

STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Single Audit Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2012



MARCH 2013

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Single Audit Report

For the Fiscal Year Ended June 30, 2012

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Washington State Auditor Brian Sonntag

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

November 15, 2012

The Honorable Christine Gregoire
Governor, State of Washington

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, 2012, 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, 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:

<u>Opinion Unit</u>	<u>Percent of Total Assets</u>	<u>Percent of Net Assets</u>	<u>Percent of Total Revenues/ Additions</u>
Governmental Activities	12.6%	23.0%	8.2%
Business-Type Activities	76.6%	100%	30.9%
Higher Education Special Revenue Fund	50.7%	52.9%	49.0%
Higher Education Endowment Fund	96.0%	96.3%	100.0%
Higher Education Student Services Fund	71.7%	72.0%	79.8%
Workers' Compensation Fund	96.3%	100%	32.8%
Guaranteed Education Tuition Program Fund	82.4%	100%	6.7%
Aggregate Discretely Presented Component Units and Remaining Fund Information	90.7%	93.1%	61.8%

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, 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, 2012, 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 \$25.5 billion which comprise 28.7% of total assets and 31.0% 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, 2012, the State implemented Governmental Accounting Standards Board *Statement No. 64 - Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*.

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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules and information, pension plan information, other postemployment benefits information, and infrastructure assets reported using the modified approach be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read "Brian Sonntag", is positioned above the printed name and title.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MD&A
Management's Discussion and Analysis

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, 2012. 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 \$20.51 billion (reported as net assets). Of this amount, \$(8.37) 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 \$11.64 billion, an increase of 10.3 percent compared with the prior year.
- While the state's capital assets increased by \$1.78 billion and total bond debt increased by \$2.28 billion during the current fiscal year, the state's investment in capital assets net of related debt is \$20.36 billion.

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, the guaranteed education tuition program and various higher education student services such as housing and dining.

The government-wide financial statements can be found on pages B15 - 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 fund balances at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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 three 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, 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 - 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, the Higher Education Student Services Fund, and the Guaranteed Education Tuition Program 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 B28 - B33 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 B34 and B35 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 B41 - B42 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 B36 and B37 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 B39 - B137 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 postemployment benefits, funding progress, and infrastructure assets reported using the modified approach.

Required supplementary information can be found on pages B139 - B157 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 181-229 of the Comprehensive Annual Financial Report.

STATE OF WASHINGTON						
Statement of Net Assets						
(in millions of dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other assets	\$ 18,354	\$ 17,210	\$ 21,429	\$ 23,249	\$ 39,783	\$ 40,459
Capital assets	34,298	32,960	2,390	1,947	36,688	34,907
Total assets	52,652	50,170	23,819	25,196	76,471	75,366
LIABILITIES						
Current and other liabilities	3,446	3,900	527	3,109	3,973	7,009
Long-term liabilities outstanding	24,116	21,540	27,869	27,832	51,985	49,372
Total liabilities	27,562	25,440	28,396	30,941	55,958	56,381
NET ASSETS						
Invested in capital assets, net of related debt	19,561	18,723	797	718	20,358	19,441
Restricted	5,296	4,847	3,225	3,199	8,521	8,046
Unrestricted (deficit)	233	1,160	(8,599)	(9,662)	(8,366)	(8,502)
Total net assets	\$ 25,090	\$ 24,730	\$ (4,577)	\$ (5,745)	\$ 20,513	\$ 18,985

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 \$20.51 billion at June 30, 2012 as compared to \$18.99 billion as reported at June 30, 2011.

The largest portion of the state's net assets (99.2 percent for fiscal year 2012 as compared to 102.4 percent for fiscal year 2011) 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 (41.5 percent for fiscal year 2012 as compared to 42.4 percent for fiscal year 2011) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(8.37) billion represents unrestricted (deficit) net assets. The state's overall negative balance is caused by deficits in business-type activities.

In governmental activities, unrestricted net assets decreased from \$1.16 billion in fiscal year 2011 to \$232.6 million in fiscal year 2012. The decline was largely due to an increase in K-12 and higher education expenses of \$471.1 million over fiscal year 2011, combined with a

decrease in investment earnings of \$305.6 million over the same period.

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	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues:						
Charges for services	\$ 5,226	\$ 4,902	\$ 6,393	\$ 6,466	\$ 11,619	\$ 11,368
Operating grants and contributions	11,790	12,609	1,443	2,305	13,233	14,914
Capital grants and contributions	944	833	1	13	945	846
General revenues:						
Taxes	16,341	16,166	72	174	16,413	16,340
Interest and investment earnings (loss)	169	474	1,150	1,611	1,319	2,085
Other general revenues	-	-	30	-	30	-
Total revenues	<u>34,470</u>	<u>34,984</u>	<u>9,089</u>	<u>10,569</u>	<u>43,529</u>	<u>45,553</u>
EXPENSES						
General government	(1,219)	(1,674)	-	-	(1,219)	(1,674)
Education - K-12	(8,257)	(8,055)	-	-	(8,257)	(8,055)
Education - Higher education	(6,526)	(6,257)	-	-	(6,526)	(6,257)
Human services	(13,168)	(13,364)	-	-	(13,168)	(13,364)
Adult corrections	(886)	(935)	-	-	(886)	(935)
Natural resources and recreation	(982)	(996)	-	-	(982)	(996)
Transportation	(2,396)	(1,981)	-	-	(2,396)	(1,981)
Interest on long-term debt	(911)	(882)	-	-	(911)	(882)
Workers' compensation	-	-	(1,919)	(1,219)	(1,919)	(1,219)
Unemployment compensation	-	-	(2,817)	(3,690)	(2,817)	(3,690)
Higher education student services	-	-	(1,834)	(1,820)	(1,834)	(1,820)
Liquor control	-	-	(566)	(556)	(566)	(556)
Washington's lottery	-	-	(407)	(393)	(407)	(393)
Other business-type activities	-	-	(211)	(784)	(211)	(784)
Total expenses	<u>(34,345)</u>	<u>(34,144)</u>	<u>(7,754)</u>	<u>(8,462)</u>	<u>(42,099)</u>	<u>(42,606)</u>
Excess (deficiency) of revenues over expenses before contributions						
to endowments and transfers	125	840	1,335	2,107	1,460	2,947
Contributions to endowments	47	69	-	-	47	69
Transfers	165	231	(165)	(231)	-	-
Special item	-	-	-	(223)	-	(223)
Increase (decrease) in net assets	<u>337</u>	<u>1,140</u>	<u>1,170</u>	<u>1,653</u>	<u>1,507</u>	<u>2,793</u>
Net assets - July 1, as restated	<u>24,753</u>	<u>23,590</u>	<u>(5,747)</u>	<u>(7,398)</u>	<u>19,006</u>	<u>16,192</u>
Net assets - June 30	<u>\$ 25,090</u>	<u>\$ 24,730</u>	<u>\$ (4,577)</u>	<u>\$ (5,745)</u>	<u>\$ 20,513</u>	<u>\$ 18,985</u>

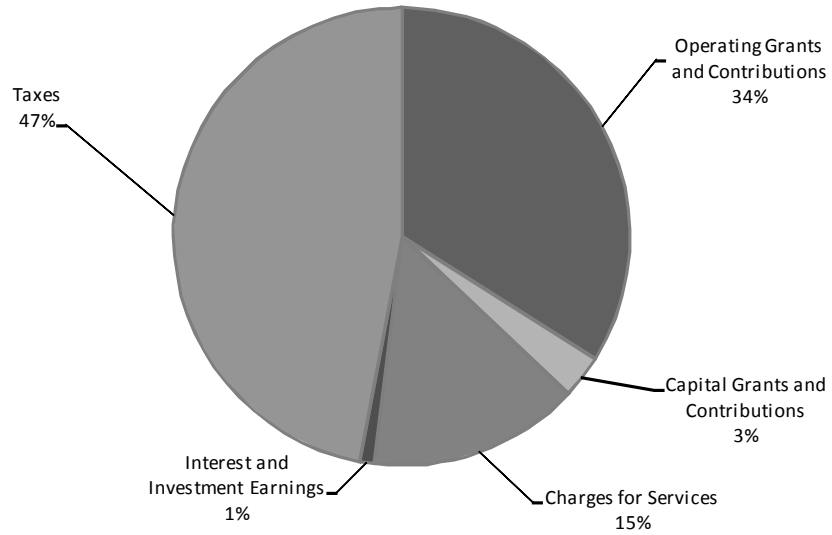
Governmental Activities. Governmental activities resulted in an increase in the state of Washington's net assets of \$337.3 million. A number of factors contributed to the increase:

