FED FLOW	GCAEI0244A	66,156
93.867	3650	OR HLTH SCI UNIV FED FLOW	GPHYP0181WSU	38,641
93.867	3650	UNIV OF MD/BALT CNTY	0000006880	45,264
93.879	3600	BRIGHAM & WOMENS HOSP	104318 AM01	85,677

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.879	3600	SYRACUSE UNIV	17111-01247-S01	2,650
93.879	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	H36653,AM02	-267
93.884	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	CS 120-BAKER09	28,407
93.889	3600	SEATTLE-KING COUNTY DOPH	D37914D AM02	-252
93.931	3600	FHCRC	651644	1,897
93.931	3600	FHCRC	SUBAWARD #0000670018	37,092
93.933	3600	ALASKA NATIVE TRIBAL HEALTH CONSORTIUM	ANTHC-06-U-15978	1,495
93.936	3600	FAMILY HEALTH INTERNATIONAL	863/0080.0018-AM04	3,208
93.944	3600	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D36858DAMENDMENTNO1	-5,307
93.944	3600	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D39399D	2,503
93.945	3600	CHILDREN'S HOSPITAL & REGIONAL MED CTR	413340090401UWHIRSCHDP	7,453
93.945	3600	CHILDREN'S HOSPITAL MEDICAL CENTER	413340090501PO10005SUB	27,920
93.945	3600	WAKE FOREST UNIVERSITY	WFUHS #11278	-15,291
93.945	3600	WAKE FOREST UNIVERSITY	WFUHS #11279	139,940
93.945	3600	WAKE FOREST UNIVERSITY	WFUHS 11249	-66,773
93.945	3600	WAKE FOREST UNIVERSITY	WFUHS11240U01DP000250	155,733
93.958	3000	New Freedom Int.	841305	3,069
93.959	3600	OKLAHOMA DEPT OF MENTAL HLTH & SUBSTANCE	FEI#91-6001537	-1
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDI	UW BUD# 673289	36,798
93.989	3600	VANDERBILT U MED CTR ACAD & RSCH ENT.	VUMC355445R24TW0079880	16,153
93.989	3600	VANDERBILT U MED CTR INST FOR GLOB HLTH	VUMC 34748	15,051
93.989	3600	VANDERBILT U MED CTR INST FOR GLOB HLTH	VUMC 34749 AM01	2,279
93.989	3600	VANDERBILT U MED CTR INST FOR GLOB HLTH	VUMC355595R24TW0079880	85,676
93.989	3600	VANDERBILT UMC GLOBAL HEALTH INST.	VUMC 34746	-13,104
93.989	3600	VANDERBILT UMC GLOBAL HEALTH INST.	VUMC355435R24TW0079880	46,303
93.989	3600	VANDERBILT UNIVERSITY	UW BUD# 673532	3,856
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 34749	72,175
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 35540	34,469

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93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 35542	43,108
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC35561	31,983
93.995	3600	CHILDREN'S HOME SOCIETY OF WASHINGTON	UW BUD# 672257	15,199
93.995	3600	CHILDREN'S HOME SOCIETY OF WASHINGTON	UW BUD# 673336	26,430
93.999	3600	ADJUSTMENT	ADJ FOR ROUNDING	-19
94.006	3600	JUMPSTART FOR YOUNG CHILDREN	480200	116,159
97.000	3600	BATTELLE PACIFIC NW LABS	22177 MOD09	84
97.000	3600	ENERTECHNIX, INC.	UW BUD# 637703	43,833
97.000	3650	EXCELLIMS CORP	WSU000938	249,319
97.000	3650	HAMILTON SUNSTRAND	2865974	-1,395
97.006	2250	King County	C100735GSC-DRI9	4,351
97.061	3600	UNIVERSITY OF ARIZONA	Y503225	51,137
97.061	3600	UNIVERSITY OF TEXAS, EL PASO	26-3001-46-62	505,997
97.061	3650	NORTHEASTERN UNIV	504928P0902320	376,923
97.077	2250	Battelle Memorial Institute	C090605FED-PND9	24,461
97.077	3650	FISK UNIVERSITY	WSU001066	119,133
97.086	1550	National Governor's Association	A09-IAA-131	28,330
98.001	3650	NAT'L ACADEMIES	PGAP280179	54,227
98.001	3650	NAT'L ACADEMIES	PGAP281490	32,849
98.001	3650	TOTAL LANDCARE MALAWI	WSU001162	154,311
98.001	3650	VA TECH UNIV	19276425678	81,375
98.001	3650	VA TECH UNIV	42597619276	3,813
98.001	3800	Foundation for Russian American Econ	MPP-US-110	3,657
98.002	3650	CLEMSON UNIV	99475582152095170	923
99.000	3600	CHICAGO BOTANIC GARDEN	PO 6832JSB01.04.10	3,892
99.000	3600	JOHNS HOPKINS UNIVERSITY	UW BUD# 637594	90,884
99.000	3600	KITTELSON AND ASSOCIATES, INC	UW BUD# 635242	80,020
99.000	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002264 AM03	14,000

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99.000	3600	NATIONAL ACADEMIES	HR 03-96	145,661
99.000	3600	NORTH DAKOTA ST UNIV	UW BUD# 660365	-19,530
99.000	3600	NORTHROP GRUMAN INFORMATION TECH.	7500038615	22,408
99.000	3600	PURDUE UNIVERSITY	4112-31804	59,721
99.000	3600	UNIV OF MICHIGAN	3001316273	79,805
99.000	3700	Kal Tr-Box Canyon 10-11	BPA 1997-004-00	3,758
99.000	3700	Kal Tr-Bull Trout 10-11	BPA 2007-246-00	20,058
99.000	3700	Kal Tr-Bull Trout Yr2	BPA AGRMT#2007-246-00	12,490
99.000	3700	Kal Tri-Box Canyon	BPA 1997-004-00	5,000
99.000	3700	Kalispel Tribe-Bull Trout	2007-246-00 Firm Fixed	3,769
99.000	3700	Spok Tribe-BPA Lake Roosevelt 08-09	BPA PROJ NO 194-043-00	22,800
99.000	3700	UCUT-Monitoring 09-10	BPA#200800700	73,006
99.000	3700	UCUT-Monitoring 10-11	BPA 200800700	51,896
99.000	4610	National Fish & Wildlife Foundation/BPA FY09	C009029	34,470
99.000	4610	National Fish & Wildlife Foundation/BPA FY10	C010032	71,454
99.999	3650	CORP FOR PUBLIC BROADCASTING	11309	800
99.999	3700	Kal Tr-Bull Trout Yr3	None	84,438
99.999	3700	Kalispel Tribe-Pend Oreille 08-09	None	5,897
99.999	3700	Spok Tribe-BPA Lake Roosevelt 09-10	None	147,121
			Total Pass-Through Funds	**169,010,954**

State of Washington
Schedule of Expenditures of Federal Awards
Note G: Supplemental Information - Annual Loan Activity and Outstanding Loan Balances

For the Year Ended June 30, 2010 (Expressed in whole dollars)

Federal Catalog No.	Federal Program Title	Fiscal Year Activity	June 30, 2010 Outstanding Loan Balances
University of Washington (Agency 3600)			
84.038	Federal Perkins Loan Program_federal Capital Contr	6,029,601	48,809,501 s
84.268	Federal Direct Student Loans	241,507,910 s	
93.264	Nurse Faculty Loan Program (Nflp)	188,484	638,753 s
93.342	Health Professions Student Loans, Including Primar	3,472,598	12,333,559 s
93.364	Nursing Student Loans	278,276	1,808,857 s
93.408	ARRA - Nurse Faculty Loan Program	64,696	79,029 s
	University of Washington Total	**251,541,565**	**63,669,699**
Washington State University (Agency 3650)			
84.032	Federal Family Education Loans	137,444,367 s	
84.038	Federal Perkins Loan Program_federal Capital Contr	1,584,698	18,331,192 s
93.264	Nurse Faculty Loan Program (Nflp)	87,725	87,725 s
93.342	Health Professions Student Loans, Including Primar	162,188	2,179,445 s
93.364	Nursing Student Loans	241,832	1,187,384 s
	Washington State University Total	**139,520,810**	**21,785,746**
Eastern Washington University (Agency 3700)			
84.032	Federal Family Education Loans	56,399,090 s	
84.038	Federal Perkins Loan Program_federal Capital Contr	641,751	5,508,380 s
	Eastern Washington University Total	**57,040,841**	**5,508,380**
Central Washington University (Agency 3750)			
84.038	Federal Perkins Loan Program_federal Capital Contr	1,011,581	7,502,598 s
84.268	Federal Direct Student Loans	60,727,538 s	
	Central Washington University Total	**61,739,119**	**7,502,598**

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Federal Catalog No.	Federal Program Title	Fiscal Year Activity	June 30, 2010 Outstanding Loan Balances
the Evergreen State College (Agency 3760)			
84.032	Federal Family Education Loans	19,361,089 s	
84.038	Federal Perkins Loan Program_federal Capital Contr	272,871	4,135,919 s
84.268	Federal Direct Student Loans	1,245,338 s	
	the Evergreen State College Total	**20,879,298**	**4,135,919**
Western Washington University (Agency 3800)			
84.032	Federal Family Education Loans	15,972,015 s	
84.038	Federal Perkins Loan Program_federal Capital Contr	45,377,099	7,995,551 s
84.268	Federal Direct Student Loans	44,183,693 s	
	Western Washington University Total	**105,532,807**	**7,995,551**
Community College Systems (Agency 6990)			
84.032	Federal Family Education Loans	117,669,881 s	
84.038	Federal Perkins Loan Program_federal Capital Contr	350,400	2,848,112 s
84.268	Federal Direct Student Loans	69,161,713 s	
	Community College Systems Total	**187,181,994**	**2,848,112**
	Total Loan Activity / Balances	**823,436,434**	**113,446,005**

Footnote:
s - Amount included on schedule of expenditures of federal awards

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Office of Financial Management (OFM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	01	Finding:	The State's internal controls are inadequate to ensure the Schedule of Expenditures of Federal Awards is accurately prepared, placing the state at risk of incomplete and inaccurate reporting to the federal government. This could affect the amount of federal funding the state receives in the future.
		Questioned Costs:	None
		Status:	Corrective action in progress
		Corrective Action:	The Office of Financial Management (OFM) concurs that internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA) need to be strengthened. OFM corrected the SEFA prior to submitting it to the federal government by the deadline of March 31 and releasing it to the public. To address the weaknesses noted in the finding, OFM has taken or will take the following actions. **Oversight and Reconciliation:** OFM will assign staff to independently review preparation of the Schedule of Expenditures of Federal Awards (SEFA) and its reconciliation to the Agency Financial Reporting System (AFRS), and to follow up on any questioned areas. The SEFA will be analyzed for exceptions and deviations from the prior year to enhance accuracy and completeness. System integrity and reconciliation checklists will also be reviewed. **Systems:** OFM has modified various system table change processes. These changes strengthen controls over the tables, which determine important elements of SEFA reporting. OFM is in the process of changing upload and input steps to strengthen controls over system-derived CFDA number, title, and cluster that are reported on the SEFA. **Guidance:** OFM will strengthen reporting requirements in the State Administrative and Accounting Manual (SAAM) as appropriate, focus on reporting errors noted in this finding during training, and will consider developing additional guidance and tools that will be available on OFM's Administrative and Accounting Resources website, such as a Q&A document and SEFA preparation checklist.
		Completion Date:	November 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	02	Finding: The Department of Social and Health Services, Economic Services Administration, did not comply with federal regulations regarding support of salaries and wages paid to employees. Questioned Costs: CFDA # — Amount 10.561 — $0 93.558 93.563 93.575 Status: Corrective action complete Corrective Action: The Department's Economic Services Administration (ESA) concurs with this finding. The ESA has taken the following actions to correct the deficiencies identified in the audit: • In January 2011, ESA's Operation Support Division (OSD) updated their Business Center Process Manual that is used by Community Services Division (CSD) Business Center staff. The updates to the manual coincide with federal requirements and quarterly reviews are now a requirement. OSD Headquarters staff held a conference call with CSD Regional Business Managers to explain this process change. • In February 2011, ESA staff notified the Chief of the Department's Office of Accounting Services that the Department's policy regarding time certifications needs to be brought into compliance with the federal requirements. • In March 2011, proposed changes to the Department's policy regarding time certifications will be presented to the Accounting Policy Management Board (APMB). The APMB will decide on further action. Completion Date: March 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	03	Finding: The Department of Social and Health Services did not issue retroactive food assistance payments in accordance with federal law. Questioned Costs: CFDA # — Amount 10.551 ARRA and non-ARRA — ARRA: $15,000 (approx) 10.561 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department concurs with this finding. By April 2011, the Department will take the following actions: • Field staff will be retrained on the proper calculation of retroactive payments. The training will focus on when a retroactive payment is indicated and allowed, along with the time limitations required by law. The training will be required for all new staff responsible for issuing benefits. • All retroactive payment exceptions identified during the audit will be reviewed to determine the correct supplement amount for which the client was eligible. For cases where unallowable payments were made, the Department will follow existing rules and policies for establishing overpayments. • Overpayments that are identified during the review will be referred to the Department's Office of Financial Recovery (OFR). OFR will take steps to collect the identified overpayments. • The Department will work with the respective federal agencies to determine if the costs identified need to be adjusted or repaid. **The conditions noted in this finding were previously reported in finding 08-01.** Completion Date: April 2011

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	04	Finding:	The Recreation and Conservation Office is not in compliance with federal cash management requirements.
		Questioned Costs:	CFDA# 11.438 — Amount Unknown
		Status:	Corrective action complete
		Corrective Action:	The Recreation and Conservation Funding Board (Board) finalized the process of reviewing and updating policies and processes and is now in compliance with the federal requirements for cash advances to subrecipients. These modifications were effective August 14, 2010. Currently, there are no federal cash advances that exceed the cash requirements for 30 days. With the updating of policies, the Board has started collecting a cash advance agreement which details the advance policy and consequences for noncompliance. **The conditions noted in this finding were previously reported in finding 09-03.**
		Completion Date:	August 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	05	Finding: The Department of Commerce, Local Government and Infrastructure Division, does not have controls to ensure it complies with reporting requirements for the Community Development Block Grant program. Questioned Costs: CFDA# — Amount 14.228 — $0 14.255 ARRA Status: Corrective action in progress Corrective Action: The Department concurs with the finding. This occurred because instructions from the federal granting agency, the Department of Housing and Urban Development, (HUD), for the Section 3 report were not clear. In June 2010, HUD provided updated instructions clarifying that only the Community Development Program (CDP) portion of funding awarded to Section 3 businesses should be reported. As one of the CDP federal grantee programs, the Community Development Block Grant (CDBG) program Section 3 reporting should have been separated as directed. The Department is taking the following actions to ensure the 2010 Section 3 report due on March 31, 2011 and all future reports are accurate. 1) The Department is monitoring grant recipients' Contractor/Sub Contractor semi-annual reports to ensure only the CDBG portion of funds awarded to Section 3 businesses is reported. The Contractor/Sub Contractor reports are submitted to HUD on a semi-annual basis and are compiled and reported on the Section 3 report. Contractor/Sub Contractor reports that include other funding will be corrected to include only the CDBG portion of funding before submitting to HUD and before being included in the annual Section 3 report. 2) The Department is providing technical assistance to current grant recipients to ensure they are reporting only the CDBG portion of awards to Section 3 businesses hiring and/or training Section 3 persons.

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	05 (Cont'd)	3) The Department is updating the 2011 CDBG Management Handbook to provide clear instructions for completing the Contractor/Sub Contractor reports, documenting hiring and/or training of Section 3 persons. Department staff will provide training to the 2011 CDBG grant recipients at CDBG Management Handbook workshops on the reporting requirements in May and June 2011. Department staff responsible for compiling the data will review it for completeness and accuracy and work with grant recipients to resolve any discrepancies. Department management will review and approve Section 3 reports before submittal to HUD and provide an explanation when any outcomes of hiring and/or training Section 3 persons are not documented in the annual Performance Evaluation Report. Completion Date: March 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	06	Finding:	The Department of Social and Health Services, Division of Behavioral and Health Services, does not ensure Justice Assistance Grant subrecipients are registered in the Central Contractor Registration database as required by federal regulation.
		Questioned Costs:	CFDA # / Amount 16.738 / $0 16.803 ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. By April 2011, the Department will ensure that any future federal funds that come with the requirement to register in the Central Contractor Registration database (CCR) will be monitored by Department staff. The Department will first confirm the requirement is included in the award instructions received from a federal agency. Secondly, the Department will use the CCR to review the status of any potential subrecipient. If the subrecipient is listed, the Department will proceed with a contract. If the subrecipient is not listed, the Department will require the potential subrecipient to register at https://www.bpn.gov/CCR/default.aspx. The Department will confirm the registration is completed before issuing a contract to the subrecipient.
		Completion Date:	April 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	07	Finding: The Department of Social and Health Services did not provide adequate information to its Justice Assistance Grant subrecipients, nor did it monitor subrecipients' use of those funds. Questioned Costs: CFDA # — Amount 16.738 — $0 16.803 ARRA Status: Corrective action in progress Corrective Action: The Department concurs with this finding. By April 2011 the Department will: • Ensure that federal funds listed in any subrecipient contract will include the grant name, the federal award number, and the amount of federal funds associated with the contract will be listed on the contract's facesheet. Also, the Department will "highlight" the amount of federal funds noted on internal documents and the contract itself. • Review the monitoring protocols used by the Division of Behavioral Health and Recovery (DBHR) staff who are responsible for contracts to ensure the protocols comply with subrecipient monitoring requirements and DSHS Administrative Policy 19.50.30. Also, the Department will continue the following monitoring practices that have been in place for some years: • Review and approve monthly invoices from counties. • Have the counties monitor prevention/treatment services available from their providers. • Monitor county records during the biennial review of the county community services contract. During the biennial review, billing documents and supporting documentation for services rendered are reviewed. Completion Date: April 2011

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	08	Finding:	The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments.
		Questioned Costs:	CFDA# — Amount 17.225 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	During the Fiscal Year 2010 audit period, staff in the unit were relatively new to their positions. In addition, the unit lacked a supervisor during much of the audit period. Over the last year, staff in the unit have gained additional experience and have received additional training to ensure completeness and accuracy of the Benefit Accuracy Measurement (BAM) audits they perform. In addition to the increase in the level of staff experience, the unit also hired a new supervisor with extensive BAM experience to oversee the function and perform the necessary quality assurance reviews. These reviews have been implemented to ensure audits are compliant with U.S. Department of Labor (USDOL) requirements. The Department will discuss the issue of in-person employer contacts with the USDOL and seek clarification on this requirement. **The condition noted in this finding was previously reported in finding 09-05.**
		Completion Date:	June 2011

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	09	Finding:	The Employment Security Department did not comply with federal cash management requirements.
		Questioned Costs:	CFDA# — Amount 17.225 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	The Department requested and received approval to change the draw method used for the Unemployment Insurance program to a more appropriate method in January 2011. This change is in effect for Fiscal Year 2011. The Department will address the auditor's concern regarding interest earnings with the U.S. Department of Labor.
		Completion Date:	June 2011

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	10	Finding:	The Employment Security Department did not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits.
		Questioned Costs:	CFDA# — Amount 17.225 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	The Department revised WAC 192-180-015 in June 2010. This WAC provides direction to Unemployment Insurance claimants on requirements for on-line job search efforts. As noted by the auditor in the finding, compliance with the revised WAC could not be verified during the Fiscal Year 2010 audit cycle. The Department's expectation is that the WAC revision will eliminate many of the exceptions noted by the auditors in the testing of job search logs for the Fiscal Year 2010 audit. In addition to the WAC change, the Department is scheduling additional training for staff, supervisors and managers in how to properly conduct job search reviews, scheduling follow-up reviews and handling non-compliant job search logs. These training efforts are planned for completion by May 31, 2011. Technical materials used in this training effort along with periodic updates will be available electronically for staff reference. Central office program staff will conduct reviews of job search logs selected for every local office performing job search review. Timely feedback to each location followed by technical assistance will be provided as reviews are completed. These reviews will focus on the completeness of the logs as well as provision of assistance to claimants with other job seeker services. It is expected that these reviews will be completed by May 31, 2011. In addition to the review of all offices, central office program staff will also continue to perform intensive quarterly reviews in future periods. **The condition noted in this finding was previously reported in finding 09-06.**
		Completion Date:	June 2011

Washington State Department of Transportation (WSDOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	11	Finding:	The Department of Transportation does not have adequate controls to ensure that information the American Recovery and Reinvestment Act requires to be reported for its Highway Planning and Construction program is accurate.
		Questioned Costs:	CFDA# / Amount 20.205 ARRA and non-ARRA / $0 20.219 20.003 ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	Prior to the commencement of the audit, the Department identified and corrected the error reported as part of the March 2010 quarterly reporting cycle. Since the reporting process only allowed for cumulative expenditures to be included in this American Recovery and Reinvestment Act (ARRA) report, correcting the next quarterly report for April through June 2010 was the only means of correcting the reported expenditures for January through March 2010. The Department properly reported the information in question in the Federal Fiscal Management Information System (FMIS) and Oberstar reporting systems, which are used by the grantor to manage grant programs and by Congress and staff to monitor delivery performance. The Department's Capital Program Development and Management Office (CPDM) has further strengthened internal controls to ensure proper reporting associated with the transparency reporting requirements of ARRA.
		Completion Date:	December 2011

Washington State Department of Transportation (WSDOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	12	Finding: The Department of Transportation did not ensure highway construction contractor invoices were supported and approved before payment. Questioned Costs: CFDA# Amount 20.205 ARRA and non-ARRA ARRA: $75,147 20.219 20.003 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: As soon as the Department's project office became aware of the finding staff conducted a full reconciliation of the force account payments associated with the contract, which at the time had approximately six months remaining on the project and had only been paid approximately fifty percent of the bid amount. The Department then recovered the overbilled amounts by reducing subsequent payments to the contractor. Not only does the project office now ensure that payments are made in accordance with guidance outlined in the Construction Manual, they have also worked with this particular contractor to create an informal invoice submittal process for the force account work. In addition to the increased awareness from the particular project office involved, the WSDOT Headquarters Construction Office issued a memorandum to all project offices and construction project engineers reminding them of the importance of strong internal controls and related documentation requirements for contractor payments, particularly force account payments in place. The memo also mentions the upcoming 2011 Construction Office training season, which will include contractor payments as a major topic. The Construction Office is also seeking feedback from all project offices on any suggestions, comments, or best practices related to contractor and force account payments to further improve internal control procedures. Completion Date: December 2011

Washington State Department of Transportation (WSDOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	13	Finding: The Department of Transportation did not support over $759,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas. Questioned Costs: CFDA# 20.509 ARRA and non-ARRA — Amount ARRA: $759,869.57 Status: Corrective action in progress Corrective Action: At this time, the Department is awaiting required authorization from the federal grantor to implement its planned correction. In June 2010, the Department submitted a formalized direct payroll allocation plan, known as a substitute system, to the Federal Transit Administration (FTA) to meet the federal regulations (OMB Circular A-87). Upon receipt of the plan, the FTA requested that the Department continue to allocate payroll costs under the current method which was approved by the local FTA Regional Office, until such time as the new plan can be reviewed and approved. The FTA conducted fieldwork for their review in January 2011, and the Department is awaiting their results. The Department will continue to work with the FTA to receive grantor approval of the payroll allocation plan. Once approved, the Department's Public Transportation Division will allocate direct payroll costs using the new method and will incorporate the new method into its policies and procedures. **The conditions noted in this finding were previously reported in finding 09-09.** Completion Date: December 2011

Department of Ecology (ECY)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	14	Finding:	The Department of Ecology does not have adequate internal controls to ensure it complies with suspension and debarment requirements.
		Questioned Costs:	CFDA# — Amount 66.458 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	The Department respectfully disagrees with the finding that the Department does not have adequate internal controls to ensure it complies with suspension and debarment requirements. The Department agrees that it could update and enhance the suspension and debarment language in contract, grant, and loan documents. Department contract, grant, and loan language requires subrecipients and vendors to certify they have not been suspended, debarred, or otherwise excluded from receiving federal funds. Department contract, grant, and loan agreements also require subrecipients and vendors to ensure all their subgrantees and subcontractors comply with the terms and conditions of the agreements. The Department believes this language is sufficient in communicating requirements to subrecipients. This is supported by the fact that there have been no substantiated violations in payments to suspended or debarred vendors. That said, the Department will: • Include current federal suspension and debarment language in all new contracts, grants, and loans effective April 1, 2011, or later. • Update all current agreements with end dates beyond June 30, 2011, to include current federal suspension and debarment language. • Update all active agreements funded by the American Recovery Reinvestment Act to include current federal suspension and debarment language.
		Completion Date:	June 2011

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	15	Finding:	The Department of Health did not comply with time and effort requirement for the Capitalization Grants for Drinking Water State Revolving Fund program.
		Questioned Costs:	CFDA# — Amount 66.468 ARRA and non-ARRA — $0
		Status:	Corrective action complete
		Corrective Action:	New procedures have been implemented by the Department's Grants and Accounting Office to ensure that documentation is submitted timely and that documents are securely stored and available for audit. The current procedure includes a notification from the Grants and Accounting Office to the unit managers whose employees are required to submit quarterly certifications. Certifications are collected centrally and stored in a secure file where they can be made available for subsequent review. The Department believes that it is now in full compliance with OMB A-87 requirements for employee time and effort certifications.
		Completion Date:	July 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	16	Finding: The Energy Office of the Department of Commerce does not have controls to ensure it complies with Davis Bacon (prevailing wage) requirements. Questioned Costs: CFDA# — Amount 81.041 ARRA and non-ARRA — $0 Status: Corrective action complete Corrective Action: The Department concurs with the finding. When the original grants and loans were awarded, the Energy Office had many discussions with US Department of Energy (DOE) about the Davis Bacon Act requirements. Preliminary guidance from DOE indicated project costs could be split and Davis Bacon would not be applied if construction funding was not included in the ARRA award. Some of the projects undertaken are quite large and the federal contribution is a small portion of total funding. DOE reviewed each grant or loan and made determinations on which tasks required Davis Bacon compliance. Later guidance from DOE indicated that Davis Bacon would apply whenever construction was part of the project, even when construction was not funded by federal dollars. The specific incident cited in the finding occurred because of a misunderstanding between the Energy Office Program Manager and the grant recipient regarding what constituted the start of construction. The Program Manager notified the grant recipient as early as November 2009 that Davis Bacon requirements applied and that certified payrolls for construction projects must be collected. Prior to approval of the invoice noted in the incident, the Program Manager asked if construction had begun. The grant recipient indicated that construction would begin after a ground-breaking event in July 2009. On September 13, 2010, Commerce's Contracts Administration Unit (CAU) staff reviewed the invoices in question for Davis Bacon compliance. During the review, staff discovered the invoice for work done through June 30, 2010 included site preparation work that had been reimbursed without monitoring for Davis Bacon compliance. The Department immediately requested certified payrolls and found a $1.41 underpayment. This took place before the next reimbursement payment was made and the underpayment was resolved on January 1, 2011.

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	16 (Cont'd)	To ensure greater control over compliance with the Davis Bacon requirements, the Department has implemented changes to its invoice review and payment procedures. The function of invoice review and verification has been transferred to CAU. Commerce CAU staff have years of experience in processing requests for reimbursement that include Davis Bacon (prevailing wage) requirements. Experienced CAU staff members now review payment requests, collect and verify certified weekly payroll information, and process the payments. In addition, the Energy Office is now utilizing agency-wide expertise including consultation with the Community Services and Housing Division staff members who regularly work with Davis Bacon requirements. In this way, the Department can ensure a consistent understanding of Davis Bacon requirements throughout the agency and ensure ongoing compliance. Completion Date: January 2011

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	17	Finding:	The Energy Office at the Department of Commerce does not have controls to ensure it complies with reporting requirements for the State Energy Program.
		Questioned Costs:	CFDA# — Amount 81.041 ARRA and non-ARRA — $0
		Status:	Corrective action complete
		Corrective Action:	The Department concurs with the finding. The Department's Energy Office submits quarterly financial reports to the US Department of Energy (DOE) electronic system with data received from Department's accounting staff. Communications between program staff and accounting staff were not sufficient at that time to ensure the accounting staff was aware of a new project number for Fiscal Year 2011 where expenditures were accumulated. As a result, accounting staff did not include charges accumulated against the new project number in the July to September 2009 quarterly report to DOE. In addition, the report was not adequately verified by the State Energy Office to make sure all expenditures were accurately reflected. As a result, $45,278.80 was not reported. The expenditure was included in the next October-December 2009 quarterly report. In 2009, no mechanism existed to revise a report once it had been submitted. Corrections had to be made in the subsequent report. With the Energy Office's new reporting program, future corrections, if needed, can be made to the impacted quarter with approval from DOE. The Department has assessed its internal controls and implemented measures to ensure compliance with reporting requirements through clearly defined expectations and access to the appropriate information. Department accounting staff updated the federal reporting procedures in September 2010, adding steps to ensure all quarterly federal expenditure activity is reported. These procedures have been followed since the procedure update. Additional controls implemented include 1) comparing federal expenditures by project code with federal report project listing; 2) supervisor review of all financial status reports or federal financial reports prior to review by Energy Office staff; and 3) communication and review with Energy Office staff prior to submitting reports. The Department further plans to implement periodic monitoring by personnel not performing the tasks to ensure the above activities are taking place.
		Completion Date:	September 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	18	Finding:	The Energy Office at the Department of Commerce did not adequately monitor grantees and loan recipients and paid for unallowable costs under the State Energy Program.
		Questioned Costs:	CFDA# / Amount 81.041 ARRA and non-ARRA / ARRA: $13,691
		Status:	Corrective action complete
		Corrective Action:	The Department concurs with the finding. The Department authorized and paid a grant recipient's invoice for undocumented expenses. This occurred due to an inexperienced program staff member's mistake in the invoice verification and approval process. To ensure greater control over invoice monitoring, the Department has increased desk top monitoring. On September 1, 2010, monitoring of invoice payments on Energy ARRA contracts was transferred to the Department's Contracts Administration Unit (CAU). CAU has experienced staff dedicated to reviewing all grant recipient requests for payments and the supporting documentation before payments are approved. On September 20, 2010, CAU staff reviewed the grant recipient's contract file and identified $13,691 in questionable costs. Department staff contacted the grant recipient and requested clarification of costs and additional supporting documentation. As a result, CAU determined $6,894.41 was supported by the documentation and therefore allowable. CAU also determined that the remaining $6,796.86 was unallowable. The grant recipient was notified that these costs were unallowable and the amount was deducted from the next invoice. The Department has received satisfactory documentation from this grant recipient for all other invoices to-date. In addition, the Department is working with US Department of Energy to satisfy any questions regarding the questioned costs.
		Completion Date:	September 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	19	Finding:	The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program.
		Questioned Costs:	CFDA# — Amount 81.042 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with the finding and has taken immediate corrective action. Since learning of the oversight, the Department checked the national Central Contractor Registration (CCR) system for the past quarter, completing and documenting the check on January 10, 2011. The Department contacted three contractors to correct issues of non-compliance. In the future, an assigned staff member will review the CCR system (https://www.bpn.gov/CCR/default.aspx) at the end of each quarter (March, June, September, December) for each contractor, noting any comments regarding missing information and documenting the information and date in a spreadsheet. If the CCR indicates that information is missing or outdated for any contractor, the staff member assigned as liaison with the contractor will contact the contractor, requesting they go to the CCR system to review and update the entry within one week of notification. The assigned staff member will perform a follow up check on the CCR system to verify that the contractor has updated or corrected its information and note the date of contact and correction in the CCR tracking spreadsheet. This will be implemented beginning March 31, 2011. The Department will include the CCR check and documentation in contracting action items or in the steps taken by Housing Improvement and Preservation unit when creating new contracts or grants, or amending existing contracts or grants.
		Completion Date:	March 2011

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	20	Finding: The Department of Commerce, Community Services and Housing Division, does not have controls to ensure it complies with suspension and debarment requirements for the Weatherization Assistance for Low-Income Persons program. Questioned Costs: CFDA# / Amount 81.042 ARRA and non-ARRA / $0 Status: Corrective action in progress Corrective Action: The Department concurs with the finding. In order to ensure compliance, the Department designated one position, the unit contracts manager, to be responsible for ensuring that all appropriate terms are addressed in contracts, including suspension and debarment, before moving any contract forward for signatures. This is part of the contract compliance checklist. The contracts manager or other designee will check the Excluded Parties List System (EPLS) when entering into a contractual agreement with a new vendor, including documenting a print-screen of the EPLS confirmation of vendor standing and placing it in the contract file. The contracts manager will train unit members and new employees on contracting requirements and procedures. These measures will be in place and operational March 1, 2011. Completion Date: March 2011

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	21	Finding: The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Weatherization Assistance for Low-Income Persons program. Questioned Costs: CFDA# 81.042 ARRA and non-ARRA — Amount ARRA: $38,694 Status: Corrective action in progress Corrective Action: The Department concurs with the finding and has taken immediate steps to correct and improve monitoring and inspection protocol, checklists, consistency, and training. The failure to complete comprehensive monitoring in 2009 was a reflection of a number of events, including preparing to receive a 10-fold increase in weatherization funding, delays in hiring and training new staff for technical positions due to a hiring freeze, the collapse of a community action agency, and providing direct weatherization service for the first time to meet state ARRA weatherization production goals. While these are legitimate reasons that disrupted local agency monitoring plans, the Department acknowledges that program monitoring requirements were not fully satisfied. The Department has always worked to refine and improve monitoring and inspection protocol. Historically, Washington has been among a handful of states asked to share and present monitoring and inspection policies and tools as best practices. In April 2010, the Department implemented the first PDF-based monitoring tool and database. It was revised in July 2010. After testing and reviewing the results, Department staff determined the tool was not sufficient for comprehensive program monitoring. In October 2010, the Department implemented a revised Performance Assessment Tool, as part of a completely revised Monitoring Assessment Packet, which included fiscal review questions and a new monitoring report template. The lead weatherization monitoring team met in January 2011 and outlined additional revisions to the Program Assessment Tool that consolidated fiscal and administrative monitoring into five key areas. An assigned Lead Weatherization Monitor is working closely with the Fiscal Monitor to re-design the Weatherization Program Fiscal/Admin monitoring checklist. It will be more effective, comprehensive, and coordinated with other fiscal monitoring activities. Two additional sections of the tool are being revised to evaluate the technical and program management systems of a local agency and are targeted to be complete by the end of February 2011.

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	21 (Cont'd)	For the period July-December 2010, 15 of the 25 weatherization delivery agencies received comprehensive monitoring, including completion of the fiscal tool checklist. By July 2011, the remaining 10 agencies will have the weatherization monitoring fiscal tool completed. Over the course of the audit, the Department has responded seriously and quickly to observations and concerns expressed by the auditors. The Department acted immediately in October 2010, for example, when it learned that the file checklist was not applied consistently. Questions were changed to eliminate simple "yes" or "no" responses, monitors were coached and questions rewritten to probe deeper and to ask for documentation and verification. Additional weatherization monitor training is planned during regularly scheduled lead monitor meetings throughout the first quarter of 2011. These trainings will focus on Fiscal/Admin monitoring, proper use of revised evaluation tools, and the application of Department of Energy (DOE) monitoring guidelines. The Department initiated planning for statewide refresher training in May 2011 for all inspectors, including local agencies and Department personnel. The purpose is to reaffirm inspection expectations, consistency, and accountability for immediate implementation and long-term application. The findings attributed to King County Housing Authority (KCHA) for serving clients after their income eligibility period expired are being addressed immediately. A letter was issued to KCHA to formally disallow costs totaling $38,694 and seek refund unless supporting documentation can be provided to verify eligibility. The Department issued notification on January 13, 2011 to all local agency executive directors, chief financial officers, and program managers regarding the observations and concerns received from the auditor, DOE and DOE's Inspector General. The Department encouraged all parties to compare current practices to concerns registered and make immediate corrections if warranted. The Department updated our inspection checklist to include checking income eligibility documentation, rather than limit the review to only the in-office monitoring. Training on how to review eligibility and properly document the results is planned for all lead monitors and inspectors in February 2011. The Department is determining how to manage this element for large multi-family buildings when there isn't individual income verification documented.

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	21 (Cont'd)	To summarize actions steps and target completion dates: 1. February 2011 - Issue a finding letter to King County Housing Authority on serving households after term of eligibility. 2. March 2011 - Refine program monitoring tools and reinforce consistent procedures to be employed by monitors and inspectors. 3. May 2011 - Convene a statewide inspector refresher training. 4. July 2011 – Complete the weatherization monitoring fiscal tool on 10 local agencies. Completion Date: July 2011

Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	22	Finding: The Department of the Services for the Blind is not complying with federal requirements regarding payroll costs charged to the Vocational Rehabilitation Program. Questioned Costs: CFDA# / Amount 84.126 ARRA: $947,414 84.390 ARRA Status: Corrective action complete Corrective Action: The Department of Services for the Blind (DSB) agrees with the audit finding and recommendations. A corrective action plan has been completed which included: • An Effort Certification form for staff working solely on a single federal award or cost objective has been adopted into DSB procedures. • Effort Certifications have been completed on all impacted staff for the latest 6-month period of time. • The Effort Certification process has been added to the Department's due dates calendar in coordination with the federal fiscal year. • The Department has contacted the US Department of Education Rehabilitation Services Administration for their review of any costs that are to be repaid as a result of the lack of certifications. Completion Date: March 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	23	Finding:	The Department of Social and Health Services is not complying with federal requirements for suspension and debarment for the federal Vocational Rehabilitation Program.
		Questioned Costs:	CFDA # / Amount 84.126 / $0 84.390 ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. The Division of Vocational Rehabilitation (DVR) was the program within the Department that received the finding. By June 2011, DVR will work with Central Contracts Services (the Department's contracts unit) and the Attorney General's Office to review terms and conditions. A recommendation will be made on suspension language that should be added to terms and conditions. Also, DVR will begin including a review of a contractor's suspension and debarment status as part of their monitoring of contractors.
		Completion Date:	June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

10	24	Finding: The Department of Social and Health Services is not complying with federal requirements for time and effort documentation for the Vocational Rehabilitation Program.
		
		Questioned Costs:
		CFDA # — Amount
		84.126 — ARRA: $662,958
		84.390 ARRA
		
		Status: Corrective action in progress
		
		Corrective Action: The Department partially concurs with this finding in that the time certifications from October 2009 to March 2010 did not include staff who left employment during this certification period.
		
		The Department does not concur with the questioned costs as each employee has been certified as having worked one hundred percent on Vocational Rehabilitation grant activities, although after the fact.
		
		The Department has taken or will take the following actions to ensure payroll certifications are completed.
		• In January 2011, supervisors were informed they have to double check the certifications to ensure they include all staff who worked during the certification period.
		• By May 2011:
		  o Time certifications will be developed using salary and benefit expenditure information from the state's payroll system so that certifications are reconciled to payroll costs charged to the grant.
		  o The Department will work with the Rehabilitative Services Administration to determine if any of the questioned costs need to be reimbursed.
		
		Completion Date: May 2011

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	25	Finding:	The Department of Health does not monitor subrecipient expenditures of the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness programs.
		Questioned Costs:	CFDA# / Amount 93.069 / $0 93.889
		Status:	Corrective action in progress
		Corrective Action:	The Department is reevaluating its subrecipient monitoring procedures as well as the requirements currently in place on subgrantors to provide documentation in support of invoiced charges on federal grant sources. One possible approach is to implement a Department-wide subrecipient monitoring policy that standardizes invoicing formats and specifies periodic desk reconciliations of revenues provided and expenditures charged by subgrantors.
		Completion Date:	July 2012

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	26	Finding:	The Department of Health did not support over $448,000 in payroll costs in accordance with federal regulations for the National Bioterrorism Hospital Preparedness and Public Health Emergency Preparedness Programs.
		Questioned Costs:	CFDA# / Amount 93.069 / ARRA: $448,344.90 93.889
		Status:	Corrective action complete
		Corrective Action:	Prior to the audit, the Department's Grants and Accounting Office changed the time and effort reporting policy for supervisory staff who charge their salaries to more than one funding source. The new policy requires managers to complete time and effort records in accordance with OMB A-87 requirements. If the manager's position is only funded by one federal grant, quarterly certifications are required. If the manager's position is funded by two or more sources, regular time keeping in the form of time sheets is required.
		Completion Date:	July 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	27	Finding:	The Department of Commerce does not ensure the Temporary Assistance for Needy Families funding it provides to subrecipients is reported and audited in accordance with federal regulations.
		Questioned Costs:	CFDA# 93.558 — Amount $0
		Status:	Corrective action complete
		Corrective Action:	The Department partially concurs with the finding. The Department agrees that not all subrecipients submitted audit reports as required and it did not catch the oversight. Terms and conditions of contracts with the subrecipients identify the requirement that organizations receiving in excess of $500,000 in federal funds must have a Circular A-133 audit. The Department is satisfied that program funds expended during this period were appropriate and correct through the monthly invoice verification process, the required documentation and on-site monitoring conducted for each subrecipient. In the future, based on direction from our funding source, the Department will consider the WorkFirst contractors as vendors, thus negating the requirements for Circular A-133 audit reports.
		Completion Date:	March 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	28	Finding:	The Department of Social and Health Services requested federal grant funding in excess of its immediate needs.
		Questioned Costs:	CFDA # — Amount 93.563 ARRA and non-ARRA — $0
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. The errors occurred as a result of American Reinvestment and Recovery Act (ARRA) funds adjustments which caused inadvertent "draw downs" of federal funds over a four quarter period. The draw downs were not noticed immediately because the Department's Grants Management System (GMS) does not interface with the federal Payment Management System (PMS). Economic Services Administration (ESA) was the administration responsible for errors with ARRA funds. All inappropriately received federal funds were returned in October 2010. Additionally, in February 2011, ESA reported the overpayment to the Department's Office of Accounting Services (OAS). OAS is responsible for preparing and submitting the Department's interest liability obligations for the State's Cash Management Improvement Act (CMIA) Annual Report. By June 2011, the Department will develop a quarterly reconciliation procedure to ensure that the GMS and the PMS data match. The Department's OAS has agreed to send quarterly PMS reports to staff assigned responsibility for the quarterly reconciliation.
		Completion Date:	June 2011

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	29	Finding: The Department of Commerce, Community Services and Housing Division, did not comply with subrecipient monitoring requirements for the Community Services Block Grant program. Questioned Costs: CFDA# — Amount 93.569 — $0 93.710 ARRA Status: Corrective action complete Corrective Action: The Department concurs with the finding. When a staff member assumed program management responsibilities for the Community Service Block Grant (CSBG) in July 2009, she noted that two subrecipients had not received on-site monitoring within the required three year period. In the summer and fall of 2009, the upcoming monitoring schedule was updated, but since the schedule was already set for 2009, the two subrecipients were not added to the schedule. With only two employees monitoring approximately 10 subrecipients per year, and the addition of American Reinvestment and Recovery Act (ARRA) funding awards in the spring of 2009, it was difficult to add the two subrecipients to the monitoring schedule for 2009. The entire grant process—from application to award, from tracking expenditures to assessing risk, from additional fiscal monitoring to state and federal reporting—had to be ramped up under significantly constrained staffing conditions. Monitoring visits are typically scheduled March or April through October, to a) avoid hazardous driving conditions in the winter, and b) because the annual application and reporting processes consume most of staff's time from October through March. Both subrecipients were contacted on March 11, 2010 when the 2010 monitoring schedule was being prepared for that year. Monitor dates were arranged for May and November 2010. Monitoring visits were completed as scheduled. At present, the monitoring schedule has been adjusted so that 10 subrecipients will be monitored on-site each year, to ensure that all 30 subrecipients are monitored on-site every three years. Any additional on-site monitor visits triggered by a risk assessment, request by the subrecipient, or poor performance will be added to the normal three-year rotation schedule.