- Tax revenues increased by \$176.7 million in fiscal year 2012 as compared to fiscal year 2011 reflecting slow positive growth in the economy. Sales and use taxes reported a slight increase of \$178 thousand. Sales and use taxes are the main tax revenue for governmental activities. Business and occupation tax, the second largest source of tax revenue in governmental activities, increased by \$72.5 million in fiscal year 2012 over 2011. It is a tax on the gross receipts of all businesses operating in Washington. Increases in tax revenues for property, hazardous waste, beer, and real estate excise are reflective of the economic increases.
- Operating and capital grants and contributions decreased by \$707.4 million in fiscal year 2012 as compared to fiscal year 2011. While American Recovery and Reinvestment Act (ARRA) grants contributed \$135 million in fiscal year 2012, it was a decrease of \$1.02 billion from the level contributed in fiscal year 2011. Offsetting the decrease in ARRA grants were increases in non-ARRA transportation and supplemental nutrition assistance grants.
- Expenses grew slightly in fiscal year 2012 as compared to fiscal year 2011. The expenses for human services and education comprised 81.4 percent of the total expenses for governmental activities which is fairly consistent with the 81.1 percent in fiscal year 2011. Education expenses for K-12 increased in fiscal year 2012 over fiscal year 2011 by \$202.3 million or 2.5 percent reflecting an increase in payments to schools.

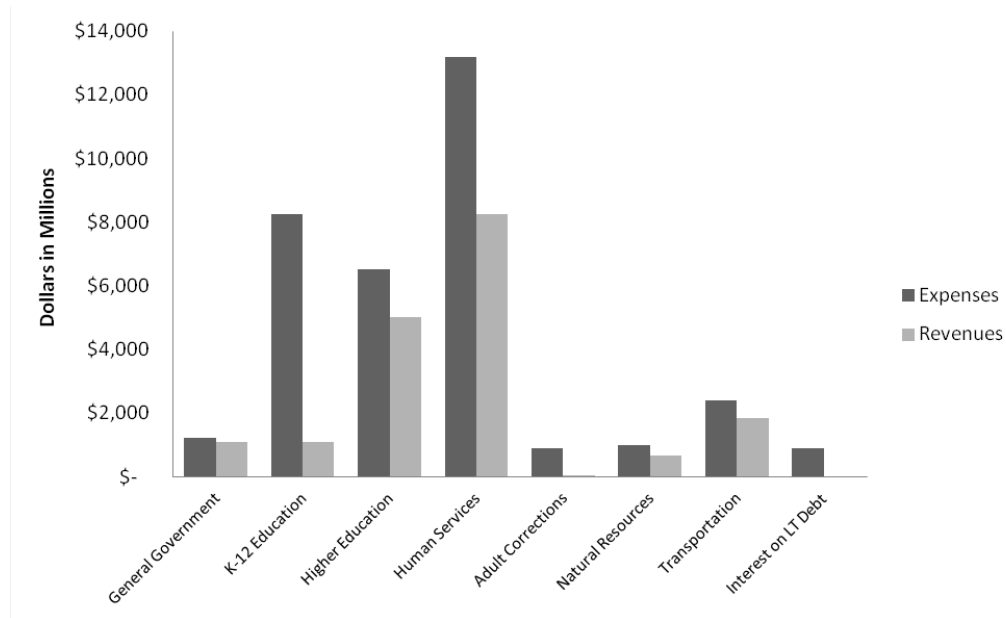
Business-Type Activities. Business-type activities increased the state of Washington's net assets by \$1.17 billion which included increases in both the workers' compensation and unemployment compensation activities. Key factors contributing to the operating results of business-type activities are:

- The workers' compensation activity increase in net assets in fiscal year 2012 was \$1.16 billion compared to \$1.81 billion in fiscal year 2011. Premium revenue increased by \$31.5 million as a result of an increase in the number of hours reported by employers, an increase in the number of employer accounts, and changes in premium rates. Claim costs increased by \$590.7 million in fiscal year 2012 compared with fiscal year 2011 in large part due to changes in the discount rates, inflation rates, and payout projections. Claim payments to beneficiaries declined due to a temporary COLA freeze, reduction in claim frequency, lower insurance exposure and ability to contain medical cost growth. Nonoperating investment income increased by \$28.5 million due to an increase in net realized and unrealized capital gains.
- The unemployment compensation activity reported an operating loss in fiscal year 2012 of \$51.8 million, compared to \$171.3 million operating income in fiscal year 2011. Washington's unemployment insurance program is an experience-based system. Because of a healthy unemployment benefits fund and tax cuts adopted by the Legislature in 2011, unemployment tax rates decreased an average of 13 percent. This contributed to a premium decrease of 14.5 percent in premium charges to employers. Unemployment insurance benefits declined by \$873.8 million in fiscal year 2012 over fiscal year 2011. The decrease in benefit costs was the result of a decline in the number of claims and the duration of claims. The annual unemployment rate for the state was 8.6 percent in fiscal year 2012, down from 9.6 percent in fiscal year 2011, and the insured rate declined to 2.4 percent in fiscal year 2012 from 3 percent in fiscal year 2011.
- 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.

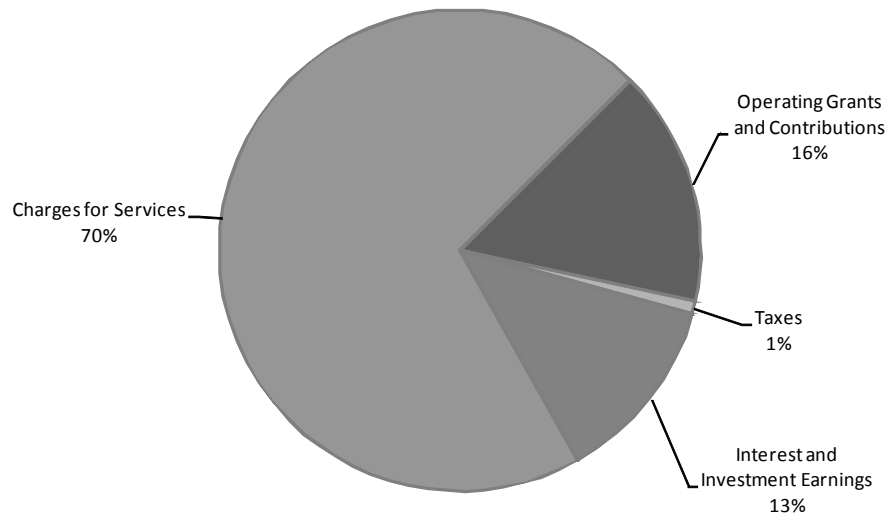
Revenues by Source: Governmental Activities



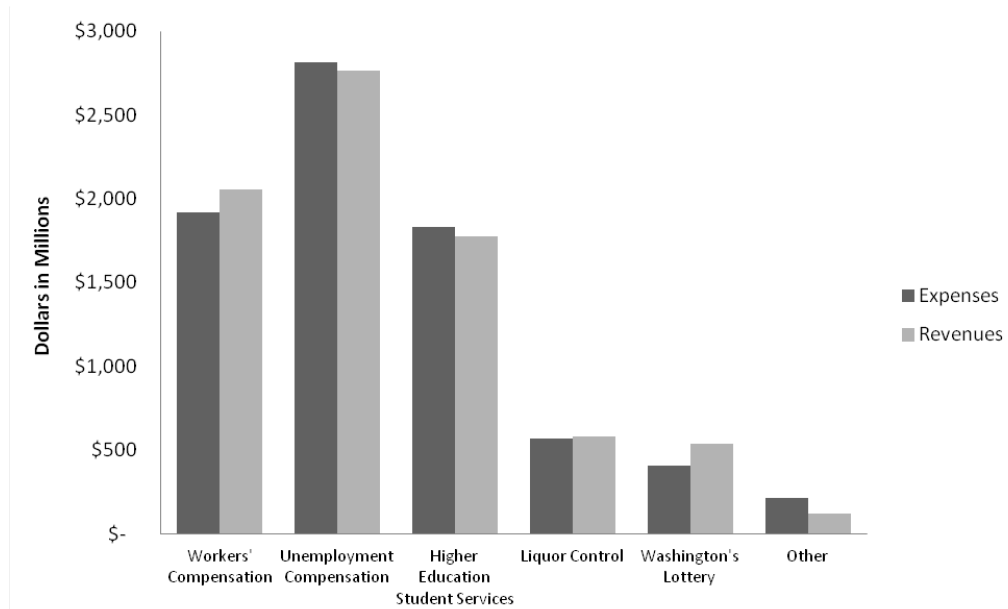
Program Revenues and Expenses: Governmental Activities



Revenues by Source: Business-Type Activities



Program Revenues and Expenses: Business-Type Activities



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 fund balances. Such information is useful in assessing the state of Washington's financing requirements.