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	29 (Cont'd)	In addition to on-site monitoring, other monitoring activities are performed by Department staff that yield information about the performance of the subrecipients: • Annual application process—includes review of their annual plan, community needs assessment, strategic planning documents, and budget. • Monthly review and processing of requests for reimbursement—yields a picture of their spend-down of the grant, and adherence to expenditures based on their stated plan. • Periodic phone calls—includes technical assistance. • Desk monitoring—fiscal documents for ARRA grants mailed by grant subrecipients were reviewed by the Department. Completion Date: November 2010

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	30	Finding:	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for the Community Services Block Grant program.
		Questioned Costs:	CFDA# / Amount 93.569 / $55,593.11 non-ARRA 93.710 ARRA
		Status:	Corrective action complete
		Corrective Action:	The Department concurs with the finding. The Department did not properly review costs transferred from one grant year to another grant year to ensure costs were within the proper period of availability. Fiscal staff did not clarify nor consult with program staff when program staff requested cost transfers between grant years. Fiscal staff reviewing the work of newly hired staff did not properly verify backup documentation for the transfer. As a result, $55,593.11 transferred was not properly identified within the period of availability. In January 2011, fiscal and program staff reviewed and corrected the original $55,593.11 costs transferred between grant years. Appropriate costs within the period of availability were identified and transferred. The Department concurs with the auditors' recommendation that fiscal staff consult with program staff when transferring costs between grant years. The Department has assessed its internal controls and implemented measures to ensure proper review of costs transfer through clearly defined expectations and responsibilities. Program and fiscal staff have updated the transfer / correction request form to include identification of specific items to transfer and provided training to fiscal and program staff. Fiscal has reiterated document review and approval expectations with supervisors and lead workers.
		Completion Date:	January 2011

Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	31	Finding:	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
		Questioned Costs:	CFDA# / Amount 93.575 / $0 93.596 93.713 ARRA
		Status:	Corrective action complete
		Corrective Action:	The Department of Early Learning (DEL) does not concur with this audit finding. In July 2008, the DEL and the Department of Social and Health Services (DSHS) implemented a process to reconcile child care payments to attendance records to determine if the payments were supported by appropriate documentation. On a monthly basis, payment files are randomly selected from child care centers and family child care homes by DSHS. Those records are audited by DSHS to monitor for correct payments. Overpayments and underpayments are written by DSHS if found during the monitoring. This reconciliation occurred through the Fiscal Year 2010 audit period. **The conditions noted in this finding were previously reported in finding 09-12.**
		Completion Date:	February 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	32	Finding:	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving adoption assistance payments.
		Questioned Costs:	CFDA # / Amount: 93.659 ARRA and non-ARRA / ARRA: $61,918
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. The Department believes control procedures are in place to avoid payments for adopted children over ages 18 and 21. The process works very well in most regions across the state. The Department will evaluate why the process has not worked in the region where exceptions were found. The Department will take the following actions to address the deficiencies identified during the audit. • By March 2011 a memo will be sent to staff that describes the established procedures that are to be followed for monitoring case files and ensuring eligibility requirements are met. • By April 2011 the office responsible for the exceptions will review them and process overpayments for those that should not have been paid. This process will automatically return the federal share of the payment. **The conditions noted in this finding were previously reported in finding 09-14.**
		Completion Date:	April 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	33	Finding:	The Department of Social and Health Services spent approximately $2.7 million of federal Children Health Insurance Program (CHIP) money on unallowable administrative activities.
		Questioned Costs:	CFDA # 93.767 — Amount ARRA: $2,708,627.53
		Status:	Corrective action in progress
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) concurs with this finding. In February 2011, MPA established communication with program, fiscal, and budget staff to ensure the operation, maintenance, and fiscal review of the CHIP program includes all appropriate parties. The MPA developed internal financial procedures and monthly fiscal reports to monitor the Children's Health Insurance Program (CHIP) expenditures to ensure the MPA does not exceed the administrative cap. The MPA implemented a process for the full recovery of the CHIP funds from the Local Health Jurisdictions (LHJ) and will coordinate with the Centers for Medicaid and Medicare Services (CMS) to repay the federal portion. By February 8, 2011, MPA had recovered fifty percent of the funds.
		Completion Date:	June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	34	Finding: The Department of Social and Health Services does not have adequate procedures to ensure compliance with earmarking requirements for the Children's Health Insurance Program. Questioned Costs: CFDA # 93.767 — Amount ARRA: $98,754 Status: Corrective action in progress Corrective Action: The Medicaid Purchasing Administration (MPA) concurs with this finding. MPA will take the following actions to correct the deficiencies identified in the audit. • By March 2011, MPA will implement processes and procedures to monitor on a monthly basis all Children's Health Insurance Program (CHIP) expenditures to ensure the Department does not exceed the CHIP Administrative cap. Monthly CHIP expenditure reports will be maintained tracking all CHIP expenditures for fiscal review. • By June 2011, MPA will fully recover the CHIP administrative funds submitted to the local health jurisdictions. As of February 8, 2011, MPA had recovered fifty percent of the funds. • MPA will coordinate with the Centers for Medicaid and Medicare Services to repay the federal portion. Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	35	Finding:	The Department of Social and Health Services did not have adequate internal controls to accurately identify and claim all eligible Children's Health Insurance Program expenditures.
		Questioned Costs:	CFDA # 93.767 — Amount $0
		Status:	Corrective action in progress
		Corrective Action:	The Aging and Disability Services Administration (ADSA) and the Medicaid Purchasing Administrations (MPA) both concur with this finding. MPA and ADSA will work together to establish a workgroup to communicate the availability of Children's Health Insurance Program (CHIP) funding and regulation changes, and develop a system to identify CHIP eligible costs. The specific actions ADSA and MPA will take are: • By March 2011 a CHIP workgroup will be established that will be comprised of MPA, ADSA, and other Department staff as needed. The purpose of the group will be to communicate availability of funding, regulation changes, and establish a system to identify CHIP eligible costs. • By April 2011 the CHIP workgroup will: o Evaluate CHIP regulation revisions and their impact on the ability to claim CHIP funds. o Develop a process/procedure for communicating the status of CHIP funding availability on a routine basis. • By May 2011: o The workgroup will establish a process for identifying CHIP clients and journal vouchering CHIP eligible expenditures when necessary. o MPA will establish a routine process to identify all Medicaid eligible costs for CHIP reimbursement.
		Completion Date:	May 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	36	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department concurs with this finding. The Department has plans to implement the Provider Compensation System (PCS) by the end of 2012 which will allow for an automated review process. PCS will be a sub-system of ProviderOne and is designed to generate intermittent, random notices to clients informing them how many hours were paid to the provider on their behalf during the previous month. The clients will be instructed to notify the Department if they notice a discrepancy in the hours provided versus the hours billed. Until PCS is implemented, the Department will rely on the following controls that are currently in place: • Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. • Clients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Clients are advised they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise clients to contact them if they are not receiving the hours (or care) for which they are eligible.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	36 (Cont'd)	• Clients are expected to keep copies of timesheets for their individual providers. Case managers periodically review these time sheets and verify with the client that authorized services have been provided. Case managers are instructed to document the review of time sheets and the discussion of service verification in a Service Episode Record. • The Department, through its Payment Review Program, runs algorithms to detect possible fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings. • The Social Service Payment System will not process payments in excess of hours authorized. A provider is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager. By June 2011, the Department will audit a randomly selected sample of individual providers' timesheets to determine if services billed for are consistent with the timesheet documentation submitted to the Department. **The conditions noted in this finding were previously reported in finding 09-18.** Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	37	Finding: The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens at the time of payment, resulting in $187,557 in questionable costs. Questioned Costs: CFDA # — Amount 93.775 — Non-ARRA: $149,965.40 93.776 — ARRA: $37,591.93 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: This finding involved the Department's Aging and Disability Services Administration (ADSA) and Medicaid Purchasing Administration (MPA). Both administrations concur with the finding. ADSA will take the following actions to correct the deficiencies identified during the audit: • By May 2011: o Codes will be established in the Social Services Payment System (SSPS) for state only clients and authorizations for existing clients will be corrected. o Field staff will be trained to identify client citizenship and assign correct SSPS codes when services are authorized. o Because Medicaid funding is no longer allowable for emergency services for ADSA clients, expenditures are currently transferred to state only funding quarterly. The expenditures will be moved to a state only SSPS code when they are established. • By June 2011: o Staff will review clients on the exception list to determine whether or not they are eligible for Medicaid. If they are not, costs will be moved to state only funding and the correct SSPS code will be applied for future authorizations.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	37 (Cont'd)	MPA has taken or will take the following actions: • In January 2010, a procedure was developed and implemented where the client's eligibility for federal funding is verified at the time of application. An interface with the Social Security Administration is used to confirm Social Security Numbers (SSN) and citizenship status. • By June 2011: o A process will be developed to move claims for Medicaid services provided to nonqualified aliens from Medicaid to state only. The process will entail periodic identification of non-citizens with invalid SSNs. This list will be passed to financial staff who will identify the non-emergent Medicaid claims data from ProviderOne and perform an accounting adjustment to shift these dollars to state only funds o MPA will follow up on the questioned cost relating to Managed Care insurance premiums, dental services, and other services including physicians visits, prescription drugs, family services and vision identified as being provided to nonqualifying aliens and will coordinate with the Centers for Medicare and Medicaid Services (CMS) to determine if any related Medicaid funds must be returned. Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	38	Finding: The Department of Social and Health Services, Medicaid Purchasing Administration[1], does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable. Questioned Costs: CFDA # — Amount 93.775 — Non-ARRA: $119,829.99 93.776 — ARRA: $30,037.85 93.777 93.778 ARRA and non-ARRA Status: Corrective action not taken Corrective Action: The Department's Medicaid Purchasing Administration (MPA) does not concur with the finding. There are no federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the MPA disagrees that the lack of an edit that validates DEA for Schedule 2-5 drugs constitutes inadequate internal controls or that the lack of such validation renders the payment unallowable. The MPA believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. The Controlled Substance Act (21 USC Sec. 821) and the State Uniform Controlled Substance Act (RCW 69.50) do not regulate payment for controlled substances and there are no provisions in either that could be interpreted as a requirement relating to payment of claims for controlled substances. Title 21 CFR Section 1306.04 clearly states that the prescribing practitioner is responsible for assuring that the prescription conforms in all essential respects to the law and regulation: (a) A prescription for a controlled substance to be effective must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. *The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription.*

[1] Formerly Health and Recovery Services Administration (HRSA)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	38 (Cont'd)	This finding indicates that since the previous 2009 finding, the MPA has developed procedures to verify DEA for Schedule 2 drugs. That statement is incorrect. The automated edit procedure has been in place since 2002 when the MPA implemented a pharmacy Point of Sale (POS) edit for the purpose of validating the DEA of the prescribing physician for Schedule II drugs. The MPA considered this to be an essential POS validation because Schedule II drugs are subject to the highest risk of abuse. The MPA considered it prudent to provide this additional validation to guard against the potential for fraud and abuse. The MPA implemented a new pharmacy Point of Sale (POS) in October 2008. The POS design allowed us to require and utilize the National Provider Identifier (NPI) as the prescriber identifier. The POS was designed to utilize a national file that associated the NPI to the DEA number, theoretically allowing a match of the NPI to DEA that enforces the Schedule II edit. However, at implementation it was discovered that the national file that associated NPI to DEA was not complete and did not meet the business needs of matching NPI to DEA. As a result, the Schedule II edit in POS is based on a work-around. The POS maintains a "prescriber network" of known NPI/DEA associations, and it is updated by state staff as new associations become known. The work-around includes manual updates to a "blocked prescriber list" that identifies prescriber DEAs prevented from prescribing Schedule II drugs. There continues to be no complete external source of data that provides the NPI to DEA crosswalk. As a result, the work-around within the POS does not provide any external data file that can be utilized for analysis or that allows us to query the data and match DEA with NPI. So while the POS automatically associates the NPI with DEA for adjudication, external review of the NPI/DEA associations requires manual lookup to document the association. The MPA performed the following detailed claims analysis and responded to SAO as follows: • Transactions with an invalid DEA number (4,071 records): The MPA reviewed the first 100 records in POS and found 100% were active in the POS prescriber file with valid DEA. The prescriber file does not currently include DEA end dates. • Transactions with an NPI number (9,946 records): A manual review of 50 records found 47 associations of NPI to valid DEA. In three instances, only the NPI was in the Prescriber Network file. These three claims paid because the NPI was not on the blocked Schedule II list. • SAO reviewers were provided with access to the POS as well as instruction on the screens showing how the NPI/DEA associations could be located.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	38 (Cont'd)	In addition to the POS edit that validates the DEA for Schedule II drugs, the MPA has a set of robust Program Integrity activities including pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm. In the absence of any requirement to validate DEA for controlled substances, the MPA believes this set of Program Integrity activities provide adequate controls to ensure that controlled substances are authorized and allowable. The MPA continues to research the availability of a complete external file that accurately and completely associates NPI to DEA. Other states are faced with similar difficulties in utilizing the NPI for prescriber identifier. By June 2011, the MPA will work with the Department of Health and Human Services to determine if any questioned costs need to be reimbursed. **The conditions noted in this finding were previously reported in finding 09-32. The auditors noted certain progress.** Completion Date: N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	39	Finding: The Department of Health and Human Services, Aging and Disability Services Administration, did not ensure the level of in-home care services for some clients was evaluated at least annually. Questioned Costs: CFDA # — Amount: 93.775 — Non-ARRA: $36,372.24 93.776 — ARRA: $9,117.45 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department of Social and Health Services partially concurs with this finding. The Department reviewed the 10 exceptions identified by the auditors. The Department determined two of the 10 clients had annual assessments completed within the required time frames; however, due to computer anomalies, they were coded as late. There was documentation in each client's Service Episode Record that documented the situation. The other eight clients remained eligible for services during the time their assessments were out of date. There are routine reasons an assessment may not be included within the required timeframe. Some examples are the client's inability to meet with the case manager, delays in locating a provider of personal care, and delays caused in obtaining specialized medical equipment or making environmental modifications. Also, a client may have been admitted to a nursing facility or hospital or had a break in service that nullified the annual assessment due date. During this audit cycle, the Department completed 59,570 assessments. If the 662 assessments identified by the auditors were actually late, this amounts to a compliance rate of 98.9% which is well within an acceptable threshold given the routine reasons why an assessment could be late. The Department has set a benchmark of 90% for compliance with assessment timeliness. This benchmark is measured during each quality monitoring cycle and was surpassed during this audit period when 98% compliance was achieved.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	39 (Cont'd)	The Department has taken or will take the following actions to address the recommendations of the auditors: • In February 2011, the Department reviewed the Quality Assurance Monitoring Tool used in the quality assurance cycle to ensure the level of care assessment for clients receiving in-home care is performed at least once every twelve months. • By June 2011, the Department will contact the Department of Health and Human Services to determine if any of the questioned costs need to be reimbursed. The Department is of the opinion since all clients were eligible for services there should not be any questioned costs. Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	40	Finding:	The Department of Social and Health Services, Medicaid Purchasing Administration[2], does not comply with state law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) does not concur with this finding. The MPA continues to believe that it is in compliance with the Deficit Reduction Act (DRA) of 2005. The MPA meets this standard by making data available to all insurers to use for Third Party Liability (TPL) reporting and by matching data directly with those insurers most likely to provide third party coverage to Medicaid recipients. In January 2011, MPA signed a contract with Health Management Systems who will perform automated data matches of MPA enrollment data against health insurance carrier files. This is intended to enhance TPL information in ProviderOne, the Department's primary provider payment processing system. By January 2012, the MPA will implement in ProviderOne the data exchange format published by CMS in June 2010. This new format serves as a tool to enable all states and all payers to use and comply with the DRA data exchange requirements. The MPA is moving forward to incorporate this tool into ProviderOne to enhance cost avoidance and recovery activities. **The conditions noted in this finding were previously reported in finding 09-19. The auditors noted certain progress.**
		Completion Date:	January 2012

[2] Formerly Health and Recovery Services Administration (HRSA)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	41	Finding: The Department of Social and Health Services did not ensure all Medicaid providers were eligible to participate in the program. Questioned Costs: CFDA # / Amount 93.775 / Non-ARRA: $8,379.59 93.776 / ARRA: $2,100.52 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department concurs with this finding. Medicaid dollars were used to reimburse an excluded party who happened to be a parent provider. The excluded party (parent provider) provided the client services as authorized, and was paid for those services. During the audit period, parent providers were exempt by rule (RCW 74.15.030 (3)) from background checks. This exemption will change in 2012, when all providers, including parent providers, will be required to be fingerprinted as part of the background check process. The Department will take the following actions in response to the audit finding: • By April 2011, the Department's Central Contracts Office will be contacted to review the current processes used to identify excluded and debarred providers and identify potential steps that could improve the methods currently in place. • By June 2011, the Department will contact the federal grantor to determine if costs need to be repaid. Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

10	42	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.
		
		Questioned Costs:
		CFDA # — Amount
		93.775 — Non-ARRA: $460,823
		93.776 — ARRA: $115,515
		93.777
		93.778 ARRA and non-ARRA
		
		Status: Corrective action in progress
		
		Corrective Action: The Department concurs that there are not adequate controls in place to ensure Medicaid payments to in-home service providers were allowable and supported. The Department is anticipating the Provider Compensation System (PCS) will be implemented by the end of 2012. PCS is a sub-system of ProviderOne that will generate intermittent notices to clients informing them of the number of hours providers were paid in the previous month. This will assist clients in determining if there is a discrepancy in the number of hours providers were authorized to provide services and the hours they were paid.
		
		Until the PCS is implemented, the Department has the following controls in place:
		• As part of their client assessment, case managers authorize a certain amount of hours a provider can provide care. These hours cannot be exceeded by a provider invoice because the Social Service Payment System will not process payments in excess of the authorized hours.
		• Clients are informed they need to retain copies of their provider's timesheets. This will allow case managers to periodically review a sample of client's timesheets and verify services were provided.
		• During 2010 the Department:
		  o Reviewed with clients their responsibilities as the employer of their individual providers. This will continue with new clients.
		  o Sent individual providers a written notice of their obligation to keep a record of in-home services provided to Department clients.
		  o Began auditing randomly selected samples of individual providers' timesheets to determine that services billed for are consistent with timesheet documentation submitted.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

10	42 (Cont'd)	The Department will take the following corrective actions as a result from this year's finding.
		• By April 2011, the Department will provide a training module to the case management staff of the 13 Area Agencies on Aging. The training will focus on the requirement that case managers review clients' timesheets and verify authorized hours have been provided.
		• Also in April the Department will revise their Case Management Program Training curriculum to include an emphasis on review of timesheets.
		• By June 2011, the Department will:
		  o Send written notification to individual providers regarding their obligation to keep a record of in-home services they provide to ADSA clients.
		  o Audit a random sample of individual providers' timesheets to determine if services billed are consistent with timesheet documentation.
		  o Work with the Department of Health and Human Services to determine if any questioned costs need to be reimbursed.
		
		The conditions noted in this finding were previously reported in finding 09-21. The auditors noted certain progress.
		
		Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	43	Finding: The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers. Questioned Costs: CFDA # — Amount 93.775 — Non-ARRA: $143,270.78 93.776 — ARRA: $35,913.78 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: This finding involved the Department's Children's, Economic Services, and Medicaid Purchasing Administrations. Each administration provided individual responses. Children's Administration (CA) CA concurs with this finding. Only two of the exceptions identified during the audit were related to CA. In February 2011, CA initiated the process to obtain the correct Social Security Number (SSN) for the two clients. Economic Services Administration (ESA) ESA concurs with this finding. During February 2011, ESA took actions to address the 326 exceptions identified during the audit. Fifty-eight of them were updated with a valid SSN and 254 were closed. The remaining fourteen cases were distributed to field staff for review and resolution. ESA, in conjunction with the Medicaid Purchasing Administration, has requested enhancements to their automated systems. The enhancements, which are expected by October 2011, will include: • Automation of the State On-line Query (SOLQ) SSN verification process at the time of application. • System generated edits and assignments to ensure accurate processing and follow-up of cases with missing or invalid SSNs.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	43 (Cont'd)	<u>Medicaid Purchasing Administration (MPA)</u> MPA partially concurs with this finding. MPA is of the opinion that the audit sample of the total caseload of 1.1 million clients was not valid. This sample consisted only of cases that might be in error -- in effect, inflating the number of potential errors that might exist within the total Title XIX and Title XXI caseload. By comparing to the total 1.1 million cases, the audit team initially found 8,727 potential errors, a 7.9% potential error rate. But of that number of potential errors, the audit team found only 410 actual errors, or a 0.047% error rate. In addition, only 84 of the cited errors were under Medicaid's control, resulting in a Medicaid error rate of only 0.009%. During July 2010, MPA took action on the 84 exceptions identified as belonging to MPA. The cases were either corrected or closed. Of the cases, 72 (86%) were Take Charge family-planning-only. In the past, these clients have received one medical ID card covering a 12-month certification period. Beginning in May 2010, however, the Medicaid payment system changed to ProviderOne. This system only shows one month of a client's eligibility, which enables the Department to close Take Charge certifications when needed. This new functionality in ProviderOne will eliminate the Take Charge problem since the Department regularly terminates these cases when eligibility ends, rather than waiting until the end of the certification period as before. During September 2010, MPA staff received training in the procedures for requiring and verifying SSNs. Also in September MPA began auditing two percent of Take Charge cases and 10 percent of MEDS applications and reviews monthly MPA shares monthly reports on cases that lack SSNs or have invalid SSNs with the ESA allowing workers in either administration to correct them quickly. Staff has now been trained on the need for SSNs and how to verify them through the State On-Line Query. In addition, the Eligibility A-Z manual has been updated with the most current procedures. Completion Date: October 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	44	Finding:	The Department of Social and Health Services Medicaid Purchasing Administration's[3] internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are based on accurate data.
		Questioned Costs:	CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action not taken
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) does not concur with this finding. MPA believes there are sufficient controls in place to assure managed care rates are set based on the verified managed care organizations' (MCO) actual costs of care. The controls MPA has in place are: • Actuarially certified, proprietary cost information is submitted directly to the MPA's actuary. The actuary verifies the information submitted by comparing it to audited financial statements submitted to the Office of the Insurance Commissioner, and encounter data submitted to the MPA. • The actuary also does analysis of prior years, compares MCOs to each other and resolves outliers that arise from its analyses with the MCOs. In addition, the MCOs each have compliant fraud and abuse controls to prevent provider fraud. These controls provide reasonable assurance that the data used in rate-setting is accurate and complete. This assertion is supported by the fact that the MPA has had no findings regarding rate setting in two Centers for Medicare and Medicaid Services (CMS) reviews and has had its rates consistently approved by CMS with their full understanding of the rate setting methodology. The conditions noted in this finding were previously reported in finding 09-22.
		Completion Date:	N/A

[3] Formerly Health and Recovery Services Administration (HRSA)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	45	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all applicant-owned assets are counted when Medicaid eligibility is determined. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action not taken Corrective Action: The Department does not concur with this finding. The Department disagrees with the SAO for the following reasons: • Most clients do not have proof of all financial activities that occurred during the last five years, which would be all of their financial statements from banks and other financial institutions. The process that the client or Department would have to go through to provide that much history would be lengthy and expensive, and would not meet the federal requirement in 42CFR 435.902 that an agency's policies and procedures for determining eligibility must be conducted in a manner consistent with simplicity of administration and in the best interests of applicants and recipients. • The Department would have to pay banks to provide archived statements that the clients no longer have per WAC 388-490-0005(7). The length of time it would take to request and then review a minimum of 60 bank statements, with the possibility of hundreds more if there are multiple accounts at different banks, would make it impossible to meet our standard of promptness for Medicaid applications with existing staff. Many additional FTEs would be required. Requiring all clients to provide 60 months of bank statements would not be cost-effective.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	45 (Cont'd)	• Unless transfers were made with the intent of qualifying for long-term care benefits, the Department cannot impose a transfer penalty. RCW 74.08.080(2)(g) states that "the burden is on the department to prove by a preponderance of the evidence that the person knowingly and willingly assigned or transferred the resource at less than fair market value for the purpose of qualifying…for medical assistance." Applicants who have or had enough resources to consider transferring assets are usually applying for public assistance for the first time. If transfers occurred between 2 – 5 years prior to applying, the Department finds that those persons were usually unaware of Medicaid policies at that time because they were in reasonably good health, were not contemplating future long-term care needs, and were simply helping family members. If they were transferring assets to qualify that long ago, it is often difficult to prove. Generally, specific planning for future Medicaid eligibility occurs within a few months of the application. • Requiring clients to provide five years of bank statements would only pertain to bank accounts that are declared. No system is in place to identify undeclared bank accounts and other types of undeclared transfers which is the primary reason for reliance on self-declaration. • The Department is committed to ensuring that Medicaid clients are financially eligible for the program benefits that they receive and will continue to pursue and verify any asset transfers that it becomes aware of through the written application, the subsequent interview, or other means. Applicants complete the DSHS Application for Benefits. This form specifically asks if the applicant or applicant's spouse has sold, traded, given away, or transferred a resource in the last five years, and if so, what and when. The application states that the person signing it is declaring an understanding that they can be criminally prosecuted for making a false statement or failing to report something. The signature certifies and declares under penalty of perjury under the laws of the State of Washington that the information given is true and correct.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	45 (Cont'd)	In addition, the Department is taking the following actions: • Staff routinely checks online county assessor systems to see if clients have transferred property in the county in which they reside. • If the bank statements from the last three or six months contain payments or credits that present red flags, staff looks as far into this as necessary to resolve the issue. • If the client declares a transfer, staff requests and obtains verification and thoroughly evaluates that transfer to ensure that it is consistent with Medicaid rules. • If the interview is inconsistent with the application, staff evaluates and probes inconsistencies as necessary. • If staff learn of possible transfers through other means, they always follow-up and verify. The Department submitted policies and procedures to the Centers for Medicare and Medicaid Services (CMS) in June 2009 asking for an opinion as to whether or not federal guidelines were being met. CMS responded on December 22, 2009. CMS indicated that states have flexibility in implementing the 5 year look-back provision according to the "general rules of reason." The Department believes the CMS response validates the position that asking for bank statements for the entire look-back period is not required. The Department believes the methods described above meet the "rules of reason" test referred to by CMS. **The conditions noted in this finding were previously reported in finding 09-17.** Completion Date: N/A

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	46	Finding: The Department of Social and Health Services, Economic Services Administration, does not have adequate controls to ensure sufficient action is taken to correct errors identified by the Medical Eligibility Quality Control Unit. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action complete Corrective Action: The Department concurs with this finding. In April 2010 the Department formalized monitoring procedures for assigning, tracking and follow-up on the correction of errors identified through the MEQC reviews. The specific procedures are: 1. Upon completion of an MEQC project review, the MEQC Unit creates a spreadsheet (problem report), identifying potential errors. 2. This spreadsheet is uploaded to Barcode and sent to the MEQC Program Manager at the Medicaid Purchasing Administration (MPA) for distribution to the field. Barcode is an internal database system that provides field staff access to data and applications needed to support field operations. 3. The MPA MEQC Program Manager classifies the problem report by Community Services Division Customer Service Center district (region) based on where the client resides. 4. Each district specific report is sent to the appropriate district contact (a supervisor in the district office) for correction.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	46 (Cont'd)	5. The district contact (supervisor) assigns the case errors to staff in the district call center for correction. 6. The district contact reports back to the MPA MEQC Program Manager upon completion of the corrections. Corrections are then reported back to the MEQC unit. **The conditions noted in this finding were previously reported in finding 09-25.** Completion Date: April 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	47	Finding: The Department of Social and Health Services, Medicaid Purchasing Administration[4], does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible. Questioned Costs: CFDA # — Amount: 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action complete Corrective Action: The Department's Medicaid Purchasing Administration (MPA) partially concurs with this finding. The total children's medical caseload for July 1, 2009, through March 31, 2010, was at 384,033. Two hundred cases were sampled, and 15 cases were cited with exceptions. MPA agrees that two of the 15 cases lacked income documentation to determine if the clients were eligible for medical coverage. To address this, MPA took the following action in January 2010: • Staff were trained on income eligibility determinations and required documentation. Classroom instruction was and continues to be provided with handouts that can be used at the worker's desk to reinforce class learning. Specific training and handouts are provided on self-employment and corporations. • Policy and Procedure Manual sections have been updated with requirements on income calculations and documentation. • Medicaid Eligibility Quality Control focused audits are performed on income eligibility requirements, calculations, and documentation to ensure staff follow rules and procedures.

[4] Formerly Health and Recovery Services Administration (HRSA)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	47 (Cont'd)	MPA disagrees with the other thirteen cases, which contained procedural errors even though the clients remained eligible for medical benefits. The procedural errors amounted to weak verification of determining accountable household income for self-employed individuals. Additionally, per RCW 74.09.402 (WAC 388-416-0015), children's medical cases remain open for a 12-month continuous certification period, regardless of changes other than death, moving out of Washington State, or aging out of the program. This means that any increase in income during the audit certification period would not affect the children's eligibility during those 12 months. Completion Date: January 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	48	Finding:	The Department of Social and Health Services' internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) concurs with this finding. MPA acknowledged that on-site monitoring of activities for the transportation brokers was not completed according to the monitoring plan for 2010. This was primarily due to budget restrictions. Also, the workload required for the re-procurement of non-emergency medical transportation (NEMT) contracts was considerable. To address this finding, MPA is reviewing broker subcontractors monitoring schedules, broker incident/accident reports, and broker invoice packets. MPA is also reviewing and resolving broker complaints. Additionally, MPA will take the following actions: • By February 2011, broker's fleet inventory reports will be reviewed. • By March 2011, the Trips Database will be developed and tested. This will allow for improved monitoring capabilities. The database will allow MPA to match a client's trip to a covered medical service. • By December 2011, desk audits of all NEMT brokers will be completed, along with site visits of those brokers. **The conditions noted in this finding were previously reported in finding 09-31.**
		Completion Date:	December 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	49	Finding:	The Department of Social and Health Services did not have adequate controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government in an accurate and timely manner.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. While the Department's Office of Financial Recovery (OFR) has found that monthly reminders to Administrations have not been effective in ensuring timely overpayment referrals, OFR will comply with current policy while working to change the policy and implement effective refund practices. **The conditions noted in this finding were previously reported in finding 09-28.**
		Completion Date:	April 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

10	50	Finding: The Department of Social and Health Services paid Medicaid providers for services that were not provided to Medicaid beneficiaries.
		
		Questioned Costs:
		CFDA # — Amount
		93.775 — Non-ARRA: $30,408.79
		93.776 — ARRA: $7,622.59
		93.777
		93.778 ARRA and non-ARRA
		
		Status: Corrective action in progress
		
		Corrective Action: This finding involved the Aging and Disability Services Administration and the Medicaid Purchasing Administration. Both administrations concur with the finding.
		
		Aging and Disability Services Administration (ADSA)
		
		ADSA will continue its work to strengthen processes that may provide a timelier and more consistent way to inform field staff about deceased clients. Currently, field staff receive this information from a variety of sources, including relatives, death notices in the papers, and ACES-Social Security Data Exchange matches. There is no departmental or legal requirement to notify field offices. The availability and consistency of this information will improve when phase two of ProviderOne is completed. At that time staff should have uniform access to the same data sources for information about client deaths.
		
		ADSA will take the following action in response to this finding:
		• By March 2011:
		  o Provide the Payment Review Program the client list with dates of death (DOD) to determine if there are algorithm improvements that will assist in strengthening procedures for identifying deceased beneficiaries.
		  o Establish overpayments for those payments identified after the audit began.
		• By June 2011:
		  o Federal share costs without an established overpayment will be reimbursed to the federal grantor.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	50 (Cont'd)	Medicaid Purchasing Administration (MPA) The audit identified transactions totaling $3,266 in payments made through the Medicaid Management Information System (MMIS) that were paid after the date of death. In January 2011 the Date of Death was documented in the MMIS and the payments have been recouped. The audit recommended that MPA "continue to strengthen procedures for identifying deceased beneficiaries to prevent overpayments in the future." MPA continues to be a stakeholder in a Department of Health (DOH) initiative that will provide on-line access to DOH death data. The initiative will provide death data in a timelier manner, but has yet to be implemented. DOH remains dependent upon counties for receipt of death data, resulting in a delay in receiving the information. Due to this delay, DSHS will continue its successful post-pay review activities by using the quarterly DOH death data file to identify and recoup claims paid for deceased clients. Completion Date: June 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	51	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate procedures to ensure Medicaid is the payer of last resort for pharmacies.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) does not concur with this finding. However, MPA will take the following action to strengthen internal controls: MPA plans to enhance functionality related to third party payers in ProviderOne by December 2012 through implementation of a change request. Until then MPA will continue to allow providers to make eligibility checks with ProviderOne that include known third party payer information. In June 2010, CMS announced recommended transmission formats for sharing eligibility and benefit information. The formats are the Payer Initiated Eligibility/Benefit (PIE) Transaction and the Accredited Standards Committee (ASC). MPA will be pursuing implementation of these transactions. On an ongoing basis as resources are available, MPA will retrospectively examine pharmacy claims for the use of Third Party Liability override codes. **The conditions noted in this finding were previously reported in finding 09-24.**
		Completion Date:	December 2012

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	52	Finding: The Department of Social and Health Services, Medicaid Purchasing Administration[5], does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department's Medicaid Purchasing Administration (MPA) does not concur with this finding. The MPA does ensure that all requirements for Durable Medical Equipment providers are met. Although MPA does not concur with this finding, the following actions will be taken to improve services. • MPA has a Change Request (CR) in process with the ProviderOne vendor, CNSI, that will allow a data exchange of professional and facility license information between MPA and the Department of Health. This will identify claims from expired professional and facility licenses so that they will not be paid. This change request is expected to be in effect by September 2011. Business licenses were not captured in the MMIS system (the system that preceded ProviderOne). The business license field is new to the ProviderOne system. It is a requirement for enrollment to document the business license dates. ProviderOne automatically sends the provider a letter 30 days prior to the expiration date of a business license. The provider is required to then send the Provider Enrollment Unit proof of an updated license. There is currently no edit in place to deny claims on business license end dates. This edit will be put into place by February 2012.

[5] Formerly Health and Recovery Services Administration

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	52 (Cont'd)	• Beginning in April 2011 new federal regulations will require the states to perform pre- and post-enrollment site visits of newly enrolling DME providers, and as current DME providers' enrollment is updated. Regulations allow that states may accept the results of Medicare's or another state Medicaid agency's screening results (i.e. if the provider is already a Medicare provider and Medicare has done the pre- and post-enrollment site visit). MPA will take all steps necessary to comply with these new federal requirements. Completion Date: February 2012

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	53	Finding:	The Department of Social and Health Services Medicaid Purchasing Administration[6] does not perform a retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal law.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 ARRA and non-ARRA
		Status:	Corrective action not taken
		Corrective Action:	The Department's Medicaid Purchasing Administration (MPA) does not concur with this finding. MPA believes that it is in full compliance with the federal rules for retrospective drug utilization review. The Centers for Medicare and Medicaid Services (CMS) has provided previous validation that MPA's retrospective Drug Utilization Review (DUR) reports meet all federal requirements. MPA will submit its required annual Drug Utilization Review report to CMS for federal fiscal year 2010 no later than the due date of July 1, 2011. **The conditions noted in this finding were previously reported in finding 09-20.**
		Completion Date:	N/A

[6] Formerly Health and Recovery Services Administration (HRSA)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	54	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, billed approximately $600,000 to the Medicaid program for services provided to ineligible individuals. Questioned Costs: CFDA # — Amount 93.775 — Non-ARRA: $322,204.66 93.776 — ARRA: $80,767.25 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department concurs with this finding. Department staff within Aging and Disability Services Administration (ADSA) was not aware of the correct process and client eligibility criteria for charging funds to the State Children's Health Insurance Program (SCHIP) grant. ADSA will work with other administrations within the Department, including the Medicaid Purchasing Administration (MPA) and the Economic Services Administration (ESA), to ensure that expenditures are properly charged to the SCHIP grant and not Medicaid. By May 2011 the Department will: • Obtain reports from MPA to assist in identifying eligible SCHIP clients. • Establish Social Service Payment System (SSPS) codes for state only and SCHIP enhanced clients and move unidentified clients to state only until correct funding determination can be made. • Establish a routine process for identifying and journal vouchering SCHIP eligible expenditures. • Work with the Centers for Medicare and Medicaid Services (CMS) and the Department's Office of Accounting Services to determine if the Medicaid expenditures can be moved to the enhanced SCHIP 2010 grant. Completion Date: May 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	55	Finding: The Department of Social and Health Services, Medicaid Purchasing Administration, did not ensure managed care premium payments were paid only for Medicaid eligible clients, resulting in the loss of approximately $1 million of public funds. Questioned Costs: CFDA # — Amount 93.775 — Non-ARRA: $474,387.67 93.776 — ARRA: $118,915.06 93.777 93.778 ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department's Medicaid Purchasing Administration (MPA) concurs with this finding. MPA conducted a thorough analysis of the data submitted by the auditors and concluded that the small group of cases cited was accurately described. The findings were a result of limitations within the legacy Medicaid Management Information System (MMIS). With the implementation of ProviderOne in May 2010, this limitation was resolved. Currently, MPA has established business rules that will disenroll ineligible clients when their eligibility changes between cutoff and premium payment. By September 2011 the MPA will work with the Centers for Medicare and Medicaid Services (CMS) to refund the federal dollars identified in the audit. Completion Date: September 2011

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	56	Finding: The Department of Health charged federal grants for expenditures after the grant period had closed. Questioned Costs: CFDA# 93.889 — Amount ARRA: $154,991.62 Status: Corrective action in progress Corrective Action: The Department is reviewing its controls over expenditures for obligations incurred during the grant period, and will implement procedures to ensure that these are not paid after the grant closing date. These controls may involve further restrictions on the ability of Department staff to assign costs to accounting codes related to grants that have exceeded the ninety day period following the closing date. In addition, the Department will ensure that the required financial reports are filed with the federal grantor by the due date. Completion Date: July 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
10	57	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, Division of Behavioral Health and Recovery, did not comply with the federal requirement for independent peer reviews for the Substance Abuse Prevention and Treatment Block Grant.
		Questioned Costs:	CFDA # 93.959 — Amount $0
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. By August 2011, the Behavioral Health Advisory Council (BHAC) will be created. This council is being developed by the Mental Health Policy Advisory Council and the Chemical Dependency Citizen's Advisory Council. The BHAC will be responsible for facilitating and overseeing the peer review process.
		Completion Date:	August 2011

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State of Washington | ***OMB Circular A-133 Audit***
Summary Schedule of Prior Audit Findings | ***For the Fiscal Year Ended***
For Years Prior to Fiscal Year 2010 | ***June 30, 2010***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

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(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

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University of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	01	Finding:	The University of Washington did not have adequate internal controls to ensure accurate identification of its federal grant awards which resulted in misreporting of its federal grants expenditures.
		Questioned Costs:	None
		Status:	Corrective action complete
		Corrective Action:	In March 2010, Grant and Contract Accounting staff were trained on the difference between the funding and the program code of federal domestic assistance (CFDA). In addition, new employees will be trained upon hire and all employees will be directed to pay attention to awards with multiple CFDA numbers. Staff will also continue to communicate with campus departments and the applicable agency when discrepancies are identified to ensure federal requirements are met and information is accurately reported.
		Completion Date:	March 2010

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	02	Finding:	The Department of Social and Health Services is not complying with federal requirements for allocating employee leave buyouts.
		Questioned Costs:	CFDA # / Amount 10.551 – ARRA and non-ARRA / $152,159 10.561 – ARRA and non-ARRA 16.540 93.243 93.563 – ARRA and non-ARRA 93.658 – ARRA and non-ARRA 93.775 – ARRA and non-ARRA 93.777 – ARRA and non-ARRA 93.778 – ARRA and non-ARRA
		Status:	Corrective action complete
		Corrective Action:	The Department concurs with this finding. During 2009, DSHS appropriately transferred slightly over $4.1 million to the terminal leave base. Staff who were learning the transfer process relied upon procedures that did not adequately describe the transfer requirements. As a result, the 2009 liquidation portion of the prior year terminal leave charges was inadvertently not transferred. The liquidation portion represents about 8% of the total termination leave charges for 2009. As of February 25, 2010, the Office of Accounting Services had updated procedures to reflect all parts of the termination leave transfer. The Department is requesting that Health and Human Services (HHS) confer with the granting entities during the federal clearing house audit process. The granting entities will determine and notify DSHS whether repayment is required.
		Completion Date:	March 2010

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	03	Finding:	The Recreation and Conservation Office is not in compliance with federal cash management requirements.
		Questioned Costs:	CFDA # 11.438 — Amount Unknown
		Status:	Refer to finding 10-04
		Corrective Action:	The Recreation and Conservation Funding Board (Board) has received informal approval from the National Oceanic and Atmospheric Administration (NOAA) to allow 120 days to fully account for cash advances to sub-recipients. By March 15, 2010, the Board will request modifications to their NOAA grant agreements to formally reflect this approval. If the grant modifications are not approved by NOAA, the Board will revise this corrective action plan with an alternate approach to address this finding. By February 28, 2010, the Board will review its current policy and processes for cash advances. The Board will modify the number of days advances can be outstanding in order to ensure the 120 day limit is met. The Board will also review and fully document the internal processes used to ensure that the 120 day limit is not exceeded. By May 15, 2010, the Board will communicate to all potential sub-recipients the resulting cash advance policy, emphasizing changes, and restating the Board's intent to consistently enforce consequences for noncompliance with the policy.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-04.

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

09	04	Finding: The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring.
		
		Questioned Costs: CFDA# 11.438 — Amount $0
		
		Status: Corrective action in progress
		
		Corrective Action: The Recreation and Conservation Funding Board (Board) is in the process of finalizing significant changes to internal controls over sub-recipient monitoring.
		
		1. Risk assessment: The Board has developed a tool to assess the risk that sub-recipients will submit incorrect billings. By February 28, 2010, the Board will conduct this risk assessment on all sub-recipients that have active salmon grants. This risk assessment will identify three categories of sub-recipients: high risk, medium risk, and low risk. The risk assessment evaluates several risk criteria and assigns a point value to each. By March 15, 2010, the Board will contact each sub-recipient to share the results of the risk assessment and the level of documentation required of each sub-recipient.
		2. Invoice review process (change effective March 31, 2010):
		• Prior to payment of each invoice, fiscal staff will review the expenditure listing to ensure items are allowable under the grant, costs are within limitations of the grant, and expenditures occurred within the timeframe of the grant.
		• After fiscal review, outdoor grant managers will review the invoice and approve. Outdoor grant managers oversee projects and ensure timely completion within scope and program. After this approval, fiscal will perform a final review and release payment.
		• While grant managers review/approve all invoices, the fiscal office requires different levels of review depending upon each sub-recipient's risk classification.
		  • High risk sub-recipients will be required to submit all copies of invoices and timesheets.
		  • Medium risk sub-recipients will be required to submit copies of all invoices for two billings per year and are subject to a sub-recipient desk review.
		  • Low risk sub-recipients will continue to provide an original signed invoice voucher, summarized expenditure details and a progress report. These reimbursements are subject to a sub-recipient desk

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	04 (Cont'd)	review. Concurrent with this work, the Board will implement an automated progress report system which will assist in evaluating the accuracy of all submitted invoices. 3. Sub-recipient desk review: During the sub-recipient desk reviews, staff will request all back up documentation from sub-recipients for specified reimbursements. Staff will review the documentation to make sure all costs are correct, eligible, in the proper period and were used on the grant. Staff will follow up with any questions that arise in the review. 4. Site visits: Beginning in March 2010, staff will visit at least twelve sub-recipients annually. Because high-risk sub-recipients are already providing full substantiation of reimbursement requests, these visits will focus on the low and medium risk sub-recipients. The purpose of these visits is to review the sub-recipient's records and processes, answer their specific questions, and provide additional training to sub-recipient staff. These visits will also provide verification that the Board's sub-recipient risk assessment approach is effective. The Board will analyze the processes used, track identified issues, and report issues back to the sub-recipient. 5. Audit review: Annually, fiscal staff reviews the audit reports of all grantees required to undergo a federal audit. For grantees not required to have an audit, staff will ensure there is a letter on file certifying the grantee is below the dollar threshold requiring a federal audit. This process identifies audit issues with sub-recipients. 6. Training: Fiscal staff conducts weekly online training sessions on preparation of billing reimbursements. The training allows grantees to participate real-time and ask specific questions. Fiscal staff also performs training sessions as requested. 7. Review of closed grants: Each time an agreement is closed, grant management staff review the grant project file and the project information system to ensure site inspections, project deliverables, and final reports are complete and adequately documented. **The condition noted in this finding was previously reported in finding 08-06.** Completion Date: Estimated May 2010

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	05	Finding: The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments. Questioned Costs: CFDA# — Amount 17.225 – ARRA and non-ARRA — $0 Status: Refer to finding 10-08 Corrective Action: The finding and recommendation for the Benefit Accuracy Measurement (BAM) program has prompted the Department to closely examine the detailed procedures for auditing unemployment insurance claims. Thorough review of the BAM investigative procedures has helped ignite new ideas for process improvement. The BAM team randomly pulls 930 cases a year for both paid and denied cases. The sampling of this audit was 30 cases. 18 of the 30 cases were found to have incomplete information needed to verify facts. While the BAM investigators follow the current written procedures for investigating cases, the Department sees an opportunity to be more aggressive in obtaining information and updating procedures to reflect changes for improvement. The BAM team proposes several process improvement ideas to implement in 2010: • Improve the record keeping of documented attempts to contact the claimant or employer. • Create and use a special "attention" stamp on all our envelopes of correspondence with verbiage to encourage the claimant and employer to respond. • Use certified mail in our letters of correspondence to both claimant and employer. • Set time specific appointments with claimants for the interview. • Increase the number of attempts to contact employers from two to four. • Make a more rigorous effort to verify all job search contacts, specifically the online applications. • Monitor investigator calls to observe content of their verbal communication.

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	05 (Cont'd)		Additionally, the BAM team has started to conduct their own internal quality control process, where the team meets monthly to review peer cases and give feedback that outlines successes and areas for improvement. The Department has a new BAM supervisor with an adjudication background who will lead this effort and monitor the quality of cases more closely.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-08.

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	06	Finding: The Employment Security Department does not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits. Questioned Costs: CFDA# — Amount 17.225 – ARRA and non-ARRA — $0 Status: Refer to finding 10-10 Corrective Action: The Department recognizes there has been a shift in methods used to apply for jobs. Most jobs now require that the applicant apply online and often to a "blind ad posting." Employers determine the recruitment and application methods for available positions. As a result, the Department is revising regulations to address job search contacts, including contacts made in the on-line/internet world. Revisions related to job search contacts will be immediately incorporated into Job Search Review (JSR) program information, on-line resources, and training materials when approved. Staff is advised to ask additional clarifying questions with the claimant regarding their job search contacts to make sure all requirements for the contact are met. The Department makes every reasonable effort to ensure that job search contact requirements are consistently applied, regardless of the method of contact. The Department is committed to fair and equitable treatment of all claimants. Staff performing JSR will be made aware of and have access to numerous resources that clearly define the program requirements. The Department's Unemployment Insurance (UI) Division maintains a comprehensive reference website for staff that includes links to: § The UI Resource Manual – Job Search Review section, has been provided to all offices § Applicable Laws and Regulations § Desk Aids § Weekly Policy Updates § WorkSource UI Liaison Information. Other resources available include local training and coaching provided by trained JSR staff. A two-and-a-half day formal JSR training is available and

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	06 (Cont'd)		includes a comprehensive Training/Resource Manual for each trainee. A one day UI Reemployment Supervisors training that includes JSR requirements also is available. Supervisory reviews of monthly JSR activity will be conducted in WorkSource offices. Technical assistance is provided by Employment and Career Development Division (ECDD) Reemployment Services Administration staff. If questions arise related to program requirements, UI Policy is consulted and the response shared with the appropriate staff. The Department will be conducting job search log quality and performance monitoring on a weekly and monthly basis. Logs will be requested from a minimum of six WorkSource offices each quarter by ECDD Reemployment Services Administration staff. A standard format will be used to evaluate the logs for legal requirements and quality. Offices may be monitored multiple times. Other monitoring efforts include onsite technical assistance, monthly sampling of job search logs from selected locations, and formal corrective action plans, if necessary. Offices are selected based on workload, staffing, and results of previous monitoring conducted by ECDD. The Department's WorkSource Standards and Integration Division (WSID) also independently schedules monitoring visits to WorkSource locations monthly and include job search log reviews. ECDD coordinates with WSID to address and resolve findings/exceptions identified during an onsite review. Also, weekly random samples of job search logs are submitted to the UI Performance Audit Unit for verification. The UI Performance Audit Unit and ECDD staffs meet monthly to discuss job search log quality, common issues and process improvements.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-10.

Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	07	Finding:	The Employment Security Department's internal controls are inadequate to ensure it complies with subrecipient monitoring requirements of the American Recovery and Reinvestment Act.
		Questioned Costs:	CFDA# — Amount 17.258 – ARRA and non-ARRA — $0 17.259 – ARRA and non-ARRA 17.260 – ARRA and non-ARRA
		Status:	Corrective action complete
		Corrective Action:	The American Recovery and Reinvestment Act (ARRA) recovery funds identified in this finding were passed through to Workforce Development Councils (WDC) in accordance with Workforce Investment Act (WIA) formula calculations. All twelve of the WDCs have had longstanding contractual relationships with the Department. The Department concurs that the Central Contractor Registration (CCR) database was not verified prior to the release of WIA ARRA funds. As noted by the auditor, the Department has verified that all twelve WDC subrecipients are properly registered with the CCR and eligible to receive ARRA funds. For future ARRA grants the Department will ensure that this registration is included in the WDC grant agreements authorized by the WorkSource Standards and Integration Division. This requirement will also be included in the WDC annual monitoring conducted by the Department. The fiscal office will verify this registration is current prior to releasing funds to the WDCs. The original grant agreements, including CCR registration information, will be maintained in the Department's contracts office.
		Completion Date:	October 2009

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Washington State Department of Transportation (WSDOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	08	Finding:	The Department of Transportation does not have internal controls to ensure that the American Recovery and Reinvestment Act Subrecipient Monitoring compliance requirements are identified and adhered to.
		Questioned Costs:	CFDA # — Amount 20.205 – ARRA and non-ARRA — $0
		Status:	Corrective action complete
		Corrective Action:	As soon as the Department became aware of this requirement for subrecipient registration, procedures were modified to ensure compliance. The Department is now notifying subrecipients of the registration requirement and monitoring for their compliance with this requirement. The Department goes to great lengths to identify and comply with requirements that come with ARRA funds, reviewing federal guidance on a regular basis and continually updating our procedures to ensure compliance. The registration requirement was added to the OMB Circular A-133 Compliance Supplement through Addendum #1 dated June 30, 2009, the last day of the fiscal year. While this requirement was introduced in another OMB document in April 2009, the Department's Federal Highway Administration (FHWA) contact was not aware of this requirement. The Department will continue to stay apprised of federal requirements of ARRA funds and work hard to ensure compliance.
		Completion Date:	December 2009

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Washington State Department of Transportation (WSDOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	09	Finding:	The Department of Transportation did not adequately support over $740,000 in payroll costs charged to the Formula Grants for Other Than Urbanized Areas.
		Questioned Costs:	CFDA # 20.509 — Amount $740,889.08
		Status:	Refer to finding 10-13
		Corrective Action:	The Department's current method for allocating direct payroll expenditures was approved by the grantor, the Federal Transit Administration (FTA), so the Department believed its allocation method was in compliance with Federal Regulations. As mentioned in the finding, the Department's Public Transportation Division administers a number of closely related grant programs, and the work performed by some staff support multiple programs. The Department is considered an innovative leader by FTA for its grant administration methods. However, the Department appreciates the State Auditor's recommendations and will make the necessary changes to follow the audit recommendations. The Department has begun to formalize its allocation of direct payroll costs, to meet the Federal requirements for a "substitute system," as addressed in the Federal regulations (OMB Circular A-87). The Department will work with FTA to receive grantor approval of that system and update policies and procedures to reflect the approved "substitute system." Additionally, the Department will confirm with the FTA that funds questioned in the finding should not be repaid, since the current allocation method is approved by the FTA.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-13.

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	10	Finding:	The Department of Commerce, Energy Division, does not have controls to ensure it complies with reporting requirements for the State Energy Program.
		Questioned Costs:	CFDA # / Amount 81.041 – ARRA and non-ARRA / $0
		Status:	Corrective action complete
		Corrective Action:	As noted in the finding, the required status reports were filed before the audit was completed. Program staff has developed a tickler system to ensure that status reports are filed timely in the future.
		Completion Date:	November 2009

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	11	Finding:	The Department of Social and Health Services does not ensure that Temporary Assistance to Needy Families payments are reduced for clients who do not participate in WorkFirst activities as required by state law.
		Questioned Costs:	CFDA # 93.558 — Amount $506
		Status:	Corrective action complete
		Corrective Action:	The Department partially concurs with this finding. This finding was similar to the finding issued for fiscal year 2008. As a result of the 2008 finding the Department planned on amending the TANF State Plan by eliminating the requirement to sanction 16 and 17 year old children who were not in school. Also, the Department planned on revising the state rule and WorkFirst Handbook to reflect the change made to the state plan. However, the Department was unable to implement these changes by the end of fiscal year 2009. Finally, the Department does not believe there is a federal law that mandates participation by TANF recipients beginning at age 16. The Department proceeded with plans to modify the state rule and the final state rule was adopted on July 14, 2009. The Administrative Procedures Act provides guidance regarding the timing of rule filings, hearings, etc. to allow sufficient time for public review and comment of draft rules. The revised rule was initially drafted and filed on May 1, 2009 and adopted on July 14, 2009. The rule became permanent 31 days after being filed. The WorkFirst Handbook was revised to reflect the rule change. The revisions, which became effective August 14, 2009, eliminate the requirement to sanction dependent 16 and 17 year olds who were not in school. In addition, the Department revised the state rule and WorkFirst Handbook to eliminate the requirement that these 16 and 17 year olds attend school. **The condition noted in this finding was previously reported in finding 08-11.**
		Completion Date:	August 2009

Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	12	Finding:	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
		Questioned Costs:	CFDA# — Amount 93.575 — $0 93.596 93.713 - ARRA
		Status:	Refer to finding 10-31
		Corrective Action:	The Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS) implemented numerous activities to ensure there are adequate internal controls over subsidy payments to child care providers and will implement the following specific measures: • DSHS performs an audit of subsidy payments by comparing subsidy child care provider billings with attendance records for DEL. DEL required DSHS expand the audit scope when they identify a care child provider that has billed incorrectly. DSHS added three staff to the child care audit to handle the expanded scope. DSHS reviews their findings with DEL monthly. The expanded audits began in March 2010 and are an on-going activity. • When DSHS identifies child care providers that are having a difficult time billing properly, DEL is informed. DEL notifies the provider that they have technical assistance available through the DSHS provider line, subsidy training provided as a result of the collective bargaining agreement for the family child care home provider, and classes offered through the State Training and Registry System. • In February 2010, DEL sent all licensed providers an updated Subsidy Billing Booklet. This booklet is also available on-line. This guide booklet assists child care providers in proper billing methods. In addition to providing clearer instructions, DEL streamlined some of the calculations, such as absent days, to make it easier for providers to bill properly. DEL expects to see improvements in billings with the distribution of this new booklet. **The condition noted in this finding was previously reported in finding 08-13.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-31.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	13	Finding:	The Department of Social and Health Services, Children's Administration, does not ensure the eligibility of foster care payment recipients prior to paying them.
		Questioned Costs:	CFDA # — Amount 93.658 – ARRA and non-ARRA — $48,602.20
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. The Department began a process to identify all cases that have been paid using a source of funds (SOF) not consistent with the eligibility of the client. These cases will be corrected in FamLink (an automated foster care payment/tracking system) which will automatically process a correction of payment to adjust the funding according to the correct eligibility information. FamLink uses eligibility information on the case to determine the correct SOF and does not rely on a manual determination from the worker. By March 1, 2010, the Department will release the second phase of Famlink. This will allow for additional edits that will complement current controls. By May 1, 2010, any federal funds drawn down inappropriately will be refunded through the bi-weekly draw process facilitated by the Department's Office of Accounting Services. By June 30, 2010, all exceptions will be addressed and funding implications corrected. To do this, the Department is analyzing queries of the payment history file in FamLink where the source of funds code does not match the eligibility information.
		Completion Date:	Estimated December 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	14	Finding:	Department of Social and Health Services, Children's Administration, is not following established internal controls to ensure the eligibility of clients receiving the adoption assistance payments.
		Questioned Costs:	CFDA # — Amount 93.659 – ARRA and non-ARRA — $156,302
		Status:	Refer to finding 10-32
		Corrective Action:	The Department partially concurs with this finding. Monitoring of cases for children turning 18 is an area in which the Department is trying to improve. The Department does not agree with attaching questioned costs to cases where a scheduled review has not been done. The intent of a 5 year review is not to verify eligibility, but to communicate with the adoptive parent and re-visit their adoption agreement. There is no risk in overpayments associated with a 5 year review. Exceptions identified in the audit where a 5 year review was not conducted did not result in an overpayment. Pursuant to RCW 74.13A.040, reviews are no longer required. Given this, the Department has incurred no liability for not having performed them. The Department will take the following action in response to the recommendations resulting from the audit: • By April 1, 2010, the Department will train staff in offices where exceptions were discovered in correct internal controls. • By May 1, 2010, the Department will review the cases for exceptions identified because of the ineligibility of the client. Where overpayments were made, corrections will be processed in FamLink, which will automatically return any federal portion of the payment. **The condition noted in this finding was previously reported in finding 08-17.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-32.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	15	Finding:	The Department of Social and Health Services' internal controls are inadequate to ensure it refunds the appropriate amount to the federal Medicaid program when overpayments to providers are found.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. The Aging and Disability Services Administration (ADSA) and the Health and Recovery Services Administration (HRSA) were both involved with this finding. ADSA agreed the information in the audit related to Home and Community Based waiver services. The information will be used to review all adjustments and ensure the correct Federal Medical Assistance Percentage (FMAP) rate is charged in the future. ADSA indicated this will be accomplished in February 2010. HRSA acknowledged the Medicaid Management and Information System (MMIS) is not capable of identifying the correct FMAP rate for prior year adjustments. This will be addressed when the Department implements the new claims payment system, ProviderOne. By June 2010 the new MMIS will properly account for overpayments and refund the federal grantor at the correct FMAP rate. This issue did not have significant financial impacts prior to the enhanced FMAP rates the state received under the American Reinvestment and Recovery Act (ARRA). As a result, until implementation of the new ProviderOne, the Department will identify prior period adjustment claims processed effective October 1, 2008 forward and will reprocess all adjustments that were refunded at the inappropriate FMAP rate.
		Completion Date	Estimated December 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	16	Finding:	The Department of Social and Health Services did not have adequate controls to ensure it complied with federal requirements for allocating employee salaries and wages and other administrative costs in accordance with its Public Assistance Agency Cost Allocation Plan.
		Questioned Costs:	CFDA # — Amount 93.778 – ARRA and non-ARRA — $6,081,875
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs that costs associated with Base 476 were incorrectly allocated from May through August 2009, however does not concur with the questioned costs of $12,163,750. Base 476 is an automated base in the Department's Public Assistance Cost Allocation Plan used to allocate Regional and Community Service Office administrative costs to various funding sources based on the Economic Services Administration (ESA) Random Moment Time Sample. Administrative costs allocated through Base 476 include salaries, benefits, building lease, goods and services and travel costs. The Department realized the error on August 18, 2009 and took action to correct the misallocation of funds. The base information was updated immediately and correcting journal vouchers were processed by the end of September 2009 before the federal claim was processed. Written procedures have been developed and are in place to mitigate the occurrence of future cost allocation base update errors. The procedure requires an internal review, by an ESA fiscal staff person, of cost allocation forms used to update base information prior to submission to the Office of Accounting Services for input. The procedure also requires an internal review of the information entered in to the automated cost allocation system to determine if the information was input accurately. After the Statewide Single Audit has been completed and distributed at the federal level, federal agencies review the findings and contact the Department to determine if any questioned costs need to be adjusted or repaid.
		Completion Date:	Estimated January 2011

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	17	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all assets applicants own are counted when Medicaid eligibility is determined. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-45 Corrective Action: The Department does not concur with this finding for the following reasons: • Most clients do not have 60 months of bank statements available to provide. This is a very onerous request to make of clients, most of whom have not transferred assets in order to qualify. The process that the client or Department would have to go through to provide that much history would be lengthy and expensive, and would not meet the federal requirement in 42CFR 435.902 that an agency's policies and procedures for determining eligibility must be conducted in a manner consistent with simplicity of administration and is in the best interests of applicants and recipients. • The Department would have to pay banks to provide archived statements that the clients no longer have per WAC 388-490-0005(7). The length of time it would take to request and then review a minimum of 60 bank statements, with the possibility of hundreds more if there are multiple accounts at different banks, would make it impossible to meet the Department's standard of promptness for Medicaid applications with existing staff. Many additional FTEs would be required. Requiring all clients to provide 60 months of bank statements would not be cost-effective. • Requiring clients to provide five years of bank statements would only pertain to bank accounts that are declared. The Department does not have a system in place to identify undeclared bank accounts and other types of undeclared transfers which is the primary reason for reliance on self-declaration. • The Department is committed to ensuring that Medicaid clients are financially eligible for the program benefits that they receive and will continue to pursue and verify any asset transfers that it becomes aware of through the written application, the subsequent interview,

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	17 (Cont'd)	or discovered through other means. The Department is taking the following actions: o Staff will routinely check online county assessor systems to see if clients have transferred property within the county they reside in. o If the bank statements from the last three or six months contain payments or credits that present red flags, staff will look as far into this as necessary to resolve the issue. o If the client declares a transfer, staff will request and obtain verification and thoroughly evaluate that transfer to ensure that it is consistent with Medicaid rules. o If the interview is inconsistent with the application, staff will evaluate and probe inconsistencies as necessary. o If staff learn of possible transfers through other means, they always follow-up and verify. The Department submitted policies and procedures to the Centers for Medicare and Medicaid Services (CMS) Region 10 in June 2009 requesting an opinion as to whether or not the federal guidelines were being met. CMS responded in December 22, 2009. CMS indicated states have flexibility on implementing the five year look-back provision according to the general "rules of reason." The Department believes the response from CMS validates the position that asking for bank statements for the entire look-back period is not required. The Department believes the methods described above meet the "rules of reason" test referred to by CMS in their email. **The condition noted in this finding was previously reported in finding 08-31.** Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-45.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	18	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is being billed. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-36 Corrective Action: The Department concurs with this finding. The Department does not have a process that provides Medicaid recipients with information on the number of hours billed to the Department by individual providers (IP). The Department is in the process of procuring a Provider Compensation System (PCS) that will improve the verification process. The PCS will be a sub-system of Provider One, the new Medicaid Management Information System. Specifically, the new system will generate monthly notices to all clients informing them how many hours were paid to the provider on their behalf during the previous month. The clients will be instructed to notify the Department if they notice a discrepancy in the hours provided versus the hours billed. Unfortunately, it will be approximately two years before the new system is implemented. Until then the Department will rely on the following controls which are currently in place to ensure Medicaid recipients receive the services for which Medicaid is billed: • Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. • Clients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Clients are advised that they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise clients to contact them if they are not receiving the hours (or care) for which they are eligible. • Clients are expected to keep copies of timesheets for their individual providers and case managers periodically review these time sheets and verify with the client that authorized services have been provided. Case managers are instructed to document the review of time sheets and the discussion of service verification in a Service Episode Record

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	18 (Cont'd)	• The Department, through its Payment Review Program, runs algorithms to detect possible fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings. • The Social Service Payment System will not process payments in excess of hours authorized. A provider is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager. Additionally, the Department will take the following actions: • By April 30, 2010, the Department will send a letter to all currently authorized Individual Providers reminding them of their responsibilities as a contracted provider. Specifically, they will be reminded of their obligation to maintain records and respond to inquiries to produce documentation. • By October 31, 2010, staff will review their document titled "Acknowledgement of My Responsibilities As the Employer of My Individual Providers" with all clients who employ an individual provider. **The condition noted in this finding was previously reported in finding 08-34**. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-36.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	19	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not comply with state law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-40 Corrective Action: The Department does not concur with this finding. The Department believes it is in compliance with the Deficit Reduction Act of 2005. The Department meets this standard by making data available to all insurers to use for Third Party Liability (TPL) reporting and by matching data directly with those insurers most likely to provide third party coverage to Medicaid recipients. The Department's position has recently been corroborated by an independent review. In November 2009, Health Management Systems (HMS) performed an assessment of the Health and Recovery Services Administration's (HRSA) Coordination of Benefits (COB) operations, including recommendations addressing applicable legislation and state statutes. HMS is currently engaged with 40 Medicaid agencies to conduct TPL identification and recoveries. HMS brings a depth of subject matter expertise in Medicaid TPL best practices as well as a thorough understanding of current technologies and capabilities within the industry. A draft of the report indicated the following points. • "In 2007, Washington passed Substitute House Bill 1826, updating its Medicaid data matching and recovery regulations as required by Section 6035 of the federal Deficit Reduction Act (DRA) of 2005. As a result, Washington's federal DRA compliant laws are fragmented across several sections of state statute including: Rev. Code Wash. (ARCW) 74.09A.020, 42.48, 74.09, 74.04, 70.02, and 42.56RCW.***"*** • "However, despite the fragmentation, ***Washington's law is compliant with the requirements set forth in the DRA and U.S.C. Sec. 1396a."*** • "The current state statute instructs ***health insurers*** to determine joint-beneficiaries – those enrolled in Medicaid and commercial carriers." • "The current language instructs DSHS to focus on the carriers with the highest probability of coverage. It does make sense for DSHS to focus efforts on carriers with large populations. However, these carriers should not be the sole focus."

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	19 (Cont'd)	• **"**Although improvements can be made to the State's data sharing and matching laws, it should be noted that ***Washington has some of the strongest recovery language in the nation."*** While the Department believes it currently meets legal requirements, with the implementation of the new ProviderOne system which will replace the Medicaid Management Information System (MMIS), the Department will further enhance data matching activities. The anticipated implementation date for ProviderOne is April 2010. In September 2009, pending implementation of ProviderOne as a temporary measure to increase the opportunity for data matches with providers, the Department sent letters (4,024) to all active third party payers on file in MMIS reminding them of the Department's willingness to perform data matches. By June 2010 when ProviderOne is operating, HRSA will be able to send an electronic Coordination of Benefits eligibility inquiry to health plans who have signed Trading Partner Agreements with the Department. The trading partners will be able to respond electronically to eligibility inquiries to indicate the availability of third party health care coverage at a particular time. HRSA has no authority to compel insurers to sign a Trading Partner Agreement. Similarly, HRSA and the health insurers are waiting for Centers for Medicare and Medicaid Services (CMS) to approve a set of data elements that could be used in the agreements. However, the use of the Trading Partner Agreements is not dependant on CMS approval of language. For those insurers or carriers who may not have their systems ready to participate electronically, HRSA will continue working with them using the methods currently in place. **The condition noted in this finding was previously reported in finding 08-25.** While progress was noted, certain issues noted in this finding need further corrective action and were repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-40. Completion Date

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	20	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not perform a quarterly retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal and state law. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-53 Corrective Action: The Department does not concur with this finding. The Department believes that it is in full compliance with the federal rules for retrospective drug utilization review. The Department conducts retrospective reviews for this purpose every quarter. An analysis is completed for each of the measures cited Title 42 (b) CFR and the results of that analysis are reported to the Centers for Medicare and Medicaid Services (CMS) Region 10. These results are reported on forms CMS specifically created for reporting the results of the analysis on each of these measures, including overutilization and abuse and misuse. The Department's Pharmacy Administrator has attended in-service trainings hosted by CMS to understand this requirement and assure the Department has in place activities that will support compliance. The Pharmacy Administrator uses the data to determine which drug or class will be the focus for each quarter. Predetermined standards are used along with a professional drug advisory committee to monitor all the measures cited above, including overutilization and abuse and misuse of any medication for that quarter. If "Abuse" and "Misuse" is identified in the process, the "suspected" abuser is referred to the Department's internal resources: Office of Patient Review and Coordination (PRC), the Quality Management Team Unit (QMT), the Payment Review Program Unit (PRP) and the Office of Payment Review and Audit (OPRA). The Department believed it had presented reports to the state auditor's office (SAO) which document compliance with the CFR and will continue to work with the SAO to understand what additional documentation would meet their needs. The Department has designated the Office of Payment Review and Audit (OPRA), part of the payment integrity division, as the Department's contact

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	20 (Cont'd)	point for referrals to the Medicaid Fraud and Control Unit (MFCU). This was an internal protocol put into place in 2004 so there would be coordination and one source for this external body to interface with. The CFR does not stipulate which drug class or specific drug(s) should be reviewed each quarter. It does not stipulate these reviews must be done looking at every physician's prescribing practices every quarter. Nor does it say the DUR must be conducted on every drug every quarter. The Department meets this requirement by looking at drug utilization by types of drugs or groups of drugs in a systematic way designed to identify the flags outlined above. The Pharmacy Administrator contacted CMS in September 2009 to confirm that Washington Medicaid was in compliance with the federal requirements regarding retrospective and prospective DUR. The CMS pharmacist sent the following email that verifies Washington's compliance: "CMS finds that you are conducting your DUR program in accordance with Section 1927 (g) of the Social Security Act. You were acting appropriately to refer identified outliers to your internal audit and integrity section for further investigation. It is their responsibility to refer the case(s) on to MFCU if indeed fraud or abuse has been determined. The DUR program is designed to educate physicians and pharmacists and patients on therapeutic appropriateness, over and under utilizations, therapeutic duplication, drug-disease contraindications, drug-drug interactions as well as clinical abuse and misuse." "In addition, you are in compliance with 42 CFR Ch. IV sec. 456.714 which states: **§ 456.714 DUR/surveillance and utilization review relationship.** (a) The retrospective DUR requirements in this subpart parallel a portion of the surveillance and utilization review (SUR) requirements in subpart A of this part and in part 455 of this chapter. (b) A State agency may direct DUR staffs to limit review activities to those that focus on what constitutes appropriate and medically necessary care to avoid duplication of activities relating to fraud and abuse under the SUR program." This audit area continues to be one in which the auditors and DSHS disagree on the intent and focus of the CFR requirements. The Department's focus is on the appropriateness of prescribing physicians drug selection; the auditors focus was on the usefulness of the utilization review in detecting fraud. The Department will continue to work with the auditors and jointly request CMS review of the Department's efforts to comply with this CFR.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	20 (Cont'd)		In February 2010, CMS will be meeting with the state Medicaid pharmacists during the American Drug Utilization Review Symposium (ADURS) to discuss any updates to the Annual DUR reporting required by CMS. Any changes in the rules will not be effective until FFY 2010 or later. No action will be taken at this time except that a HRSA pharmacist will be attending the ADURS in February 2010 to hear the discussion and the possible changes to the format of the future Annual DUR Reports. **The condition noted in this finding was previously reported in finding 08-29.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-53.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	21	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported. Questioned Costs: CFDA # — Amount 93.775 — $1,030,677 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-42 Corrective Action: The Department concurs with this finding. The Department concurs it does not have a process that provides Medicaid recipients with information on the number of hours billed to the Department by individual providers (IP). The Department is in the process of procuring a Provider Compensation System (PCS) that will improve the verification process. The PCS will be a sub-system of the Provider One, the new Medicaid Management Information System. Unfortunately, it will be approximately two years before the system is implemented. When implemented the new system will generate monthly notices to all clients informing them how many hours were paid to the provider on their behalf during the previous month. The clients will be instructed to notify the Department if they notice a discrepancy in the hours provided versus the hours billed. Until the new system is implemented the Department will: • Inform clients during annual assessments, as well as at the time of contracting with an individual provider, they are responsible for supervising their care provider. If a client is unable to do so, agency managed personal care may be available or the client and case manager can identify a representative who will monitor services. If a representative is not available, by policy (Chapter 3 of the Long Term Care Manual – Assessment Minimum Standards) the client receives more frequent contacts with the case manager who monitors the provision of services. • Inform clients that as the employer they can terminate their provider. Also, the Department has the authority to terminate payment if there is a good faith belief that services are not being provided as authorized to a Medicaid client.