Adjustments to Beginning Fund Balances. As described in Note 2 to the financial statements on pages B50 and B51, beginning fund balances of governmental funds were adjusted including the reclassification of the Other Activities Fund from a major fund to a nonmajor governmental fund after separately reporting the Guaranteed Education Tuition Program Fund as a major enterprise fund.

Fund Balances. At June 30, 2012, the state's governmental funds reported combined ending fund balances of \$11.64 billion. Of this amount, \$2.26 billion or 19.4 percent is nonspendable, either due to its form or legal constraints, and \$5.08 billion or 43.7 percent is restricted for specific programs by external constraints, constitutional provisions or contractual obligations. An additional \$3.58 billion or 30.8 percent of total fund balance has been committed to specific purposes. Committed amounts cannot be used for any other purpose unless approved by the Legislature. An additional \$710.1 million or 6.1 percent of total fund balance has been assigned to specific purposes by management.

The General Fund is the chief operating fund of the state of Washington. At the end of fiscal year 2012, total fund balance for the General Fund equaled \$1.0 billion, a decrease of \$213.6 million over fiscal year 2011. Assigned fund balance included \$710.1 million in fiscal year 2012 which is assigned for working capital purposes. This amount relates to certain accrued revenues which are not considered by management to be available for budgetary purposes.

STATE OF WASHINGTON General Fund (in millions of dollars)			
	Fiscal Year		Difference Increase
	2012	2011	(Decrease)
REVENUES			
Taxes	\$ 14,547	\$ 14,423	\$ 124
Federal grants	8,824	9,597	(773)
Investment revenue (loss)	(6)	(15)	9
Other	618	645	(27)
Total	23,983	24,650	(667)
EXPENDITURES			
Human services	13,209	13,473	(264)
Education	9,169	9,211	(42)
Other	1,350	1,519	(169)
Total	23,728	24,203	(475)
Net transfers in (out)	(560)	(215)	(345)
Other financing sources	91	354	(263)
Net increase (decrease) in fund balance	\$ (214)	\$ 586	\$ (800)

Expenditures continue to be concentrated in services and programs most vital to citizens – primarily human services and public education. As previously noted, the net decrease reflects in reduction American Recovery and Reinvestment Act (ARRA) grants.

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

- The fund balance of the Higher Education Special Revenue Fund increased by \$195 million in fiscal year 2012. Increases in tuition offset the increased costs of higher education activities.
- The fund balance for the Higher Education Endowment Fund decreased by \$61.9 million. Support from donors decreased by \$22.2 million and investment earnings decreased by \$347.4 million compared to fiscal year 2011.

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

- The Workers' Compensation Fund reported an increase in net assets of \$1.16 billion in fiscal year 2012. Operating revenues increased by \$27.5 million and operating expenses increased by \$700.3 million as compared to fiscal year 2011. As noted previously, operating revenues increased due to an increase in in reported hours and premium rates, and claims expense increased due to the workers' compensation changes to discount rates, inflation rates, and payout projections. Investment income increased as compared to fiscal year 2011 due to net realized and unrealized capital gains.
- Washington's Unemployment Compensation Fund reported an increase in net assets of \$25.8 million. Premium revenues decreased by \$226.2 million in fiscal year 2012 over 2011, and federal aid decreased by \$869.7 million over the same period. These were offset by a decrease in unemployment benefit claims by \$873.8 million in fiscal year 2012 as compared to 2011. As reported previously, the unemployment rate decreased and the insured rate further declined in fiscal year 2012.
- The Guaranteed Education Tuition (GET) Program Fund was presented as a major fund for the first time in fiscal year 2012. The GET program reported a decrease in net assets of \$66.3 million in fiscal year 2012. While the program continues to attract new enrollments, the loss resulted from investment returns that were

significantly lower for the plan year than the assumed rate.

- The Higher Education Student Services and other nonmajor enterprise funds reported activity generally consistent with prior years.

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 fiscal year ended June 30, 2012. Changes to estimates are summarized as follows:

- Estimated biennial resources decreased by \$1.64 billion over the course of the first fiscal year. Estimated resource decreases are reported in taxes, grants, and investment revenue reflecting the continued sluggish economy. Actual revenues are consistent with the revised estimates.
- Appropriated expenditure authority decreased by \$988.6 million over the course of the fiscal year ended June 30, 2012. The largest decreases were recorded in human services and education of \$810.4 million and \$261.2 million, respectively.

The state did not overspend its legal spending authority for the first fiscal year of the 2011-2013 biennium. Actual General Fund revenues and expenditures were 49.0 and 49.1 percent of final budgeted revenues and appropriations, respectively, for the 2011-2013 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, 2012, totaled \$36.69 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 2012 investment in capital assets, net of current year depreciation, increased \$1.78 billion over fiscal year 2011, including increases to the state's transportation infrastructure of \$922.8 million. The state's construction in progress includes both new construction and major improvements to state capital facilities and

infrastructure. Remaining commitments on these construction projects total \$5.04 billion.

Additional information on the state of Washington's capital assets can be found in Note 6 beginning on page B78 of this report.

Infrastructure. The state uses the modified approach for reporting selected infrastructure assets. The modified approach requires that the state meet certain requirements

regarding the inventory and maintenance of eligible capital assets, including condition assessments. Under the modified approach, assets are not depreciated and certain maintenance and preservation costs associated with those assets are expensed. Assets accounted for under this approach include approximately 20,631 lane miles of pavement, 3,245 bridges and 48 highway safety rest areas. Fiscal year 2012 included an adjustment to reclassify \$907.4 million from infrastructure to land.

STATE OF WASHINGTON						
Capital Assets - Net of Depreciation						
(in millions of dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 2,358	\$ 1,331	\$ 63	\$ 65	\$ 2,421	\$ 1,396
Transportation infrastructure and other assets not depreciated	20,991	21,092	-	-	20,991	21,092
Buildings	7,511	7,080	1,402	1,363	8,913	8,443
Furnishings, equipment and intangible assets	1,480	1,368	162	144	1,642	1,512
Other improvements and infrastructure	1,145	1,119	81	82	1,226	1,201
Construction in progress	813	970	681	293	1,494	1,263
Total	<u>\$ 34,298</u>	<u>\$ 32,960</u>	<u>\$ 2,389</u>	<u>\$ 1,947</u>	<u>\$ 36,687</u>	<u>\$ 34,907</u>

The state's goal is to maintain 90 percent of pavement, 95 percent of bridges, and 95 percent of safety rest areas at a condition level of fair or better. The condition of these assets, along with the rating scales for pavement, bridges, rest areas, and additional detail comparing planned to actual preservation and maintenance spending are available in the required supplementary information beginning on page B154.

An analysis of the current methods for evaluating condition assessment for state highway system assets is currently underway. This analysis is intended to refine future rating criteria and approaches for gathering and reporting condition assessments. Any modification to historic ratings or approaches will be included in the next report.

Pavement is assessed each year. The most recent pavement condition assessment indicated that 91.2 percent of pavement was in fair or better condition. The condition of pavement has declined in the last three assessment periods. Over the past five fiscal years, state spending on preservation and maintenance of pavement was generally less than planned. The average variance between planned and actual was 3 percent over the five years, and less than one percent for fiscal year 2012.

Bridges are assessed on a two year cycle. The most recent bridge condition assessment indicated that 95.4 percent of bridges were in fair or better condition. The condition of bridges has declined over the last three assessment periods. Over the past five fiscal years, state spending on preservation and maintenance of bridges was less than planned. The average variance in planned to actual was 20 percent over the five years, and 8 percent for fiscal year 2012.

Bond Debt. At the end of fiscal year 2012, the state of Washington had general obligation bond debt outstanding of \$17.85 billion, an increase of 6.1 percent from fiscal year 2011. This debt is secured by a pledge of the full faith and credit of the state. Additionally, the state had authorized \$7.42 billion general obligation debt that remains unissued.

During fiscal year 2012, the state issued general obligation debt, totaling \$3.34 billion, for various capital and transportation projects as well as to refund outstanding bonds. Bonds totaling \$2.25 billion were retired during the year. Washington's governmental refunding activity produced a savings of \$258.3 million in future 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, 2012, 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 2009, 2010, and 2011 is \$12.08 billion. The debt service limitation, 9 percent of this mean, is \$1.09 billion. The state's maximum annual debt service as of June 30, 2012, subject to the constitutional debt limitation is \$1.03 billion, or \$55.7 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_cdl2012.pdf.

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, 2012, 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.

STATE OF WASHINGTON						
Bond Debt						
(in millions of dollars)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
General obligation (GO) bonds	\$ 17,838	\$ 16,750	\$ 15	\$ 18	\$ 17,853	\$ 16,768
Accreted interest on zero						
interest rate GO bonds	415	393	-	-	415	393
Revenue bonds	1,657	740	1,682	1,423	3,339	2,163
Total	\$ 19,910	\$ 17,883	\$ 1,697	\$ 1,441	\$ 21,607	\$ 19,324

The state had revenue debt outstanding at June 30, 2012, of \$3.34 billion, an increase of \$1.18 billion over fiscal year 2011. 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 B82 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 Outlook. The forecast for Washington for fiscal year 2013 reflects the continuation of slow but steady

growth. That said, in the coming year, legislative leaders and management will be facing a number of challenges.

- The state's economy continues to be adversely impacted by uncertainty caused by on-going concerns about the sovereign debt crisis in Europe and the slowing Asian economies.
- The uncertainty surrounding U.S. tax and budget policy also threatens the U.S. and Washington economies. In the absence of Congressional action before the end of the year, payroll and income tax rates will increase and across-the-board budget cuts will be implemented as of January 2013. The Congressional Budget Office estimates that the impact of not addressing this "fiscal cliff" would be a return to recession in the first half of 2013.
- Additional funding (estimated at more than \$1 billion in the 2013-15 biennium) is needed for K-12 to meet the requirements of the Washington Supreme Court's ruling earlier this year for the state to fund basic education.

- The September 2012 state's revenue forecast of General Fund state revenue increased expected revenue for the 2011 – 2013 biennium by \$29 million.

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, 2012, \$129.5 million was transferred to the BSA from the General Fund in accordance with the provisions of the Constitution.

The BSA has a fund balance of \$130 million as of June 30, 2012.

Liquor Sales and Distribution. After 78 years of state control, with the passage of Initiative 1183, the distribution and retail sale of spirits was transferred to the private sector on June 1, 2012. A forecast of the revenue impact to the state is unstable due to the lack of trend data, but the state is expected to gain new revenue for a number of reasons including:

- A modest increase in consumption.
- Higher prices in the private market increasing revenues from the state's liquor excise tax.
- New distributor and retailer fees are assessed on the sales price, 10 percent and 17 percent respectively, to offset the state's loss of liquor profits upon privatization.

- A requirement that \$150 million be generated from the aforementioned fees in the first year of privatization and, if not, liquor distributors must pay the difference.

- Subsequent legislative action which reduced the sharing of liquor revenues with cities and counties.

State activities related to promoting public safety by enforcing laws and regulations related to alcohol and tobacco sales and use are ongoing.

General Election. There were measures on the state's November 6, 2012, general election ballot that addressed state laws related to state revenues requiring legislative approval for increases to taxes and fees; authorizing charter schools; modifying the state debt limit calculation; investment of funds of certain four-year public institutions of higher education; and the regulation and taxation of marijuana production and distribution. These measures, if passed, could impact the state fiscally.

Election results are not final or official until certified. By law December 6, 2012, 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, Statewide Accounting, P.O. Box 43113, Olympia, WA 98504-3113.

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Basic Financial Statements
Government-wide Financial Statements

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Statement of Net Assets

June 30, 2012

(expressed in thousands)

	Primary Government			Component Units	
	Governmental	Business-Type	Total		
	Activities	Activities			
ASSETS					
Cash and pooled investments	\$ 3,943,256	\$ 3,392,560	\$ 7,335,816	\$ 66,813	
Taxes receivable (net of allowance for uncollectibles)	3,295,285	9,807	3,305,092	-	
Other receivables (net of allowance for uncollectibles)	1,281,749	1,473,508	2,755,257	3,790	
Internal balances	145,197	(145,197)	-	-	
Due from other governments	3,905,693	138,081	4,043,774	-	
Inventories	93,382	77,042	170,424	-	
Investments, noncurrent	4,894,434	15,873,041	20,767,475	-	
Other assets	25,361	391,256	416,617	107,524	
Restricted assets:					
Cash and pooled investments	700,545	219,710	920,255	-	
Receivables	68,758	-	68,758	-	
Capital assets:					
Non-depreciable assets	24,162,414	744,211	24,906,625	34,678	
Depreciable assets (net of accumulated depreciation)	10,135,948	1,645,366	11,781,314	307,378	
Total capital assets	34,298,362	2,389,577	36,687,939	342,056	
Total Assets	\$ 52,652,022	\$ 23,819,385	\$ 76,471,407	\$ 520,183	
LIABILITIES					
Accounts payable	\$ 1,328,826	\$ 126,039	\$ 1,454,865	\$ 46,509	
Contracts and retainage payable	176,549	21,086	197,635	-	
Accrued liabilities	645,058	214,925	859,983	291	
Due to other governments	896,186	120,977	1,017,163	-	
Unearned revenue	399,489	43,628	443,117	6,452	
Long-term liabilities:					
Due within one year	1,448,177	2,118,637	3,566,814	4,723	
Due in more than one year	22,667,570	25,750,851	48,418,421	15,773	
Total Liabilities	27,561,855	28,396,143	55,957,998	73,748	
NET ASSETS					
Invested in capital assets, net of related debt	19,561,010	796,911	20,357,921	321,560	
Restricted for:					
Unemployment compensation	-	3,224,951	3,224,951	-	
Higher education	974,930	-	974,930	-	
Expendable endowment funds	2,013,123	-	2,013,123	-	
Nonexpendable permanent endowments	2,049,194	-	2,049,194	-	
Transportation	58,400	-	58,400	-	
Loan programs	145,085	-	145,085	-	
Other purposes	55,851	-	55,851	16,092	
Unrestricted (deficit)	232,574	(8,598,620)	(8,366,046)	108,783	
Total Net Assets (Deficit)	\$ 25,090,167	\$ (4,576,758)	\$ 20,513,409	\$ 446,435	

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

Statement of Activities
For the Fiscal Year Ended June 30, 2012
(expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General government	\$ 1,219,452	\$ 702,378	\$ 361,393	\$ 16,237
Education - elementary and secondary (K-12)	8,257,047	10,410	1,091,895	-
Education - higher education	6,526,255	2,662,428	2,332,228	24,204
Human services	13,168,201	530,889	7,714,706	-
Adult corrections	885,592	7,959	1,759	-
Natural resources and recreation	981,928	434,090	176,295	41,407
Transportation	2,396,443	878,307	111,798	862,466
Interest on long-term debt	910,936	-	-	-
Total Governmental Activities	34,345,854	5,226,461	11,790,074	944,314
Business-Type Activities:				
Workers' compensation	1,919,382	2,046,356	8,449	-
Unemployment compensation	2,816,581	1,346,162	1,418,585	-
Higher education student services	1,833,932	1,761,634	15,349	758
Liquor control	565,544	582,371	10	-
Washington's lottery	407,026	535,205	-	-
Other	211,105	121,142	333	-
Total Business-Type Activities	7,753,570	6,392,870	1,442,726	758
Total Primary Government	\$ 42,099,424	\$ 11,619,331	\$ 13,232,800	\$ 945,072
COMPONENT UNITS				
Total Component Units	\$ 59,821	\$ 17,912	\$ 31,528	\$ 1,038

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

Other general revenues

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 (Deficit) - Beginning, as restated

Net Assets (Deficit) - Ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (139,444)	\$ -	\$ (139,444)	
(7,154,742)	-	(7,154,742)	
(1,507,395)	-	(1,507,395)	
(4,922,606)	-	(4,922,606)	
(875,874)	-	(875,874)	
(330,136)	-	(330,136)	
(543,872)	-	(543,872)	
(910,936)	-	(910,936)	
<u>(16,385,005)</u>	<u>-</u>	<u>(16,385,005)</u>	
-	135,423	135,423	
-	(51,834)	(51,834)	
-	(56,191)	(56,191)	
-	16,837	16,837	
-	128,179	128,179	
-	(89,630)	(89,630)	
-	82,784	82,784	
<u>(16,385,005)</u>	<u>82,784</u>	<u>(16,302,221)</u>	
			<u>\$ (9,343)</u>
			<u>(9,343)</u>
7,349,394	-	7,349,394	-
3,149,427	-	3,149,427	-
1,897,095	-	1,897,095	-
1,177,987	-	1,177,987	-
495,133	-	495,133	-
470,765	-	470,765	-
438,351	-	438,351	-
430,052	-	430,052	-
933,441	72,034	1,005,475	-
168,603	1,150,357	1,318,960	1,666
-	30,208	30,208	-
<u>16,510,248</u>	<u>1,252,599</u>	<u>17,762,847</u>	<u>1,666</u>
125,243	1,335,383	1,460,626	(7,677)
47,210	-	47,210	-
164,880	(164,880)	-	-
337,333	1,170,503	1,507,836	(7,677)
24,752,834	(5,747,261)	19,005,573	454,112
<u>\$ 25,090,167</u>	<u>\$ (4,576,758)</u>	<u>\$ 20,513,409</u>	<u>\$ 446,435</u>