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Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	21 (Cont'd)		The Department provides the client a form titled - "Acknowledgement of My Responsibilities as the Employer of My Individual Providers" that explains the above bulleted information. Also, the Social Service Payment System (SSPS) will not process payments in excess of hours authorized. A provider is, therefore, unable to claim and be reimbursed for hours that exceed those authorized by the case manager. By April 30, 2010, the Department will send a letter to all currently authorized Individual Providers reminding them of their obligation to maintain records and respond to inquiries to produce documentation. **The condition noted in this finding was previously reported in finding 08-27.** While progress was noted, certain issues noted in this finding need further corrective action and were repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-42.
		Completion Date:	

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	22	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Refer to finding 10-44
		Corrective Action:	The Department does not concur with this audit finding. The Department believes there are sufficient controls in-place to assure that managed care rates are set based on the verified managed care organizations (MCO) actual costs of care. Actuarially certified, proprietary cost information is submitted directly to the Department's actuary from the MCOs. The Department's actuary verifies the information submitted by comparing it to audited financial statements submitted to the Office of the Insurance Commissioner, and encounter data submitted to the Department. The actuary also does analysis of prior years, compares MCOs to each other and resolves outliers that arise from its analyses with the MCOs. In addition, the MCOs each have compliant fraud and abuse controls to prevent provider fraud. These controls provide reasonable assurance that the data used in rate-setting is accurate and complete. This assertion is supported by the fact that the Department has had no findings regarding rate setting in two Centers for Medicare and Medicaid Services (CMS) reviews and has had its rates consistently approved by CMS with their full understanding of the Department's rate setting methodology. **The condition noted in this finding was previously reported in finding 08-24.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-44.

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	23	Finding:	The Department of Social and Health Services is not complying with staffing requirements in its Medicaid Eligibility Quality Control project agreement.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Corrective action complete
		Corrective Action:	In August 2009, the Economic Services Administration (ESA) submitted a request for a one year extension of the Medicaid Eligibility Quality Control (MEQC) Pilot Project to the Centers for Medicaid and Medicare Services (CMS). ESA noted in the request the number of staff required to manage the project was reduced. CMS approved the request and notified ESA in October 2009.
		Completion Date:	October 2009

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Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	24	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not have a system in place to adequately compensate for an inherent control weakness that is susceptible to errors and abuse.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Refer to finding 10-51
		Corrective Action:	The Department partially concurs with this finding. The Department concurs with the recommendation to strengthen controls over the entry of claims into the Pharmacy Point of Sale (POS) and will continue to explore and pursue these changes via the established system Change Control process. Some controls have already been identified that have the potential to provide enhanced information to pharmacies via POS. These changes are dependent upon additional information in the Coordination of Benefits (COB) portion of ProviderOne and will be further explored as soon as ProviderOne is implemented. The Department is also exploring the feasibility of other cost-avoidance methods including contracting with vendors for some COB eligibility reviews at the point of adjudication. By June 2010, it is anticipated the new ProviderOne System will strengthen initial controls by allowing providers to send and receive eligibility inquiries from ProviderOne. DSHS staff will also be able to perform these eligibility checks with other payers. When DSHS staff verifies third party liability (TPL) information from payers, DSHS staff will update recipient's TPL information in ProviderOne. The Department does not concur with the statement in the audit finding that due to the lack of risk analysis and adequate post-payment audits, the Department cannot reasonably assure improper payments will be identified and recovered. This statement contradicts the State Auditor's *State Government Performance Review Opportunities for Washington* dated December 2009. In the Government Reform section of that report, *"Medicaid Pharmacy Overpayments"* the auditor found that "the Department uses a risk assessment to prioritize and target pharmacy claims with a high potential for a return of investment." The report further states that the risk assessment process is

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	24 (Cont'd)		effective in identifying high-risk payments, but current Department resources are limited and that an opportunity for funding additional auditors was identified. **The condition noted in this finding was previously reported in finding 08-21.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-51.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	25	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, internal controls are inadequate to ensure errors identified by the Medical Eligibility Quality Control Unit are reviewed adequately and in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Refer to finding 10-46
		Corrective Action:	The Department concurs with this finding. In November 2008, the Department took action to establish internal controls and ensure errors identified by Medicaid Eligibility Quality Control audits are corrected by field offices in a timely manner by designating a program manager to process and monitor corrective actions for MEQC audits. The process is as follows: • The MEQC program manager notifies HRSA's audit liaison and HRSA's regional representative of all MEQC audits; • The HRSA audit liaison notifies the regional representative within a specified time when an audit is outstanding and informs the representative that the field must take corrective action on the audit within a specified period of time; and • All corrective actions are monitored by the HRSA audit liaison and reported back to the MEQC program manager on a monthly basis until corrective actions are completed. **The condition noted in this finding was previously reported in finding 08-32.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-46.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	26	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, does not adequately monitor subrecipients to ensure Medicaid expenditures are allowable and supported.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department concurs with this finding. During the timeframe of this audit, Department resources were used to operate and train one Area Agency on Aging while it received certification and became operational, as well as to resolve findings from prior years' monitoring. Due to this workload, subrecipient monitoring, which was scheduled to begin in 2009, was delayed until 2010. Approximately 98 percent of the referenced $425 million for the 13 Area Agencies on Aging is for client services and the administration of those services. All Area Agencies on Aging received in-depth monitoring of Medicaid case management, nursing services activities, and client services between May 2008 and December 2009. The monitoring is performed by a quality assurance unit within Aging and Disability Services Administration (ADSA). ADSA is scheduled to begin fiscal and contract monitoring on the funding subject to OMB Circular A-133 in state fiscal year 2010. By December 2010, the Department will conduct on-site reviews of four Area Agencies on Aging.
		Completion Date:	Estimated December 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	27	Finding:	The Department of Social and Health Services did not ensure Medicaid services provided to undocumented aliens were allowable under its Alien Emergency Medical program.
		Questioned Costs:	CFDA # / Amount 93.775 / $26,297.27 - ARRA 93.776 / $181,841.59 - non-ARRA 93.777 93.778 – ARRA and non-ARRA
		Status:	Corrective action in progress
		Corrective Action:	The Department does not concur with this finding. The Aging and Disability Services Administration (ADSA) and the Health and Recovery Services Administration were both involved in this finding. Each administration offered a reason for not concurring. Also, each offered actions they will take improve the situation. **Aging and Disability Services Administration** Seventeen of the exceptions noted in the finding were for undocumented alien clients who received services from ADSA however they did not receive services under the Alien Emergency Medical (AEM) program. Fifteen of the clients received Personal Care Services, 14 of which were minors who received those services from the Division of Developmental Disabilities. The minors were eligible for services under the state funded Categorically Needy Scope of Care which is allowed by RCW 74.09.520, WAC 388-501-0060(5) (w) and WAC 388-505-0210. Three of the above were undocumented clients who received long term care services. The services were authorized through an exception to rule (ETR). State funded programs paid for the services these clients received. All 17 of the ADSA clients were eligible for services that were 100% state-funded. For this reason, the ARRA enhanced match identified by the auditor did not affect the total state dollars to be expended for the programs. Currently, tracking and maintaining cost adjustments to the federal share expenditures is a manual process requiring the use of spreadsheets to track the services received by individual clients. State dollars are journal vouchered back to the Medicaid programs after expenditures are identified. This process will become automated when the Provider One phase two project is implemented.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	27 (Cont'd)	ADSA will take the following actions as a result of this finding: • By April 30, 2010, the Department of Health and Human Services will be contacted to determine if any unallowable costs need to be reimbursed. • By June 1, 2010, procedures will be developed that ensure Medicaid funds for undocumented clients are used appropriately and properly reported on the CMS 64. **Health and Recovery Services Administration** The Department did not receive details for the claims relating to one client for insurance premiums and family planning services totaling $863 to validate this finding. All medical related costs for individuals who are covered under the Alien Emergency Medical (AEM) program are charged to state only dollars. On a quarterly basis, the Department identifies by claim types and diagnoses codes, costs that are allowable for federal match and transfers those costs to earn federal match. Completion Date: Estimated December 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	28	Finding:	The Department of Social and Health Services' internal controls are inadequate to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Refer to finding 10-49
		Corrective Action:	The Department does not concur with this finding. The Department had a similar finding in fiscal year 2008. The Department discussed its process with the Centers for Medicare and Medicaid Services (CMS) auditor. The CMS auditor did not raise internal control concerns regarding the Department's accuracy and timeliness for refunding the federal share of overpayments to the federal government. The CMS auditor reviewed the Department's quarterly CMS-64 claim report as well as its accounting processes and procedures that create the CMS-64. Since the Department's Medicaid overpayment process is acceptable by CMS, the Department does not see a beneficial reason to change the process. Significant staff training occurred within the last year and has proven successful in addressing the issues from the previous audit finding. The Department will request that Health and Human Services (HHS) review the process identified in this audit finding during the federal clearing house audit process to ensure HHS is satisfied the overpayments have been properly refunded. **The condition noted in this finding was previously reported in finding 08-20.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-49.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	29	Finding: The Department of Social and Health Services did not ensure all individuals who receive Medicaid benefits have valid Social Security numbers. Questioned Costs: CFDA # — Amount 93.775 — $169,063.20 93.776 93.777 93.778 – ARRA and non-ARRA Status: Corrective action in progress Corrective Action: The Department partially concurs with this finding. This finding involved Economic Services Administration (ESA), Children's Administration (CA), and Health and Recovery Services Administration (HRSA). The following actions will be taken in response to the audit recommendations: ESA, CA, and HRSA will follow up on the exceptions identified in the audit. • By March 31, 2010, ESA will review all exceptions and take action as needed. In reviewing the exceptions ESA found of the 90 clients – one client was counted twice. The Community Services Division (CSD) reviewed all 89 exception cases. 80 were closed cases and no further action can be taken until client reapplies; some were closed for failure to provide a valid SSN. CSD documented in the case record the need to secure a valid SSN. Nine of the cases remain open. CSD sent the 9 cases to the Medical Unit to take appropriate action. Five of the cases have been corrected and 4 cases require further actions. • By April 2010, CA will take action on exceptions for which they are responsible. In reviewing the exceptions, CA determined of the nine identified for CA only three were actually claiming Medicaid. The three used a temporary SSN of 123456789. CA will request the valid SSN for each of these cases and will enter the correct SSN into each child's file. • By April 2010, HRSA will take action on exceptions when ProviderOne is implemented. ProviderOne will have the capability to close cases when an individual has not provided a valid SSN. The Department will take steps to ensure eligibility staff follow the Department's Social Security Number verification procedures. • By August 2010, ESA and HRSA will have staff complete an SSN interactive training module that will instruct them on verification procedures. Completion Date: Estimated August 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
09	30	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, did not evaluate or re-evaluate the level of in-home care services for some clients at least annually.
		Questioned Costs:	CFDA # / Amount 93.775 / $184, 907.23 93.776 93.777 93.778 – ARRA and non-ARRA
		Status:	Corrective action complete
		Corrective Action:	The Department concurs with this finding. The SAO determined that 618 out of 57,597 assessments appeared to be late. Due to staff reductions, the Department was not able to complete a line by line review of all 618 assessments. There are routine reasons that an assessment may not be completed on time. Examples of these reasons include the client's inability to meet with the case manager to do the assessment, delays in locating a provider of personal care, referrals triggered by the skin observation protocol, and delays caused by bids for specialized medical equipment or environmental modifications. A client may also have been admitted to a nursing facility or hospital or had a break in service nullifying the annual assessment due date. With only 618 assessments that were late, this equates to a compliance rate of 98.9% for assessments that were completed within the required time frame. The Department feels this is well within an acceptable threshold given the routine reasons why an assessment could be late. By April 2010, the Department will work with the U.S. Department of Health and Human Services to determine if any costs charged to Medicaid funds must be reimbursed. **The condition noted in this finding was previously reported in finding 08-35.**
		Completion Date:	June 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	31	**Finding** The Department of Social and Health Services' internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-48 Corrective Action: The Department does not concur with this finding, however the following actions will be taken to improve oversight of transportation brokers: By July 2010, the Department will: • Train staff involved in contract monitoring to ensure contract monitoring activities are recorded in the Agency Contracts Database (ACD). • Develop a formal monthly desk review and on-site contract monitoring document to ensure monitoring activities are documented and properly recorded in the ACD. Also hard copies of monitoring documents will be maintained. • Have the Health and Recovery Services Administration (HRSA) Contracts Steering Committee review transportation contracts in preparation for the Request for Proposal (RFP). Also, in conjunction with the steering committee review, an internal contract review process exploring ways to improve monitoring activities will be completed. • Have the Non-Emergency Medical Transportation (NEMT) and Division of Behavioral Health and Recovery (DBHR) workgroup investigate ideas to reduce transportation costs associated with transporting clients needing regular methadone treatment and improve the monitoring of trips provided under the RSN contracts. • Develop a formal process allowing Clinical Utilization Management and Patient Review and Coordination staff to review medically complex client cases that are associated with increased transportation costs.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	31 (Cont'd)	By January 2011, the Department will: • Develop a database that will allow the Department to receive trip data from transportation brokers. Also, it will allow Department staff to review individual trips to ensure they are authorized and appropriate. • Have HRSA participate in developing and implementing the RFP. It is anticipated the RFP will result in a new contract that will better define allowable medical appointments and client and service eligibility. The new contract will be performance based. Also, staff will review and strengthen contract language, policies, procedures, and guidelines to ensure robust monitoring. • Develop Working Agreements/Memorandums of Understanding with partner agencies to better define what constitutes allowable trips. **The condition noted in this finding was previously reported in finding 08-26.** Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-48.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	32	**Finding:** The Department of Social and Health Services, Health and Recovery Services Administration's, internal controls are inadequate to ensure controlled substances prescribed for Medicaid clients are authorized and allowable. Questioned Costs: CFDA # — Amount 93.775 — $84,046.47 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 10-38 Corrective Action: The Department does not concur with this finding. The Department is of the opinion there are no federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Department does not believe the lack of an edit that validates DEA for Schedule 2-5 drugs constitutes inadequate internal controls or the lack of such validation renders the payment unallowable. The Department believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. There are no provisions in the Controlled Substance Act (21 USC Sec. 821) or the State Uniform Controlled Substance Act (RCW 69.50) that could be interpreted as a requirement relating to payment of claims for controlled substances. Below is the Title 21 CFR Section 1306.04 which clearly states that the prescribing practitioner is responsible for assuring that the prescription conforms in all essential respects to the law and regulation: *(a) A prescription for a controlled substance to be effective must be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of his professional practice. The responsibility for the proper prescribing and dispensing of controlled substances is upon the prescribing practitioner, but a corresponding responsibility rests with the pharmacist who fills the prescription. An order purporting to be a prescription issued not in the usual course of professional treatment or in legitimate and authorized research is not a prescription within the meaning and intent of section 309 of the Act (21 USC 829) and the person knowingly filling such a purported prescription, as well as the person issuing it, shall be subject to the penalties provided for violations of the provisions of law relating to controlled substances.*

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	32 (Cont'd)	The Department implemented a Pharmacy Point of Sale (POS) edit in July 2002 for the purpose of validating the DEA of the prescribing physician for Schedule II drugs. While the Department considered this to be an essential validation to add to the POS, it was not implemented because of any federal/state requirement. Rather, the Department implemented this because Schedule II drugs are subject to the highest risk of abuse and the Department considered it prudent to provide this additional validation to guard against the potential for fraud and abuse. At implementation of the new Pharmacy POS in October 2008, the prescriber identifier changed to the National Provider Identifier (NPI). This change caused the POS to experience some difficulty with the Schedule II system edit due to the incomplete nature of the association between NPI and DEA. No comprehensive national file exists which can be used to crosswalk all NPI to DEA. While the POS continues to validate DEA numbers for Schedule II drugs, a Change Request is currently in process to complete implementation of a comprehensive NPI to DEA association crosswalk and to add DEA effective date spans to the file. It is anticipated this will be implemented in December 2010. In addition to the POS edit that validates the DEA for Schedule II drugs, DSHS has a set of robust Program Integrity activities including pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm. In the absence of any requirement to validate DEA for controlled substances, DSHS considers that this set of Program Integrity activities provide adequate controls to ensure that controlled substances are authorized and allowable. **The condition noted in this finding was previously reported in finding 08-28.** While progress was noted, certain issues noted in this finding need further corrective action and were repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-38. Completion Date:

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	01	Finding:	The Department of Social and Health Services does not ensure that retroactive Food Assistance payments to clients are calculated correctly as prescribed by state and federal law.
		Questioned Costs:	CFDA # / Amount 10.551 / $13,995 10.561
		Status:	Refer to finding 10-03
		Corrective Action:	In June 2009, the Department's Economic Services Administration (ESA) reviewed all twenty-four cases cited in this audit. Nineteen cases were identified as having a potential error. Community Services Division (CSD) headquarters staff reviewed these cases and determined nine cases were acceptable and did not require additional work; ten were returned to field staff to determine the correct supplement amount the client was eligible for in each case. The remaining five cases were for incorrect payments for which the Department followed established rules and policies to determine the amount of overpayment. Once the overpayment was established, the appropriate paperwork was sent to the Office of Financial Recovery. To prevent this situation from occurring in the future, ESA developed training and sent a memo to the field alerting staff of the newly released, mandatory online training for Basic Food underpayment/overpayment rules and process titled "The Business of Benefit Errors." All eligibility staff were required to complete the training by September 2009. Completion of the online training was tracked automatically by the Learning Center training system. In addition to the training, existing reviews are still in effect and completed regularly. Mandatory supervisory audits are completed monthly, and the Operations Support Division conducts management evaluations and audits the Food Assistance Program on an ongoing basis. The Department contacted the United States Department of Agriculture (Food and Nutrition Services) about questioned costs. The Department refunded $13,995 plus interest to the USDA.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2010 Washington Single Audit. Refer to finding 10-03.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan

08	02	Finding: Food Assistance public funds were misappropriated at the Department of Social and Health Services' Economic Services Administration.
		
		Questioned Costs:
		CFDA # — Amount
		10.551 — $3,795.03
		10.561
		
		Status: Corrective action is complete
		
		Corrective Action: The Department took the following steps to prevent an incident such as the one noted in the finding from happening again:
		• In the initial stages of the internal investigation, the Economic Services Administration (ESA) ran a query that included characteristics of the misappropriation case by running and reviewing the "date processed" report to see if there were any questionable timeframes. No additional cases were identified from the report.
		• In addition to mandatory monthly random supervisory audits and the Basic Food Program management evaluation audits, ESA now requires supervisors to run and review a monthly "date processed" report to see if there are any questionable timeframes. Cases are reviewed and appropriate action taken if a questionable timeframe is identified. Each of the six regions is required to report monthly that offices in their region have completed this requirement. The first report was due on April 10, 2009. All regions report monthly to headquarters when they have completed the review.
		• On February 25, 2009, the Department sent a memo to the field reminding all field staff about:
		  o The state law and Department policy requiring staff to promptly notify the State Auditor's Office of any known or suspected loss of public funds.
		  o Department policy regarding allegations of employee criminal activity.
		  o Department policy regarding standards of ethical conduct for employees.
		The Department contacted the United States Department of Agriculture and was informed questioned costs had to be repaid. In March 2010 the Department repaid Food and Nutrition Services, a program within USDA, $17,813.26. USDA considers the audit closed.
		
		Completion Date: March 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	03	Finding: The Department of Social and Health Services, Economic Services Administration, did not comply with documentation requirements for its Random Moment Time Sample to ensure administrative costs was properly charged to federal and state funds. Questioned Costs: CFDA # — Amount 10.561 — $0 93.778 93.558 93.667 93.596 93.566 Status: Corrective action complete Corrective Action: The Department took or will take the following steps to address the issues noted in this finding: • In October 2008, instructions for Random Moment Time Sample (RMTS) and RMTS-Barcode, the computer system that generates the RMTS samples and results, were sent electronically to all RMTS coordinators. Communication included contact information for coordinators who have questions or need technical assistance. • In December 2008, an internal newsletter article was published in an effort to educate field staff on RMTS requirements, processes, and responsibilities. This was followed by the Operations Support Division (OSD)/Fiscal creating and distributing a monthly report for Community Service Office (CSO) administrators that communicates RMTS audit results by location. OSD/Fiscal will continue to conduct monthly audits of RMTS samples. Each CSO will be audited annually. • In January 2009, the OSD/Fiscal chief attended a Community Services Division regional administrator meeting to discuss RMTS requirements and audit results. This was followed by OSD/Fiscal identifying members of a workgroup to evaluate the current process, update the current RMTS instructions, and develop training materials for CSO administrators and RMTS coordinators. The RMTS workgroup met in May 2009 and established an "Improvement Charter" that was approved by Economic

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	03 (Cont'd)	Services Administration (ESA) division directors. In August 2009, the RMTS workgroup recommended automating the sampling process through Barcode to achieve efficiencies and eliminate common errors. Information Technology staff were able to automate the process, and the RMTS workgroup conducted usability testing in October 2009. • In November 2009, six CSOs piloted the automated RMTS sampling process. Refinements to the automated process are scheduled to occur in December 2009 with implementation and training scheduled to occur by the end of January 2010. This change in the RMTS process must be updated and approved in the Public Assistance Cost Allocation Plan. The changes will be submitted to the Office of Accounting Services to be included with the January 2010 update. Once the statewide single audit is distributed at the federal level, federal agencies will be in a position to work with ESA to determine if the questioned costs identified in the finding need to be adjusted or repaid. Completion Date: Spring 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	04	Finding: The Department of Social and Health Services is not complying with federal requirements for allocating employee salaries and wages in accordance with its Public Assistance Agency Cost Allocation Plan. Questioned Costs: CFDA # — Amount 10.561 — $23,394 93.563 93.658 93.667 93.775 Status: Corrective action complete Corrective Action: This finding involves twelve employees at three of the Department's administrations: Financial Services Administration (FSA), Social Service Payment System (SSPS), and Economic Services Administration (ESA). FSA responded that in light of this audit finding: • The Information and Technology Office (ITO) and the Office of Accounting Services (OAS) began maintaining documentation on how the ITO staff time is charged to the benefiting funding sources as described in the Public Assistance Cost Allocation Plan (PACAP). Documentation is maintained by the Grants Management section within OAS. § The Office of Financial Recovery (OFR) began maintaining documentation on how the enforcement manager position is charged to the benefiting funding sources as described in PACAP's base methodology. SSPS responded to this finding as follows: • The SSPS office chief worked with the affected administrations and developed a memorandum of understanding (MOU), which established a specific methodology for accurately allocating the costs of the four staff in the Provider File unit to the correct federal funding source. The MOU was reviewed and signed by administrations, and the methodology was implemented in March 2009. • The PACAP was updated to reflect the exception for the allocation of these four staff using the methodology agreed to in the MOU. The plan was submitted to the Division of Cost Allocation (DCA), but was returned for additional work. It will be amended and resubmitted to DCA in December 2009.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	04 (Cont'd)	ESA is addressing this finding as follows: • In October 2008, ESA's Operations Support Division (OSD)/Fiscal placed the discussion of time and effort requirements and how it relates to the written PACAP as a standing item on the quarterly Community Services Division (CSD) regional business manager (RBM) meeting agenda. • In December 2008, OSD/Fiscal worked with the RBMs to determine why the six ESA staff identified by the auditors were split-coded and if language needs to be added to the written PACAP. The outcome was that there currently is language in the PACAP about four of the employees' positions. The RBM initiated and is maintaining the proper documentation to support the split coding. For the remaining two employees, an update to the PACAP was submitted in April 2009. In regards to whether any questioned costs need to be repaid to the federal agencies: • OAS worked with the Centers for Medicare and Medicaid Services, Region 10, to determine if any repayments are required for FSA and SSPS. CMS is satisfied with the resolution and did not request repayments due to this audit finding. • After the statewide single audit has been completed and distributed at the federal level, federal agencies will be in a position to work with ESA to determine if the questioned costs identified need to be adjusted or repaid. Completion Date: Spring 2010