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Basic Financial Statements
Fund Financial Statements

Balance Sheet GOVERNMENTAL FUNDS

June 30, 2012
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
ASSETS					
Cash and pooled investments	\$ 240,986	\$ 279,162	\$ 54,069	\$ 2,509,627	\$ 3,083,844
Investments	506	1,566,164	3,076,685	276,092	4,919,447
Taxes receivable (net of allowance)	3,165,658	18,145	-	111,482	3,295,285
Other receivables (net of allowance)	167,553	334,760	24,246	733,660	1,260,219
Due from other funds	192,710	489,442	1	1,131,941	1,814,094
Due from other governments	1,220,082	142,758	-	2,326,272	3,689,112
Inventories and prepaids	12,891	12,785	-	51,230	76,906
Restricted assets:					
Cash and investments	17,511	-	-	683,034	700,545
Receivables	9,359	4,387	-	2,732	16,478
Total Assets	\$ 5,027,256	\$ 2,847,603	\$ 3,155,001	\$ 7,826,070	\$ 18,855,930
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 832,338	\$ 65,354	\$ 26,881	\$ 356,455	\$ 1,281,028
Contracts and retainages payable	34,014	4,578	1,866	133,919	174,377
Accrued liabilities	182,757	268,033	17,567	67,332	535,689
Due to other funds	773,794	280,852	1,769	609,896	1,666,311
Due to other governments	573,775	667	-	174,829	749,271
Deferred and unearned revenue	1,594,335	212,877	10,518	958,778	2,776,508
Claims and judgments payable	31,620	-	-	6,077	37,697
Total Liabilities	4,022,633	832,361	58,601	2,307,286	7,220,881
Fund Balances:					
Nonspendable fund balance	54,726	50,187	1,919,384	237,436	2,261,733
Restricted fund balance	161,689	706,621	1,177,016	3,036,092	5,081,418
Committed fund balance	78,117	1,258,434	-	2,245,212	3,581,763
Assigned fund balance	710,091	-	-	44	710,135
Total Fund Balances	1,004,623	2,015,242	3,096,400	5,518,784	11,635,049
Total Liabilities and Fund Balances	\$ 5,027,256	\$ 2,847,603	\$ 3,155,001	\$ 7,826,070	\$ 18,855,930

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, 2012
(expressed in thousands)

Total Fund Balances for Governmental Funds	\$ 11,635,049

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	\$ 24,108,407	
Depreciable assets	16,765,640	
Less: Accumulated depreciation	<u>(7,306,983)</u>	
Total capital assets		33,567,064

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.	2,378,095

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.	17,200

Unmatured interest on general obligation bonds is not recognized in the funds until due.	(369,349)

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.	28,658

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	\$ (19,418,060)	
Accreted interest on bonds	(414,719)	
Compensated absences	(516,640)	
Other postemployment benefits obligations	(1,080,800)	
Unfunded pension obligations	(282,423)	
Claims and judgments	(39,089)	
Pollution remediation obligations	(165,234)	
Other obligations	<u>(249,585)</u>	
Total long-term liabilities		<u>(22,166,550)</u>

Net Assets of Governmental Activities	<u><u>\$ 25,090,167</u></u>

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, 2012
(expressed in thousands)

	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
REVENUES					
Retail sales and use taxes	\$ 7,273,665	\$ -	\$ -	\$ 75,729	\$ 7,349,394
Business and occupation taxes	3,144,561	-	-	4,866	3,149,427
Property taxes	1,897,095	-	-	-	1,897,095
Excise taxes	434,144	-	-	60,989	495,133
Motor vehicle and fuel taxes	-	-	-	1,177,987	1,177,987
Other taxes	1,797,296	104,397	-	289,055	2,190,748
Licenses, permits, and fees	99,040	289	-	1,144,402	1,243,731
Timber sales	4,504	85	14,117	108,857	127,563
Other contracts and grants	222,614	759,077	-	51,304	1,032,995
Federal grants-in-aid	8,823,659	1,756,230	104	1,325,396	11,905,389
Charges for services	30,152	2,270,186	69	599,602	2,900,009
Investment income (loss)	(6,206)	68,846	21,000	84,963	168,603
Miscellaneous revenue	185,580	115,740	1,979	364,714	668,013
Unclaimed property	77,392	-	-	-	77,392
Contributions and donations	-	-	47,210	-	47,210
Total Revenues	23,983,496	5,074,850	84,479	5,287,864	34,430,689
EXPENDITURES					
Current:					
General government	745,243	578	116	422,599	1,168,536
Human services	13,209,496	340	-	692,840	13,902,676
Natural resources and recreation	373,388	-	-	546,897	920,285
Transportation	41,710	-	-	1,746,354	1,788,064
Education	9,168,705	4,680,077	2,268	422,836	14,273,886
Intergovernmental	105,105	-	-	294,306	399,411
Capital outlays	66,799	188,279	16,543	1,952,015	2,223,636
Debt service:					
Principal	16,482	38,746	-	672,878	728,106
Interest	709	10,206	-	872,718	883,633
Total Expenditures	23,727,637	4,918,226	18,927	7,623,443	36,288,233
Excess of Revenues Over (Under) Expenditures	255,859	156,624	65,552	(2,335,579)	(1,857,544)
OTHER FINANCING SOURCES (USES)					
Bonds issued	72,766	66,661	-	2,330,179	2,469,606
Refunding bonds issued	-	-	-	1,508,470	1,508,470
Payments to escrow agents for refunded bond debt	-	-	-	(1,759,458)	(1,759,458)
Issuance premiums	3,194	308	-	536,461	539,963
Other debt issued	15,181	2,963	-	3,198	21,342
Refunding COPs issued	3,270	3,795	-	3,749	10,814
Payments to escrow agents for refunded COP debt	(3,565)	(3,890)	-	(3,846)	(11,301)
Transfers in	495,654	90,667	2,154	2,080,241	2,668,716
Transfers out	(1,056,323)	(125,356)	(129,583)	(1,205,409)	(2,516,671)
Total Other Financing Sources (Uses)	(469,823)	35,148	(127,429)	3,493,585	2,931,481
Net Change in Fund Balances	(213,964)	191,772	(61,877)	1,158,006	1,073,937
Fund Balances - Beginning, as restated	1,218,587	1,823,470	3,158,277	4,360,778	10,561,112
Fund Balances - Ending	\$ 1,004,623	\$ 2,015,242	\$ 3,096,400	\$ 5,518,784	\$ 11,635,049

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, 2012
(expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 1,073,937

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	\$ 1,582,076	
Less: Depreciation expense	<u>(531,783)</u>	1,050,293

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.	121,998

Pension trust funding in excess of annual required contributions uses current financial resources, but does not qualify as an expense.	6,500

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.	123,573

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	\$ (4,012,560)	
Principal payments on bonds and other financing contracts	2,342,527	
Accreted interest on bonds	<u>(21,538)</u>	(1,691,571)

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	\$ (14,443)	
Other postemployment benefits obligations	(213,465)	
Unfunded pension obligations	(48,103)	
Pollution remediation obligations	2,985	
Claims and judgments	(2,786)	
Accrued interest	(5,850)	
Unclaimed property	(29,080)	
Other obligations	<u>(36,655)</u>	(347,397)

Change in Net Assets of Governmental Activities	<u>\$ 337,333</u>

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

Statement of Fund Net Assets

PROPRIETARY FUNDS

June 30, 2012

(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
ASSETS				
Current Assets:				
Cash and pooled investments	\$ 43,400	\$ 2,651,456	\$ 518,048	\$ 551
Investments	-	-	3,792	-
Taxes receivable (net of allowance)	-	-	-	-
Other receivables (net of allowance)	686,635	570,170	171,504	5,596
Due from other funds	45	5,237	425,567	1
Due from other governments	1,144	76,316	49,757	-
Inventories	220	-	50,548	-
Prepaid expenses	-	-	12,056	-
Restricted assets:				
Cash and investments	-	-	219,710	-
Receivables	-	-	-	-
Total Current Assets	731,444	3,303,179	1,450,982	6,148
Noncurrent Assets:				
Investments, noncurrent	13,321,862	-	323,233	2,021,274
Other noncurrent assets	-	-	94,466	284,000
Capital assets:				
Land and other non-depreciable assets	3,240	-	57,840	-
Buildings	65,134	-	1,995,850	-
Other improvements	1,289	-	83,808	-
Furnishings, equipment, and intangibles	87,316	-	484,305	132
Infrastructure	-	-	41,682	-
Accumulated depreciation	(92,371)	-	(1,065,835)	(128)
Construction in progress	2,976	-	678,438	-
Total Noncurrent Assets	13,389,446	-	2,693,787	2,305,278
Total Assets	14,120,890	3,303,179	4,144,769	2,311,426
LIABILITIES				
Current Liabilities:				
Accounts payable	5,001	-	108,186	567
Contracts and retainages payable	6,824	-	14,031	160,000
Accrued liabilities	139,378	8,610	137,222	86
Bonds and notes payable	3,400	-	24,375	-
Due to other funds	8,595	1,092	576,327	132
Due to other governments	-	68,526	18	-
Unearned revenue	7,689	-	35,939	-
Claims and judgments payable	1,776,096	-	-	-
Total Current Liabilities	1,946,983	78,228	896,098	160,785
Noncurrent Liabilities:				
Claims and judgments payable	20,820,254	-	-	-
Bonds and notes payable	11,475	-	1,760,783	-
Other long-term liabilities	41,095	-	121,166	2,782,191
Total Noncurrent Liabilities	20,872,824	-	1,881,949	2,782,191
Total Liabilities	22,819,807	78,228	2,778,047	2,942,976
NET ASSETS				
Invested in capital assets, net of related debt	52,708	-	710,639	5
Restricted for:				
Unemployment compensation	-	3,224,951	-	-
Unrestricted	(8,751,625)	-	656,083	(631,555)
Total Net Assets (Deficit)	\$ (8,698,917)	\$ 3,224,951	\$ 1,366,722	\$ (631,550)

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

Nonmajor Enterprise Funds		Governmental Activities Internal Service Funds	
	Total		
\$ 135,874	\$ 3,349,329	\$ 826,427	
39,439	43,231	958	
9,807	9,807	-	
39,603	1,473,508	21,530	
5,969	436,819	112,780	
4,266	131,483	43,970	
26,274	77,042	19,567	
731	12,787	5,073	
-	219,710	-	
-	-	52,280	
261,963	5,753,716	1,082,585	
206,672	15,873,041	7,013	
1	378,467	-	
1,717	62,797	6,475	
41,605	2,102,589	438,424	
2,545	87,642	15,796	
46,015	617,768	829,163	
-	41,682	1,818	
(45,981)	(1,204,315)	(607,910)	
-	681,414	47,532	
252,574	18,641,085	738,311	
514,537	24,394,801	1,820,896	
12,285	126,039	47,798	
230	181,085	2,172	
79,615	364,911	50,260	
3,233	31,008	63,526	
36,105	622,251	73,542	
5,600	74,144	16,492	
-	43,628	1,076	
1,546	1,777,642	236,282	
138,614	3,220,708	491,148	
10,057	20,830,311	708,918	
9,110	1,781,368	496,019	
194,720	3,139,172	96,153	
213,887	25,750,851	1,301,090	
352,501	28,971,559	1,792,238	
33,559	796,911	254,650	
-	3,224,951	-	
128,477	(8,598,620)	(225,992)	
\$ 162,036	\$ (4,576,758)	\$ 28,658	

Statement of Revenues, Expenses, and Changes in Fund Net Assets

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2012

(expressed in thousands)

	Business-Type Activities Enterprise Funds			
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ 116,400	\$ -
Less: Cost of goods sold	-	-	78,208	-
Gross profit	-	-	38,192	-
Charges for services	-	-	1,547,421	28,542
Premiums and assessments	2,014,841	1,318,792	-	-
Federal aid for unemployment insurance benefits	-	1,418,585	-	-
Lottery ticket proceeds	-	-	-	-
Miscellaneous revenue	31,640	27,370	103,073	-
Total Operating Revenues	2,046,481	2,764,747	1,688,686	28,542
OPERATING EXPENSES				
Salaries and wages	136,406	-	671,655	2,097
Employee benefits	54,379	-	168,247	511
Personal services	8,013	-	11,765	109
Goods and services	69,194	-	705,634	1,566
Travel	3,779	-	21,891	21
Premiums and claims	1,478,821	2,816,581	-	-
Lottery prize payments	-	-	-	-
Depreciation and amortization	6,634	-	92,137	7
Guaranteed education tuition program expense	-	-	-	92,573
Miscellaneous expenses	161,317	-	17,823	-
Total Operating Expenses	1,918,543	2,816,581	1,689,152	96,884
Operating Income (Loss)	127,938	(51,834)	(466)	(68,342)
NONOPERATING REVENUES (EXPENSES)				
Earnings (loss) on investments	1,026,074	77,648	20,515	2,066
Interest expense	(839)	-	(66,572)	-
Distributions to other governments	-	-	-	-
Tax and license revenue	97	-	-	-
Other revenues (expenses)	8,324	-	10,089	-
Total Nonoperating Revenues (Expenses)	1,033,656	77,648	(35,968)	2,066
Income (Loss) Before Contributions and Transfers	1,161,594	25,814	(36,434)	(66,276)
Capital contributions	-	-	758	-
Transfers in	-	-	112,275	-
Transfers out	-	-	(46,860)	-
Net Contributions and Transfers	-	-	66,173	-
Change in Net Assets	1,161,594	25,814	29,739	(66,276)
Net Assets (Deficit) - Beginning, as restated	(9,860,511)	3,199,137	1,336,983	(565,274)
Net Assets (Deficit) - Ending	\$ (8,698,917)	\$ 3,224,951	\$ 1,366,722	\$ (631,550)

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

Nonmajor Enterprise Funds		Governmental Activities Internal Service Funds	
Total			
\$	642,391	\$	758,791
	423,287		501,495
	219,104		257,296
	29,666		1,605,629
	560		3,334,193
	-		1,418,585
	535,197		535,197
	3,556		165,639
	788,083		7,316,539
	91,133		901,291
	41,897		265,034
	13,618		33,505
	133,104		909,498
	2,527		28,218
	-		4,295,402
	311,545		311,545
	5,040		103,818
	-		92,573
	129		179,269
	598,993		7,120,153
	189,090		196,386
	24,054		1,150,357
	(13,436)		(80,847)
	(51,075)		(51,075)
	71,937		72,034
	29,357		47,770
	60,837		1,138,239
	249,927		1,334,625
	-		758
	15,987		128,262
	(246,282)		(293,142)
	(230,295)		(164,122)
	19,632		1,170,503
	142,404		(5,747,261)
\$	162,036	\$	(4,576,758)
		\$	28,658

Statement of Cash Flows
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2012
(expressed in thousands)

	Business-Type Activities Enterprise Funds		
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,948,307	\$ 1,355,949	\$ 1,551,578
Payments to suppliers	(1,986,510)	(2,797,590)	(752,113)
Payments to employees	(183,967)	-	(826,262)
Other receipts	31,641	1,461,394	103,073
Net Cash Provided (Used) by Operating Activities	(190,529)	19,753	76,276
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	112,275
Transfers out	-	-	(46,860)
Operating grants and donations received	8,425	-	11,507
Taxes and license fees collected	97	-	-
Distributions to other governments	-	-	-
Other noncapital financing activity	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	8,522	-	76,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	(897)	-	(59,562)
Principal payments on long-term capital financing	(3,205)	-	(95,333)
Proceeds from long-term capital financing	-	-	345,756
Proceeds from sale of capital assets	-	-	80,684
Acquisitions of capital assets	(5,160)	-	(623,554)
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,262)	-	(352,009)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	1,045,446	77,648	13,266
Proceeds from sale of investment securities	6,271,751	-	54,305
Purchases of investment securities	(7,125,900)	-	(99,507)
Net Cash Provided (Used) by Investing Activities	191,297	77,648	(31,936)
Net Increase (Decrease) in Cash and Pooled Investments	28	97,401	(230,747)
Cash and Pooled Investments, July 1, as restated	43,372	2,554,055	968,505
Cash and Pooled Investments, June 30	\$ 43,400	\$ 2,651,456	\$ 737,758
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 127,938	\$ (51,834)	\$ (466)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operations:			
Depreciation	6,634	-	92,137
Revenue reduced for uncollectible accounts	44,622	-	904
Change in Assets: Decrease (Increase)			
Receivables	(66,546)	52,596	(114,113)
Inventories	(125)	-	(8,572)
Prepaid expenses	-	-	7,030
Change in Liabilities: Increase (Decrease)			
Payables	(303,052)	18,991	99,356
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities	\$ (190,529)	\$ 19,753	\$ 76,276