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	05	Finding:	The Department of Social and Health Services did not comply with federal requirements for time and effort documentation for the Medical Assistance and Food Stamps Employment and Training programs.
		Questioned Costs:	CFDA # / Amount 10.561 / $141,515 93.775
		Status:	Corrective action complete
		Corrective Action:	In January 2008, prior to the audit undertaken by the State Auditor's Office, the Economic Services Administration (ESA) regional business managers (RBMs) received time and effort training from the Office of Accounting Services (OAS). The RBMs are responsible for compliance with time and effort requirements in their respective regions. This includes providing technical assistance on these requirements to supervisors and Community Service Office administrators. In August 2008, OAS updated the Department's administrative policies regarding time and effort to more clearly reflect federal requirements. These updated policies were presented and discussed with the Community Service Division (CSD) RBMs at their quarterly meeting in October 2008. The discussion of time and effort requirements was added as a standing item on the quarterly meeting agenda. In January 2009, the Operations Support Division's (OSD) Fiscal office chief attended a CSD regional administrator meeting to emphasize the importance of time and effort requirements and to discuss the audit findings and resolution. In February 2009, OSD reviewed the Region 3 time certification and timesheets and found them to be in compliance. In May 2009, OSD reviewed the Region 6 time certification and timesheets and found them to be in compliance. Due to time constraints, no time and effort documentation was reviewed at the September 2009 meeting. However, OSD has committed to completing a review of the remaining four regions' time and effort documentation by June 30, 2010, and continuing the review cycle as an ongoing task. After the statewide single audit has been distributed at the federal level, federal agencies will be in a position to work with ESA to determine if the questioned costs identified in the audit need to be adjusted or repaid.
		Completion Date:	Spring 2010

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	06	Finding: The Recreation and Conservation Office does not have adequate internal controls over sub-recipient monitoring. Questioned Costs: CFDA # 11.438 — Amount $0 Status: Refer to finding 09-04 Corrective Action: The Recreation and Conservation Funding Board (Board) developed a formal risk assessment tool and process. With the implementation of this tool in December 2009, risk assessments will now be conducted on all grantees on a biennial basis when new grants are funded. The results of the assessment are used to categorize the grantee as high, medium, or low risk, and that risk category influences the level of subrecipient monitoring required. For example, for each active grantee in the high-risk group, the Board plans to perform a desk review or a site visit within each two-year period and may require more frequent progress reports. The Board's subrecipient monitoring has evolved into a five-pronged approach: 1. Invoice review: Prior to payment of invoices, fiscal staff review the expenditure listing to ensure items are allowable under the grant, costs are within limitations of the grant, and expenditures are within the timeframe of the grant. 2. Desk review: In August 2008, fiscal staff started performing desk reviews to ensure costs reimbursed are accurate and allowable. These are after-the-fact reviews of grantees, checking source documents such as timesheets, vendor invoices, and bank records against amounts billed to the Board. 3. Audit review: Annually, fiscal staff review the audit reports of all grantees required to undergo a federal audit. For grantees not required to have an audit, staff ensure there is a letter on file certifying the grantee is below the dollar threshold requiring a federal audit. 4. Site visits and training: Both the desk reviews and feedback from subrecipients indicated that many grantees were in need of training on some basic grant requirements such as timekeeping. As a result, fiscal staff now conduct weekly online training sessions that allow grantees to participate in real-time and ask specific questions. Staff will also be visiting a large proportion of the high-risk grantees over the next two years. The purpose of these visits is to review the subrecipient's records and processes, answer their specific questions, and provide additional training to grantee staff.

Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	06 (Cont'd)	5. Review of closed grants: Starting in March 2009, each time an agreement is closed, grant management staff review the grant project file and the Board's project information system to ensure site inspections, project deliverables, and final reports are complete and adequately documented. **The condition noted in this finding was previously reported in finding 07-02.** Completion Date: The condition noted in this finding was reported in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-04.

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects corrective action status as of June 30, 2010.)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	11	Finding:	The Department of Social and Health Services does not ensure that Temporary Assistance to Needy Families payments are reduced for clients who do not participate in WorkFirst activities as required by state and federal law.
		Questioned Costs:	CFDA # 93.558 — Amount $4,119.20
		Status:	Refer to finding 09-11
		Corrective Action:	During March 2009, the Department reviewed the cases cited in this audit to determine if the teens were in school. For cases where they were not in school, appropriate actions were taken to follow state policy and pursue the sanction process. All cases were acted on and updated. As a result of this finding, the Department's further review of applicable state statutes has clarified that the state statutes governing teen education requirements apply to teens who are themselves parents and not to teens in general. Neither state nor federal law nor regulation requires dependent teens age 16 or older who are not parents to complete an individual responsibility plan and participate in WorkFirst activities. The Department amended theTemporary Assistance to Needy Families state plan in August 2009 to eliminate the requirement to sanction dependent children (16 and 17 years of age) who are not in school. In addition, the Department revised the WAC and WorkFirst handbook to eliminate documentation of dependent teen school attendance as a program requirement. After the statewide single audit has been distributed at the federal level, federal agencies will be in a position to work with Economic Services Administration to determine if the questioned costs identified in the audit need to be adjusted or repaid.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-11.

Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	13	Finding:	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
		Questioned Costs:	CFDA # / Amount 93.575 / $0 93.596
		Status:	Refer to finding 09-12
		Corrective Action:	In July 2008, the Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS) implemented a process to reconcile childcare payments to childcare provider attendance records to determine the payments were supported by appropriate documentation. The Departments documented their respective responsibilities in the October 8, 2008, service level agreement. On a monthly basis, licensed child center and childcare licensed family home payment files are randomly selected from the Social Service Payment System (SSPS) by DSHS. DEL sends a written request to the providers to obtain attendance records from providers and provides them to DSHS to reconcile with the SSPS payment files. If a discrepancy is found, DSHS follows DEL policy to write an overpayment notice. If providers fail to provide DEL with the requested attendance records, DSHS finds the case in error and writes an overpayment notice. **The condition noted in this finding was previously reported in finding 07-06.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-12.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	17	Finding:	The Department of Social and Health Services, Children's Administration, is not following established internal controls over the eligibility of clients receiving adoption assistance payments.
		Questioned Costs:	CFDA # 93.659 — Amount $163,832
		Status:	Refer to finding 09-14
		Corrective Action:	The Department took or will take the following actions regarding staff compliance with internal controls surrounding adoption support: • In March 2009, the Department reviewed internal adoption support processing and documentation procedures with region staff. Emphasis was on program eligibility, review, and documentation requirements specified in state laws and regulations. Since the audit, new staff have taken over these duties and received training for the duties which included an explanation of these requirements. • In April 2009, the Department utilized program requirements as well as lessons learned from the audit to share with staff in all regions and adoption support program managers to enhance overall documentation of eligibility and payment/benefits. A statewide conference call was held with all adoption support coordinators to discuss requirements and information from the audit. • Starting in May 2009, regional adoption support supervisors began spot-checking current adoption support files on a quarterly basis as a way to verify guidelines are followed. Spot-checking will be an ongoing part of the supervisors' tasks. • By July 2009, all regions trained adoption support staff in guidelines for internal operations for eligibility determinations and internal controls around them. With respect to the questioned costs, the Department took or will take the following actions: • In February 2009, the Department obtained the list of files reviewed during the audit. • In November 2009, the Department submitted documentation to the grantor that outlines corrections to individual case deficiencies and asked for direction on whether or not federal shares of these transactions needed to be returned. Administration for Children and Families in Region 10 is currently working with the Department to determine if any federal funding should be repaid based on the finding.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-14.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	20	Finding:	The Department of Social and Health Services did not have adequate internal controls to ensure the federal share of overpayments made to Medicaid providers are refunded to the federal government.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Refer to finding 09-28
		Corrective Action:	In April 2009, the Office of Financial Recovery (OFR) and Office of Accounting Services (OAS) updated the Department's overpayment procedures to identify the title and position numbers of the managers and supervisors who have responsibility and authority for each aspect of the overpayment refunding process. OAS trained grants management staff on the process of repayment of prior-prior biennium recoveries. Current and prior biennium recoveries are treated as a reduction of expenditure (for current period recoveries) or as a liquidation of a receivable (for prior biennium recoveries.) In July 2009, the Department worked with the appropriate staff of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), Region 10, to ensure that they are satisfied that the state has refunded the federal share of overpayments that had not been remitted timely. CMS Region 10 staff provided written confirmation of satisfaction that the state refunded the federal share of overpayments in question, and CMS is satisfied that the process changes will preclude future occurrences. **The condition noted in this finding was previously reported in finding 07-08.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-28.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	21	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are inadequate to identify and recover Medicaid overpayments to pharmaceutical providers made when billing codes are used inappropriately.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Refer to finding 09-24
		Corrective Action:	The Department does not concur with this finding, but the Health and Recovery Services Administration (HRSA) will continue working with the Washington State Pharmacy Association (WSPA) to prevent inappropriate payments for pharmacy claims that are not allowable under the Medicaid program. HRSA is now performing an ongoing risk analysis and assessment to determine the appropriate level of post payment audit coverage for third party liability (TPL) claims. This effort has resulted in a plan being devised and implemented to ensure that audits are focused on the most aberrant providers. On a quarterly basis, paid claims data is run to identify providers with the highest usage of manual override codes. The providers are ranked by paid amount and those with the highest dollars are prioritized and reviewed by the Office of Program Integrity (OPI). In state fiscal years 2007-2009, OPI conducted an average of three TPL audits per quarter, resulting in the identification and issuance of $1.4 million in overpayment notices to providers. As of November 2009, the Department has recouped $1.28 million of these overpayments. Following ProviderOne implementation, scheduled for April 2010, the Department plans to add a new TPL edit and to enhance the pharmacy point-of-sale system. These changes incorporate additional controls to identify and recover overpayments or, in some cases, to prevent them. **The condition noted in this finding was previously reported in finding 07-09.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-24.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	24	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration's internal controls are insufficient to ensure payment rates to its Healthy Options managed care providers are based on accurate data.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Refer to finding 09-22
		Corrective Action:	The Department does not concur with the finding and will not be taking additional corrective action. The Department is of the opinion that the process currently in place is sufficient. Although the Department does not directly review costs reported by managed care organizations (MCO) to the Department's actuaries, there is a significant and sufficient verification of the accuracy and completeness of the information. Each MCO must have the submitted information certified in writing as accurate and complete by an independent actuary. The Department's actuary then validates the information submitted by comparison to the audited financials submitted to the Office of the Insurance Commissioner. The actuary also compares costs between MCOs and resolves outliers. The rate-setting methodology and rates have been approved by the Centers for Medicare and Medicaid Services (CMS) annually as a part of contract approval. Additionally, in an audit of Healthy Options, CMS had no findings concerning rate setting. **The condition noted in this finding was previously reported in finding 07-13.**
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-22.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	25	Finding:	The Department of Social and Health Services, Health and Recovery Services Administration, does not comply with the state law (RCW 74.09A) and the federal Deficit Reduction Act of 2005 to identify all third parties liable for payment of Medicaid services.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Refer to finding 09-19
		Corrective Action:	The Department believes that it is in compliance with the Deficit Reduction Act of 2005. Health and Recovery Services Administration (HRSA) meets this standard by making data available to all insurers to use for third party liability reporting and by matching data directly with those insurers most likely to provide third party coverage to Medicaid recipients. In September 2009, the Department sent letters to all 4,024 active third party payers on file in the Medicaid Management Information System (MMIS) reminding them of the Department's willingness to perform data matches. While the Department believes it meets legal requirements now, with the implementation of the new ProviderOne system, which will replace MMIS, the Department will further enhance data matching activities. The anticipated go-live date for ProviderOne is March 2010. After the system is implemented and the Centers for Medicare and Medicaid approves the data elements jointly agreed to by the state and insurers, HRSA will be able to send an electronic coordination of benefits eligibility inquiry to health plans who have signed trading partner agreements with the Department. The trading partners will be able to respond electronically to eligibility inquiries to indicate the availability of third party healthcare coverage as of a particular date. For those insurers or carriers who may not have their systems ready to participate electronically, HRSA will continue working with them using the methods currently in place.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-19.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	26	Finding: The Department of Social and Health Services does not have adequate internal controls to ensure non-emergency medical transportation expenditures are allowable and adequately supported. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Refer to finding 09-31 Corrective Action: The Department does not agree that it lacks adequate internal controls to ensure that the state's non-emergency transportation (NEMT) expenditures are legitimate, allowable, and adequately supported, or that the Department does not monitor transportation brokers to ensure all Medicaid rules are followed and costs are appropriate. The Department performs the following activities in line with its administrative policy for risk assessment and contract monitoring: • The Department requires all NEMT brokers, by contract, to annually complete and provide the state with copies of independent audits. Seven of eight brokers are required to complete federal single audits. The eighth broker is very small and must meet single audit requirements. All brokers are in compliance with this annual audit requirement. • Department staff performs annual pre contract risk assessments for all brokers. These contracts are defined as client service contracts and not subrecipients, which would require a higher standard of fiscal monitoring. • Department staff review monthly broker invoices, back-up documentation, and reports before the invoices are approved for payment. • Program managers review monthly for service delivery patterns and trends including use of low-cost modes of transportation as well as cost per trip. • Review of billing packet and reports is noted in the Department's automated contracts database. • Program managers monitor and respond to "daily operations" activities including inquiries, complaints, and all client incident/accident reports. • The team of program managers prioritizes, based on risk assessment and historical information, which brokers need onsite reviews for consultation, technical assistance, and compliance monitoring to ensure broker activities comply with state and federal regulations.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	26 (Cont'd)	• Annually, the program managers rotate on-site reviews of the eight brokers. Each broker is reviewed every other year for specific issues or general contract compliance. Six of eight total brokers were visited in 2008. These onsite reviews include direct observation, documentation review, and interviews with broker managers, bookkeepers, and direct-service staff. • Annually, program managers review broker service delivery and service expenditures in detail, looking at multiyear historical data and reviewing broker regions against others of similar size and characteristics. This in-depth review is done in preparation for contract/budget negotiations for the next contract year in order to negotiate the best value for the state. HRSA has submitted a state plan amendment (SPA) to CMS to move nonemergency medical transportation from administrative match to medical match. As part of the SPA process, CMS is providing directions about the program structure necessary to receive medical match funding. In addition, HRSA staff are working with the Department of Justice Office of Inspector General to refine program audit and monitoring processes and relevant contractual language. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-31.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	27	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services division, does not have internal controls to ensure Medicaid payments to in-home service providers are allowable and supported. Questioned Costs: CFDA # — Amount 93.775 — $472,432 93.776 93.777 93.778 Status: Refer to finding 09-21 Corrective Action: While the Department maintains that state law assigns the responsibility for scheduling, tracking, and timekeeping of in-home service providers to the client receiving the services, in response to this finding: • In March 2009, the Department issued a management bulletin to Area Agencies on Aging and the Division of Developmental Disabilities that addressed the statutory mandate to review a sample of timesheets to verify that services provided are allowable and documented on the timesheets. Case managers are instructed to document their review of timesheets and discussion of service verification with clients in a "Service Episode Record." • In October 2009, the Department issued a written communication to clients on employer responsibilities including time tracking and record keeping. Between November 1, 2009, and October 31, 2010, the form will be distributed and reviewed during the initial and annual assessments with all clients who employ an individual provider (IP). After October 31, 2010, the form must be distributed and reviewed with new clients who select an IP and with current clients who switch to an IP from a homecare agency or residential setting. In addition, the Department is in the process of procuring a system that will send clients a notice of the allowable services they are to receive and how to report if they do not receive those services. The new system is not expected to be implemented for approximately two years. Until then, Aging and Disability Services Administration will continue to ensure that clients: • Understand they are responsible for supervising their care provider and ensuring the services provided are allowable. If a client is unable to supervise their care provider, agency-managed personal care may be available, or the client and case manager identify a representative who will monitor services. If a representative is not available, by policy the case manager who monitors the provision of services contacts the client more frequently.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	27 (Cont'd)	• Have been given information on how to contact their case manager if there are concerns about service delivery, and are informed that they can and should report problems with providers. • Understand that, as the employer, they can terminate the services of their provider. The Department also has the authority to terminate payment in the event there is a good faith belief that services are not being provided as authorized to a Medicaid client. The Social Service Payment System will not process payments in excess of hours authorized. A provider is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-21.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	28	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not have adequate internal controls to ensure all controlled substances prescribed for Medicaid clients are authorized and allowable. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Refer to finding 09-32 Corrective Action: The Department does not agree with this finding for the following reasons: 1. There are not any federal or state statutes that require a payer (e.g. state) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Department disagrees that the lack of an edit that validates the DEA number for Schedule III - V drugs constitutes inadequate internal controls or that the lack of such validation renders the payment unallowable. 2. The Department believes that responsibility for compliance with controlled substance requirements lies with the prescribing provider and the dispensing pharmacies. There are not any provisions in the Controlled Substance Act or the state Uniform Controlled Substance Act that could be interpreted as a requirement relating to payment of claims for controlled substances. A controlled (scheduled) drug is one whose use and distribution is controlled because of its abuse potential. Scheduled drugs are rated in the order of their abuse. Schedule II drugs are drugs with a high potential for abuse. The Department has the following controls in place regarding DEA numbers and Schedule II drugs: • While not a federal or state requirement, the Department implemented a pharmacy point-of-sale (POS) edit in July 2002 for the purpose of validating the DEA number of the prescribing physician for Schedule II drugs. • In addition to the edit in the POS that validates the DEA number for Schedule II drugs, the Department has a set of robust program integrity activities that includes pharmacy utilization review, pharmacy rules-based algorithms that identify improper payments, and data mining activities that identify patterns outside the norm.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	28 (Cont'd)		In the absence of any requirement to validate DEA numbers for controlled substances, the Department considers that this set of program integrity activities provides adequate controls to ensure that controlled substances are authorized and allowable.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-32.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	29	Finding: The Department of Social and Health Services, Health and Recovery Services Administration, does not perform a quarterly retrospective drug use review as required by federal law. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Refer to finding 09-20 Corrective Action: The Department maintains that it is in compliance with federal regulations, Title 42 CFR, pertaining to retrospective and prospective Drug Utilization Review. Specifically, Title 42 CFR stipulates the Department must perform quarterly retrospective Drug Utilization Review (DUR) via: "(b) Use of predetermined standards. Retrospective DUR includes, but is not limited to, using predetermined standards to monitor for the following: (1) Therapeutic appropriateness, that is, drug prescribing and dispensing that is in conformity with the predetermined standards. (2) Overutilization and underutilization, as defined in Sec. 456.702. (3) Appropriate use of generic products, that is, use of such products in conformity with State product selection laws. (4) Therapeutic duplication as described in Sec. 456.705(b)(1). (5) Drug-disease contraindication as described in Sec. 456.705(b)(2). (6) Drug-drug interaction as described in Sec. 456.705(b)(3). (7) Incorrect drug dosage as described in Sec. 456.705(b)(4). (8) Incorrect duration of drug treatment as described in Sec. 456.705(b)(5). (9) Clinical abuse or misuse as described in Sec. 456.705(b)(7)." The Department conducts these retrospective reviews as required every quarter. For each of the required measures, an analysis is completed and the results of that analysis are reported to the Centers for Medicare and Medicaid Services (CMS) Region 10. These results are reported on forms CMS specifically created for reporting the results of the analysis on each of these

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	29 (Cont'd)		measures, including overutilization, abuse, and misuse. Additionally, the Department utilizes algorithms, conducts provider modeling, conducts audits, and uses client specific prior authorization processes to identify inappropriate use of drugs. The Department's focus has been on the appropriateness of physician prescribing which includes both therapeutics and misuse and abuse of drugs, while the auditors focused on the usefulness of utilization review in detecting fraud. While fraud detection is required by federal law, there are other divisions within the Health and Recovery Services Administration (HRSA) that specifically address fraud. The pharmacy administrator routinely refers clients, pharmacies, and prescribers that come to light through the retrospective DUR to the appropriate division within HRSA for investigation. The Department believed it had presented reports to the auditors which document its compliance with the federal regulations and will continue to work with the auditors to understand what additional documentation is needed to demonstrate compliance. HRSA received a confirmation on October 2, 2009, from CMS that the state's annual DUR reports for both 2007 and 2008 were compliant with the federal requirements for retrospective and prospective review. This was reported to the auditor on October 5, 2009. The Department is also working with the auditors to coordinate a meeting with CMS in January 2010 to review the Department's efforts to comply with the applicable federal regulations.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-20.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	31	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all assets applicants own are counted when Medicaid eligibility is determined. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Refer to finding 09-17 Corrective Action: The Department does not agree that federal rules require verification of financial statements for the previous five years unless a transfer has been declared or there are inconsistent facts in the record or other problems with the application. The Department agrees that the financial documents reviewed for most applications do not provide a complete picture of the applicant's financial circumstances during the five years prior to the month of application. However, with the majority of the applications, this is not necessary because assets and asset transfers are not an issue. In addition, there is currently no infrastructure that would allow the Department to run an asset check on any applicant without specific information as to what the asset is and where the asset is located. Currently, the only means that the Department has of obtaining that information is through the applicant's self-declaration on the application and the interview with the client. The practice the Department has been operating under for more than two decades relies on self-declaration by the client for any asset transfers or sales within the five-year look back period and the client's signature attesting to the accuracy of the application. Federal requirements for medical assistance applications state that an agency's policies and procedures for determining eligibility must be conducted in a manner consistent with simplicity of administration and the best interests of applicants and recipients. The Department is committed to ensuring that Medicaid clients are financially eligible for the program benefits that they receive and will continue to pursue and verify any declared asset transfers that it becomes aware of through the interview process or as declared by the applicant to ensure that they were appropriate transfers and not done to qualify for Medicaid.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	31 (Cont'd)		The Department provided details of its policies and procedures related to transfers of assets to the Centers for Medicare and Medicaid (CMS), Region 10, on June 11, 2009, and asked for their comments and opinions on whether the Department's current methods comply with federal guidelines. A follow-up email was sent in November 2009, but CMS has not yet responded. The Department will continue to pursue a determination from CMS and, when it is received, will take appropriate action.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-17.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	32	Finding:	The Department of Social and Health Services does not have internal controls in place to ensure errors identified by the Medical Eligibility Quality Control Unit (MEQC) are reviewed adequately and in a timely manner.
		Questioned Costs:	CFDA # / Amount 93.775 / $0 93.776 93.777 93.778
		Status:	Refer to finding 09-25
		Corrective Action:	In July 2008, the Medicaid Eligibility Quality Control (MEQC) program developed a discrepancy report log to help staff track discrepancies in eligibility determinations and claims and to ensure that the appropriate representatives in the Health and Recovery Services Administration received the problem and information reports. This log describes each error and identifies the case, the community services office involved, the survey number, and the date the report was sent to the regional representative who is responsible for monitoring the log and ensuring cases are corrected. The discrepancy reports are stored electronically in a system called Barcode and can be viewed by appropriate personnel. When each MEQC audit is complete, MEQC staff review the discrepancy report log along with information in the Automated Client Eligibility System to determine whether eligibility staff has completed corrective action on individual cases. Corrective action is completed on an average of 82% of discrepancies at the time of review. After review, a log of all cases with outstanding corrective action is sent to the appropriate representative for follow-up.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-25.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	34	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, Home and Community Based Services Division, does not have adequate controls in place to ensure Medicaid recipients have received the services for which Medicaid is being billed. Questioned Costs: CFDA # — Amount 93.775 — $0 93.776 93.777 93.778 Status: Refer to finding 09-18 Corrective Action: The Department concurs that it does not have a process that provides Medicaid recipients with information on the number of hours billed to the Department by individual providers (IP). The Department is in the process of procuring a system that will improve the verification process. Specifically, the new system will generate monthly notices to all clients informing them how many hours were paid to the provider on their behalf during the previous month. The clients will be instructed to notify the Department if they notice a discrepancy in the hours provided versus the hours billed. The new system is not expected to be implemented for approximately two years. In the meantime, the Department will rely on the following controls that are currently in place: • Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. • Clients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Clients are advised that they can choose when those hours are provided and direct the individual provider when to provide them. Case managers also advise clients to contact them if they are not receiving the hours (or care) for which they are eligible. • Clients are expected to keep copies of timesheets for their IPs and case managers periodically review these timesheets and verify with the client that authorized services have been provided. Case managers are instructed to document the review of timesheets and the discussion of service verification in a “Service Episode Record.” • The Department, through its Payment Review Program, runs algorithms to detect possible fraudulent claims. Overpayments are initiated and referrals are made to the Medicaid Fraud Control Unit as indicated by findings

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
08	34 (Cont'd)	• The Social Service Payment System will not process payments in excess of hours authorized. A provider is therefore unable to claim and be reimbursed for hours that exceed those authorized by the case manager. In September 2009, the Department completed a revision of a written communication titled "Acknowledgement of My Responsibilities as the Employer of My Individual Providers." Staff have been instructed to review this form with all clients who employ an individual provider. By October 31, 2010, the form will be reviewed with all clients who employ an IP. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-18.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
08	35	Finding:	The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure evaluations or re-evaluations of level of care for clients receiving in-home care services have been performed at least once every 12 months.
		Questioned Costs:	CFDA # / Amount 93.775 / $54,215.06 93.776 93.777 93.778
		Status:	Refer to finding 09-30
		Corrective Action:	The Department addressed this finding as an opportunity to provide additional training and direction to staff on the assessment process with emphasis on changing the assessment status to "current" upon completion. This information was provided to all applicable staff through the distribution of a factsheet. The Department will continue its monitoring process to ensure level of care assessment for clients receiving in-home services is completed at least once every twelve months. The Department includes comprehensive monitoring as part of the quality assurance monitoring cycle. A minimum of six percent of the active caseload is monitored on an 18-month cycle. Each file is reviewed for assessment timeliness and the monitoring tool includes the question, "Did the annual assessment occur within 12 months of the previous assessment?" Currently, the Department has set a benchmark of 90% for compliance with assessment timeliness. Results are measured against this benchmark during each quality monitoring cycle. During the 2006-2007 internal monitoring cycle, 95% compliance was achieved. The Department does not set the benchmark for assessment timeliness at 100% because there are routine reasons that an assessment may not be completed on time. Two examples of these reasons include the client's inability to meet with the case manager to do the assessment and delays in locating a provider of personal care. After the statewide single audit is distributed at the federal level, federal agencies will be in a position to work with ADSA to determine if the questioned costs identified in the audit need to be adjusted or repaid.
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2009 Washington Single Audit. Refer to finding 09-30.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	12	Finding: The Department of Social and Health Services is not adequately reviewing pharmaceutical claims to identify patterns of fraud and abuse. Questioned Costs: CFDA # 93.778 — Amount $1,258,343 Status: Corrective action complete Corrective Action: On June 5, 2006, the Pharmacy Point of Sale (POS) vendor loaded Drug Enforcement Authority (DEA) numbers from the national DEA database and the Department has completed a change request to the Medicaid Management Information System (MMIS) that will utilize this data to validate against the full DEA national database at the time claims are processed for payment. This validation will eliminate the need to rely on a manual process for blocking invalid DEA numbers. New Health Insurance Portability and Accountability Act rules require the use of a National Provider Identifier (NPI) for medical providers starting in May 2007. The Department has expressed to the Centers for Medicaid and Medicare that upon implementation of the new ProviderOne system (the Department's new payment system for Medicaid and other Programs), projected for January 2010, this number will be used to identify prescribing providers in the POS and the DEA number. It will be used solely for validation that a provider is registered to prescribe controlled substances. The Department is in the process of development and implementation of a new ProviderOne system. The new ProviderOne system, targeted for implementation in the April 2010, is designed to support the NPI as described above.

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
5	12 (Cont'd)	The Department has a rigorous and extensive Drug Use Review Program and is in full compliance with Sec. 456.709. Post payment review of invalid DEA numbers has been added to the regular Department Payment Review Program (PRP) algorithm process. The PRP ran an algorithm that uses the federal DEA database to identify invalid DEA numbers and issued overpayment notices totaling $769,000 to 219 pharmacies statewide in January 2006. Upon investigation of overpayment notices and responses from pharmacies, it was determined that virtually all invalid DEA numbers are the result of administrative errors. Given this development, the Department will not perform further post payment review on pharmacy claims through June 2006 (when the automatic check was implemented). **The condition noted in this finding was repeated in Finding 06-17 in the Fiscal Year 2006 Washington Single Audit with different recommended action items.** Completion Date: April 2010

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	50	Finding: Certain University departments' controls are not working effectively to ensure Time And Effort Certification forms are completed in a timely manner and to ensure monthly certification of salaries and wages paid for federal programs are completed as required. Questioned Costs: CFDA # — Amount 93.389 — $0 93.866 93.846 93.837 93.864 93.856 93.859 Status: Corrective action in progress Corrective Action: Faculty Effort Certifications (FECs): The University has enhanced its follow-up process to ensure FECs are certified in a timely manner. A formal process with escalating communication as well as some modifications to the procedure was rolled out in an effort to ensure FECs are certified timely. Also, individual departments cited in this finding have strengthened their monitoring and follow-up processes. These actions have resulted in significant improvement in the timeliness in the certification of FEC reports. Finally, the University continues with the process to replace the existing manual system with an electronic effort reporting and certification system. The cost share module has rolled out and Phase II is anticipated to roll out in the spring/summer of 2010. The new system will include enhanced tracking and follow-up capabilities (Phase III). Grant and Contract Certification Reports (GCCRs): The University continues to work with departments on a campus-wide basis to strengthen controls that ensure GCCRs are reviewed and signed in a timely manner. This includes, but is not limited to, routine general emphasis on this requirement through meetings such as the monthly research administrators meeting as well as individual consultation. Additionally, enhanced documentation has been completed for the University's website reinforcing the requirements and procedures for GCCRs and significant progress has been made to determine and implement a more

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	50 (Cont'd)	streamlined process to provide efficiencies and better monitoring capabilities which will result in more thorough compliance. This process is now in beta testing with an anticipated roll out in 2010. Completion Date: Estimated December 2010

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
05	51	Finding:	The University did not submit financial status reports in a timely manner.
		Questioned Costs:	CFDA # / Amount Not Specified / $0
		Status:	Corrective action in progress
		Corrective Action:	In 2008, Grant and Contract Accounting (GCA) developed and implemented an improved follow-up and escalation process to improve timeliness of communication related to fiscal reporting from campus departments. As a follow up to this process, in 2009 GCA created a Grant Manager calendar specific to the escalation process deadlines. The intent is to ensure that all teams are submitting the necessary closing and reporting messages on time and to facilitate the submission of timely FSR's. In 2009, GCA created a Fiscal Reports process improvement team that is focused specifically on automating the FSRs. The first phase includes federal fiscal reports and will be implemented by April, 2010. This automation will significantly reduce the time required to submit an FSR. In 2009, GCA also implemented a new Notice of Expiration (NOE) letter with a clearly identified Final Action Date. This newly revised letter will facilitate more timely reports. GCA continues to develop tools, outreach, and guidance for campus departments to ensure their responsibilities within the closing process, including the deadlines for submission, are clear. During the past year, GCA continued its process improvement efforts in order to submit Financial Status Reports in a timely manner. In January, 2009, a new online application, GrantTracker, was implemented in GCA in order to provide more information to campus on their grant awards in addition to streamlining the fiscal reporting process. In addition, GCA continues to provide training for new and existing staff and will continue into 2010.
		Completion Date:	Estimated December 2010

Washington State Agency Codes (By Agency Alphabetically)

For the Fiscal Year Ended June 30, 2010

Agency No.	Agency
165	Accountancy, Board of (ACB)
035	Actuary, Office of the State (OSA)
110	Administrative Hearings, Office of (OAH)
055	Administrative Office of the Courts (AOC)
119	African-American Affairs, Commission on (CAA)
495	Agriculture, Department of (AGR)
355	Archaeology and Historic Preservation, Department of (DAHP)
387	Arts Commission, Washington State (ART)
087	Asian-Pacific-American Affairs, Commission on (APA)
100	Attorney General, Office of the (ATG)
095	Auditor, Office of the State (SAO)
695	Bates Technical College (BATES)
627	Bellevue Community College (BCC)
694	Bellingham Technical College (BTC)
629	Big Bend Community College (BBC)
315	Blind, Department of Services for the (DSB)
351	Blind, State School for the (SFB)
101	Caseload Forecast Council (CFC)
634	Cascadia Community College (CCC)
375	Central Washington University (CWU)
632	Centralia College (CEC)
353	Childhood Deafness and Hearing Loss, CTR for (CDHL)
057	Civil Legal Aid, Office of (OCLA)
635	Clark College (CLC)
696	Clover Park Technical College (CPTC)
639	Columbia Basin Community College (CBC)
460	Columbia River Gorge Commission (CRG)
103	Commerce, Department of (COM)
352	Community and Technical Colleges, State Board for (SBCTC)
699	Community and Technical College System (CTCS)
471	Conservation Commission, State (SCC)
550	Convention and Trade Center (CTC)
310	Corrections, Department of (DOC)
406	County Road Administration Board (CRAB)
048	Court of Appeals (COA)
227	Criminal Justice Training Commission (CJT)
357	Early Learning, Department of (DEL)
395	Eastern Washington Historical Society (EWH)
370	Eastern Washington University (EWU)
461	Ecology, Department of (ECY)
104	Economic and Revenue Forecast Council (ERFC)
106	Economic Development Finance Authority (EDA)
610	Edmonds Community College (EDC)
345	Education, State Board of (SBE)
540	Employment Security Department (ESD)
468	Environmental Hearings Office (EHO)
605	Everett Community College (EVC)
102	Financial Institutions, Department of (DFI)
105	Financial Management, Office of (OFM)
477	Fish and Wildlife, Department of (DFW)
167	Forensic Investigation Council (FIC)
411	Freight Mobility Strategic Investment Board (FMSIB)
117	Gambling Commission, Washington State (GMB)
150	General Administration, Department of (GA)
075	Governor, Office of the (GOV)
648	Grays Harbor College (GHC)
649	Green River Community College (GRC)
476	Growth Management Hearings Board (GMHB)
303	Health, Department of (DOH)
107	Health Care Authority, Washington (HCA)
599	Health Care Facilities Authority, Washington (WHCFA)
343	Higher Education Coordinating Board (HECB)
346	Higher Education Facilities Authority, Washington (WHEF)
652	Highline Community College (HCC)
118	Hispanic Affairs, Commission on (CHA)
390	Historical Society, Washington State (WHS)
302	Home Care Quality Authority (HCQA)
185	Horse Racing Commission (HRC)
011	House of Representatives (REP)
148	Housing Finance Commission, Washington State (HFC)
120	Human Rights Commission (HUM)
250	Indeterminate Sentence Review Board (SRB)
086	Indian Affairs, Governor's Office of (INA)
190	Industrial Insurance Appeals, Board of (IND)
155	Information Services, Department of (DIS)
160	Insurance Commissioner, Office of the (INS)
126	Investment Board, State (SIB)
014	Joint Legislative Audit and Review Committee (JLARC)
038	Joint Legislative Systems Committee (JLS)
013	Joint Transportation Commission (JTC)

Washington State Agency Codes (By Agency Alphabetically)

For the Fiscal Year Ended June 30, 2010

Agency No.	Agency
050	Judicial Conduct, Commission on (CJC)
235	Labor and Industries, Department of (L&I)
692	Lake Washington Technical College (LWTC)
341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
046	Law Library, State (LAW)
020	Legislative Evaluation and Accountability Program Committee (LEAP)
240	Licensing, Department of (DOL)
080	Lieutenant Governor, Office of the (LTG)
356	Life Sciences Discovery Fund Authority (LSDFA)
195	Liquor Control Board (LCB)
116	Lottery Commission, State (LOT)
657	Lower Columbia College (LCC)
408	Marine Employees' Commission (MAR)
412	Materials Management and Financing Authority, Washington (WMMFA)
245	Military Department (MIL)
147	Minority & Women's Business Enterprises, Office of (OMWBE)
144	Municipal Research Council (MRC)
490	Natural Resources, Department of (DNR)
662	Olympic College (OLC)
467	Outdoor Recreation, Interagency Committee for (IAC)
465	Parks and Recreation Commission, State (PARKS)
665	Peninsula College (PEC)
111	Personnel, Department of (DOP)
637	Pierce College (PIE)
205	Pilotage Commissioners, Board of (BPC)
462	Pollution Liability Insurance Program, Washington (PLI)
130	Printing, Department of (PRT)
056	Public Defense, Office of (OPD)
082	Public Disclosure Commission (PDC)
275	Public Employment Relations Commission (PERC)
478	Puget Sound Partnership (PSP)
467	Recreation and Conservation Funding Board (RCFB)
091	Redistricting Commission (RDC)
693	Renton Technical College (RTC)
124	Retirement Systems, Department of (DRS)
140	Revenue, Department of (DOR)
099	Salaries of Elected Officials, Washington Citizens' Commission on (COS)
670	Seattle Community Colleges - District 6 (SCCD-6)
085	Secretary of State, Office of the (SEC)
012	Senate (SEN)
325	Sentencing Guidelines Commission (SGC)
672	Shoreline Community College (SHC)
674	Skagit Valley College (SVC)
300	Social and Health Services, Department of (DSHS)
675	South Puget Sound Community College (SPS)
676	Spokane Community Colleges - District 17 (SCCD-17)
377	Spokane Intercollegiate Research and Technology Institute (SIRTI)
225	State Patrol, Washington (WSP)
040	Statute Law Committee (SLC)
350	Superintendent of Public Instruction (SPI)
045	Supreme Court (SUP)
678	Tacoma Community College (TCC)
142	Tax Appeals, Board of (BTA)
376	The Evergreen State College (TESC)
304	Tobacco Settlement Authority (TOB)
228	Traffic Safety Commission, Washington (STS)
410	Transportation Commission (TRC)
405	Transportation, Department of (DOT)
407	Transportation Improvement Board (TIB)
090	Treasurer, Office of the State (OST)
360	University of Washington (UW)
215	Utilities and Transportation Commission (UTC)
305	Veterans' Affairs, Department of (DVA)
220	Volunteer Firefighters and Reserve Officers, Board for (BVFFRO)
683	Walla Walla Community College (WLC)
365	Washington State University (WSU)
686	Wenatchee Valley College (WVC)
380	Western Washington University (WWU)
621	Whatcom Community College (WHC)
354	Work Force Training and Education Coordinating Board (WFTECB)
691	Yakima Valley College (YVC)

Washington State Agency Codes (By Agency Assigned Number)

For the Fiscal Year Ended June 30, 2010

Agency No.	Agency
011	House of Representatives (REP)
012	Senate (SEN)
013	Joint Transportation Commission (JTC)
014	Joint Legislative Audit and Review Committee (JLARC)
020	Legislative Evaluation and Accountability Program Committee (LEAP)
035	Office of the State Actuary (OSA)
038	Joint Legislative Systems Committee (JLS)
040	Statute Law Committee (SLC)
045	Supreme Court (SUP)
046	State Law Library (LAW)
048	Court of Appeals (COA)
050	Commission on Judicial Conduct (CJC)
055	Administrative Office of the Courts (AOC)
056	Office of Public Defense (OPD)
057	Civil Legal Aid, Office of (OCLA)
075	Office of the Governor (GOV)
080	Office of the Lieutenant Governor (LTG)
082	Public Disclosure Commission (PDC)
085	Office of the Secretary of State (SEC)
086	Governor's Office of Indian Affairs (INA)
087	Commission on Asian Pacific American Affairs (APA)
090	Office of the State Treasurer (OST)
091	Redistricting Commission (RDC)
095	Office of the State Auditor (SAO)
099	Washington Citizens' Commission on Salaries for Elected Officials (COS)
100	Office of the Attorney General (ATG)
101	Caseload Forecast Council (CFC)
102	Department of Financial Institutions (DFI)
103	Commerce, Department of (COM)
104	Economic and Revenue Forecast Council (ERFC)
105	Office of Financial Management (OFM)
106	Washington Economic Development Finance Authority (EDA)
107	State Health Care Authority (HCA)
110	Office of Administrative Hearings (OAH)
111	Department of Personnel (DOP)
116	State Lottery Commission (LOT)
117	Washington State Gambling Commission (GMB)
118	Commission on Hispanic Affairs (CHA)
119	Commission on African-American Affairs (CAA)
120	Human Rights Commission (HUM)
124	Department of Retirement Systems (DRS)
126	State Investment Board (SIB)
130	Department of Printing (PRT)
140	Department of Revenue (DOR)
142	Board of Tax Appeals (BTA)
144	Municipal Research Council (MRC)
147	Office of Minority and Women's Business Enterprises (OMWBE)
148	Washington State Housing Finance Commission (HFC)
150	Department of General Administration (GA)
155	Department of Information Services (DIS)
160	Office of the Insurance Commissioner (INS)
165	Board of Accountancy (ACB)
167	Forensic Investigation Council (FIC)
185	Horse Racing Commission (HRC)
190	Industrial Insurance Appeals, Board of (IND)
195	Liquor Control Board (LCB)
205	Board of Pilotage Commissioners (BPC)
215	Utilities and Transportation Commission (UTC)
220	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
225	Washington State Patrol (WSP)
227	Washington State Criminal Justice Training Commission (CJT)
228	Washington Traffic Safety Commission (STS)
235	Department of Labor and Industries (L&I)
240	Department of Licensing (DOL)
245	Military Department (MIL)
250	Indeterminate Sentence Review Board (SRB)
275	Public Employment Relations Commission (PERC)
300	Department of Social and Health Services (DSHS)
302	Home Care Quality Authority (HCQA)
303	Department of Health (DOH)
304	Tobacco Settlement Authority (TOB)
305	Department of Veterans' Affairs (DVA)
310	Department of Corrections (DOC)
315	Department of Services for the Blind (DSB)
325	Sentencing Guidelines Commission (SGC)
341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
343	Higher Education Coordinating Board (HECB)
346	Washington Higher Education Facilities Authority (WHEFA)
350	Superintendent of Public Instruction (SPI)

Washington State Agency Codes (By Agency Assigned Number)

For the Fiscal Year Ended June 30, 2010

Agency No.	Agency
351	State School for the Blind (SFB)
352	State Board for Community and Technical Colleges (SBCTC)
353	Childhood Deafness and Hearing Loss, CTR for (CDHL)
354	Work Force Training and Education Coordinating Board (WFTECB)
355	Archaeology and Historic Preservation, Department of (DAHP)
356	Life Sciences Discovery Fund Authority (LSDFA)
357	Early Learning, Department of (DEL)
360	University of Washington (UW)
365	Washington State University (WSU)
370	Eastern Washington University (EWU)
375	Central Washington University (CWU)
376	The Evergreen State College (TESC)
377	Spokane Intercollegiate Research and Technology Institute (SIRTI)
380	Western Washington University (WWU)
387	Washington State Arts Commission (ART)
390	Washington State Historical Society (WHS)
395	Eastern Washington State Historical Society (EWH)
405	Department of Transportation (DOT)
406	County Road Administration Board (CRAB)
407	Transportation Improvement Board (TIB)
408	Marine Employees' Commission (MAR)
410	Transportation Commission (TRC)
411	Freight Mobility Strategic Investment Board (FMSIB)
412	Materials Management and Financing Authority, Washington (WMMFA)
460	Columbia River Gorge Commission (CRG)
461	Department of Ecology (ECY)
462	Washington Pollution Liability Insurance Program (PLI)
465	State Parks and Recreation Commission (PARKS)
467	Recreation and Conservation Funding Board (RCFB)
468	Environmental Hearings Office (EHO)
471	State Conservation Commission (SCC)
476	Growth Management Hearings Board (GMHB)
477	Department of Fish and Wildlife (DFW)
478	Puget Sound Partnership (PSP)
490	Department of Natural Resources (DNR)
495	Department of Agriculture (AGR)
540	Employment Security Department (ESD)
550	State Convention and Trade Center (CTC)
599	Washington Health Care Facilities Authority (WHCFA)
605	Everett Community College (EVC)
610	Edmonds Community College (EDC)
621	Whatcom Community College (WHC)
627	Bellevue Community College (BCC)
629	Big Bend Community College (BBC)
632	Centralia College (CEC)
634	Cascadia Community College (CCC)
635	Clark College (CLC)
637	Pierce College (PIE)
639	Columbia Basin Community College (CBC)
648	Grays Harbor College (GHC)
649	Green River Community College (GRC)
652	Highline Community College (HCC)
657	Lower Columbia College (LCC)
662	Olympic College (OLC)
665	Peninsula College (PEC)
670	Seattle Community Colleges - District 6 (SCCD-6)
672	Shoreline Community College (SHC)
674	Skagit Valley College (SVC)
675	South Puget Sound Community College (SPS)
676	Spokane Community Colleges - District 17 (SCCD-17)
678	Tacoma Community College (TCC)
683	Walla Walla Community College (WLC)
686	Wenatchee Valley College (WVC)
691	Yakima Valley College (YVC)
692	Lake Washington Technical College (LWTC)
693	Renton Technical College (RTC)
694	Bellingham Technical College (BTC)
695	Bates Technical College (BATES)
696	Clover Park Technical College (CPTC)
699	Community and Technical College System (CTCS)

Community and Technical College Reporting

For the Fiscal Year Ended June 30, 2010

Agency 699 – Community and Technical College System is the administrative reporting agency for the following 30 community and technical colleges and the State Board for Community and Technical Colleges

Bates Technical College
Bellevue Community College
Bellingham Technical College
Big Bend Community College
Cascadia Community College
Centralia College
Clark College
Clover Park Technical College
Columbia Basin Community College
Edmonds Community College
Everett Community College
Grays Harbor College
Green River Community College
Highline Community College
Lake Washington Technical College
Lower Columbia College
Olympic College
Peninsula College
Pierce College
Renton Technical College
Seattle Community Colleges – District 6
Shoreline Community College
Skagit Valley College
South Puget Sound Community College
Spokane Community Colleges – District 17
Tacoma Community College
Walla Walla Community College
Wenatchee Valley College
Whatcom Community College
Yakima Valley College

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