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

Continued

			Governmental Activities	
Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 218,186	\$ 1,197,294	\$ 6,271,314	\$ 2,241,305	
(93,826)	(940,945)	(6,570,984)	(1,794,277)	
(2,508)	(131,890)	(1,144,627)	(396,348)	
-	3,555	1,599,663	114,203	
121,852	128,014	155,366	164,883	
-	15,987	128,262	38,303	
-	(246,282)	(293,142)	(25,468)	
-	341	20,273	58	
-	72,642	72,739	21	
-	(51,075)	(51,075)	-	
-	30,208	30,208	-	
-	(178,179)	(92,735)	12,914	
-	(616)	(61,075)	(24,016)	
-	(3,140)	(101,678)	(28,935)	
-	-	345,756	50,885	
-	115	80,799	15,638	
-	(625)	(629,339)	(104,114)	
-	(4,266)	(365,537)	(90,542)	
204,359	72	1,340,791	3,673	
2,537,658	90,935	8,954,649	177,375	
(2,865,151)	(45,467)	(10,136,025)	(121,303)	
(123,134)	45,540	159,415	59,745	
(1,282)	(8,891)	(143,491)	147,000	
1,833	144,765	3,712,530	679,427	
\$ 551	\$ 135,874	\$ 3,569,039	\$ 826,427	
\$ (68,342)	\$ 189,090	\$ 196,386	\$ 129,574	
7	5,040	103,818	72,683	
-	80	45,606	100	
(21,656)	(10,507)	(160,226)	765	
-	29,780	21,083	(2,357)	
-	91	7,121	(605)	
211,843	(85,560)	(58,422)	(35,277)	
\$ 121,852	\$ 128,014	\$ 155,366	\$ 164,883	

Statement of Cash Flows
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2012
(expressed in thousands)

	Business-Type Activities		
	Enterprise Funds		
	Workers'	Unemployment	Higher Education
	Compensation	Compensation	Student Services
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets	\$ -	\$ -	\$ 758
Acquisition of capital assets through Certificates of Participation/capital leases	-	-	49
Acquisition of capital assets through revenue bonds (Revenue Ruling 63-20 tax-exempt obligations)	-	-	-
Amortization of annuity prize liability	-	-	-
Increase (decrease) in fair value of investments	(20,133)	-	300
Debt refunding deposited with escrow agent	-	-	167,210
Amortization of debt premium (issue costs/discount)	-	-	523
Increase in ownership of joint venture	-	-	7,185

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

Concluded

			Governmental Activities	
Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ -	\$ -	\$ 758	\$ 5,676	
-	18	67	3,994	
-	-	-	252,232	
-	12,820	12,820	-	
(203,895)	23,982	(199,746)	836	
-	-	167,210	4,531	
-	-	523	-	
-	-	7,185	-	

Statement of Fiduciary Net Assets

FIDUCIARY FUNDS

June 30, 2012
(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	\$ 4,437	\$ 3,607,554	\$ 43,829	\$ 308,820
Investments	-	3,851,367	-	-
Receivables, pension and other employee benefit plans:				
Employers	-	-	140,120	-
Members (net of allowance)	-	-	3,112	-
Interest and dividends	-	-	180,776	-
Investment trades pending	-	-	1,068,524	-
Due from other pension and other employee benefit funds	-	-	6,047	-
Other receivables, all other funds	-	1,045	-	5,241
Due from other funds	-	-	8	2
Due from other governments	-	-	-	19,200
Total Current Assets	4,437	7,459,966	1,442,416	333,263
Noncurrent Assets:				
Investments, noncurrent, pension and other employee benefit plans:				
Public equity	-	-	28,433,502	-
Fixed income	-	-	12,570,897	-
Private equity	-	-	16,086,973	-
Real estate	-	-	8,594,518	-
Liquidity	-	-	1,500,683	-
Tangible assets	-	-	832,781	-
Investments, noncurrent, all other funds	1,638	1,034,231	-	556
Other noncurrent assets	-	-	-	46,978
Capital assets:				
Furnishings, equipment, and intangibles	33	-	-	-
Accumulated depreciation	(24)	-	-	-
Total Noncurrent Assets	1,647	1,034,231	68,019,354	47,534
Total Assets	6,084	8,494,197	69,461,770	\$ 380,797
LIABILITIES				
Accounts payable	129	-	-	\$ 9,436
Contracts and retainages payable	-	-	-	29,005
Accrued liabilities	128	50,115	1,408,590	50,135
Obligations under security lending agreements	-	441,000	-	-
Due to other funds	-	-	1,526	73
Due to other pension and other employee benefit funds	-	-	6,047	-
Due to other governments	-	6,333	-	245,170
Unearned revenue	-	-	883	-
Other long-term liabilities	-	-	-	46,978
Total Liabilities	257	497,448	1,417,046	\$ 380,797
NET ASSETS				
Net assets held in trust for:				
Pension benefits	-	-	65,110,447	-
Deferred compensation participants	-	-	2,934,277	-
Local government pool participants	-	7,996,749	-	-
Individuals, organizations, and other governments	5,827	-	-	-
Total Net Assets	\$ 5,827	\$ 7,996,749	\$ 68,044,724	

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, 2012
(expressed in thousands)

	Private- Purpose Trust	Local Government Investment Pool	Pension and Other Employee Benefit Plans
ADDITIONS			
Contributions:			
Employers	\$ -	\$ -	\$ 1,148,986
Members	-	-	1,004,116
State	-	-	66,472
Participants	-	13,903,008	178,449
Total Contributions	-	13,903,008	2,398,023
Investment Income:			
Net appreciation (depreciation) in fair value	-	-	(483,356)
Earnings (loss) on investments	(43)	-	-
Interest and dividends	-	14,998	1,537,709
Less: Investment expenses	-	-	(267,338)
Net Investment Income (Loss)	(43)	14,998	787,015
Other Additions:			
Unclaimed property	90,773	-	-
Transfers from other pension plans	-	-	2,960
Other contracts, grants and miscellaneous	8	-	798
Total Other Additions	90,781	-	3,758
Total Additions	90,738	13,918,006	3,188,796
DEDUCTIONS			
Pension benefits	-	-	3,094,343
Pension refunds	-	-	337,928
Transfers to other pension plans	-	-	2,960
Administrative expenses	3,246	787	4,316
Distributions to participants	-	14,783,598	171,740
Payments to or on behalf of individuals, organizations and other governments in accordance with state unclaimed property laws	114,610	-	-
Total Deductions	117,856	14,784,385	3,611,287
Net Increase (Decrease)	(27,118)	(866,379)	(422,491)
Net Assets - Beginning	32,945	8,863,128	68,467,215
Net Assets - Ending	\$ 5,827	\$ 7,996,749	\$ 68,044,724

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

Statement of Fund Net Assets
COMPONENT UNITS
June 30, 2012
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
ASSETS			
Current Assets:			
Cash and pooled investments	\$ 7,129	\$ 13,211	\$ 20,340
Investments	-	42,555	42,555
Investments - restricted	3,919	-	3,919
Other receivables (net of allowance)	530	3,260	3,790
Prepaid expenses	21	114	135
Total Current Assets	11,599	59,140	70,739
Noncurrent Assets:			
Other noncurrent assets	14,327	93,062	107,389
Capital assets:			
Land	34,677	-	34,677
Buildings	460,609	-	460,609
Furnishings, equipment and intangible assets	20,010	1,608	21,618
Accumulated depreciation	(173,318)	(1,532)	(174,850)
Construction in progress	1	-	1
Total Noncurrent Assets	356,306	93,138	449,443
Total Assets	367,905	152,278	520,183
LIABILITIES			
Current Liabilities:			
Accounts payable	59	42,062	42,121
Contracts and retainages payable	3,271	-	3,271
Accrued liabilities	3,939	52	3,991
Unearned revenue	-	6,452	6,452
Total Current Liabilities	7,269	48,566	55,835
Noncurrent Liabilities:			
Other long-term liabilities	17,913	-	17,913
Total Noncurrent Liabilities	17,913	-	17,913
Total Liabilities	25,182	48,566	73,748
NET ASSETS			
Invested in capital assets, net of related debt	321,484	76	321,560
Restricted for deferred sales tax	15,009	-	15,009
Restricted for other purposes	-	1,083	1,083
Unrestricted	6,230	102,553	108,783
Total Net Assets (Deficit)	\$ 342,723	\$ 103,712	\$ 446,435

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, 2012
(expressed in thousands)

	Public Stadium	Nonmajor Component Units	Total
OPERATING REVENUES			
Charges for services	\$ 1,039	\$ 16,873	\$ 17,912
Total Operating Revenues	<u>1,039</u>	<u>16,873</u>	<u>17,912</u>
OPERATING EXPENSES			
Salaries and wages	395	4,395	4,790
Employee benefits	111	1,404	1,515
Personal services	614	1,636	2,250
Goods and services	3,035	2,012	5,047
Travel	10	27	37
Depreciation and amortization	15,443	149	15,592
Miscellaneous expenses	-	1,140	1,140
Total Operating Expenses	<u>19,608</u>	<u>10,763</u>	<u>30,371</u>
Operating Income (Loss)	<u>(18,569)</u>	<u>6,110</u>	<u>(12,459)</u>
NONOPERATING REVENUES (EXPENSES)			
Earnings (loss) on investments	768	898	1,666
Operating grants and contributions	-	29,456	29,456
Distributions of operating grants	-	(29,456)	(29,456)
Naming rights	2,072	-	2,072
Other	6	-	6
Total Nonoperating Revenues (Expenses)	<u>2,846</u>	<u>898</u>	<u>3,744</u>
Income (Loss) before Contributions	<u>(15,723)</u>	<u>7,008</u>	<u>(8,715)</u>
Capital grants and contributions	1,038	-	1,038
Total Contributions	<u>1,038</u>	<u>-</u>	<u>1,038</u>
Change in Net Assets	<u>(14,685)</u>	<u>7,008</u>	<u>(7,677)</u>
Net Assets - Beginning	357,408	96,704	454,112
Net Assets - Ending	<u>\$ 342,723</u>	<u>\$ 103,712</u>	<u>\$ 446,435</u>

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, 2012

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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 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 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 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. The Tobacco Settlement Authority (TSA) was created by the 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.A 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, FYI Properties, the University of Washington (UW) Physicians, UW Medicine Neighborhood Clinics, 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 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 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 \$342.0 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
CenturyLink 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 \$7.2 million was recorded in fiscal year 2012, bringing the total equity investment to \$82.3 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 678 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 tuition, student fees, and grants and contracts received for research and other educational purposes.
- **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.
- **Guaranteed Education Tuition Program Fund** accounts for Washington's Guaranteed Education Tuition (GET) program. GET is a qualified tuition program under Section 529 of the Internal Revenue Code.

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 restricted or committed 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; the state's transportation programs which include the operation of the state's ferry system and maintenance and preservation of interstate and non-interstate highway systems; driver licensing, highway and non-highway operations, and capital improvements; K-12 school construction; and construction and loan programs for local public works projects.
- **Debt Service Funds** account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the state's bonds issued in support of governmental activities.
- **Capital Projects Funds** account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of major state-owned capital facilities (other than highway infrastructure or those financed by proprietary funds).
- **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; vocational/education programs at correctional institutions, and other activities.
- **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 pension plans, defined contribution pension plans, and other employee benefit plans.
- **Investment Trust Fund** accounts for the external portion of the Local Government Investment Pool, 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.

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 obligations are 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 both deferred and unearned revenues on its governmental fund balance. Deferred revenues arise when a potential revenue does not meet both the “measurable” and the “available” criteria for revenue recognition in the current period. Unearned revenues 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 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 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 value based on appraisals or estimates in the absence of readily ascertainable fair values. At June 30, 2012, these investments are valued at \$25.51 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 Note 1.E.1 and Note 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 \$7.1 million in federally donated consumable inventories, which are offset by unearned revenues because they are not earned until they are distributed to clients.

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

Capital assets are tangible and intangible assets held and used in state operations, which have a service life of more than one year and meet the state's capitalization policy.

It is the state's policy to capitalize:

- All land, including land use rights with indefinite lives acquired with the purchase of the underlying land, and ancillary costs;
- The state highway system operated by the Department of Transportation;
- Infrastructure, other than the state highway system, with a cost of \$100,000 or more;
- Buildings, building improvements, improvements other than buildings, 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 separated 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 capital assets acquired with Certificates of Participation, a debt financing program administered by the Office of the State Treasurer; and
- All other capital assets with a unit cost (including ancillary costs) of \$5,000 or greater, or collections with a total cost of \$5,000 or greater except for assets held by the University of Washington (UW). The capitalization threshold for all other capital assets held by the UW is \$2,000.

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 are not required 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 governmental fund type accounts, fund equity is called "fund balance." Fund balance is reported in the following classifications which reflect the extent to which the state is bound to honor constraints on the purposes for which the amounts can be spent: nonspendable, restricted, committed, assigned, and unassigned.

When resources meeting more than one of the classifications (excluding nonspendable) are comingled in an account, assuming that an expenditure meets the constraints of the classification, the assumed order of spending is restricted first, committed second, and finally assigned.

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.

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.

E. OTHER INFORMATION

1. Insurance Activities

Workers' Compensation. Title 51 RCW establishes the state of Washington's workers' compensation program. The statute requires all employers to secure coverage for job-related injuries and diseases with few exceptions, 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 payable are recomputed quarterly using a variety of actuarial and statistical techniques. These techniques are used to produce current estimates that reflect recent settlements, claim frequency, expected inflation, and other economic, legal, and social factors. Adjustments to claims payable are charged or credited to claims 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 ten 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. The Uniform Medical Plan enrolled 63 percent of the eligible subscribers in fiscal year 2012. 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.

Under the current spending policy, distributions to programs approximate an annual percentage rate of 4 percent of a five-year rolling average of the endowment's market valuation.

The net appreciation available for authorization for expenditure by governing boards totaled \$266.4 million. This amount is reported as restricted for expendable endowment funds on the government-wide Statement of Net Assets.

Note 2

Accounting, Reporting, and Entity Changes

Reporting Changes. Effective for fiscal year 2012 reporting, the state adopted the following new standard issued by the Governmental Accounting Standards Board (GASB):

Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*. GASB Statement No. 64 clarifies the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. Existing state reporting and disclosure practices comply with the requirements of Statement No. 64.

Fund Reclassification. During fiscal year 2012, it was determined that one activity reported in the Other Activities Fund, which was a major enterprise fund in fiscal year 2011, would itself qualify as a major fund for fiscal year 2012. Accordingly, the Guaranteed Education Tuition Program Fund is removed from the Other Activities Fund and reported as a major fund with a beginning fund balance (deficit) of \$(565.3) million and the Other Activities Fund is reported within Nonmajor Enterprise Funds with a beginning fund balance of \$68.2 million.

It was also determined that two other activities being reported in Other Activities would be more appropriately reported as governmental activities, one in the General Fund and the other in the Multimodal Transportation Fund, a non-major governmental fund. Accordingly, beginning fund balances were restated by a reduction of \$5.5 million in Other Activities, increase of \$386 thousand in the General Fund, and an increase of \$5.1 million in the Multimodal Transportation Fund to effect proper fund classification of the activities.

Prior Period Adjustments. The University of Washington recorded a prior period adjustment for a change in capitalization threshold. While the University's capitalization threshold has been at \$2,000, for state

reporting purposes they converted to the \$5,000 level. For fiscal year 2012 reporting, the state adopted the \$2,000 threshold for the University. As a result, the Higher Education Student Services Fund, a major enterprise fund, is reporting a beginning balance adjustment of \$3.6 million and an increase of \$1.3 million is reported in the Higher Education Revolving Fund, an internal service fund.

The UW also recorded a prior period adjustment to correct fund classification of the UW Educational Outreach and Genome Sciences activities to a special revenue fund. As a result of the reclassification, the beginning balance of the Higher Education Special Revenue Fund, a major governmental fund, increased by \$3.0 million, the Higher Education Revolving Fund, an internal service fund, decreased by \$2.3 million, and pooled cash in an agency fund decreased by \$762 thousand.

The Department of Ecology recorded a period adjustment of \$1.3 million in a Nonmajor Governmental Fund to record a receivable for monies held in trust for which the state is the beneficiary under a prior year court ordered pollution remediation settlement. The state also recognized the associated pollution remediation obligation.

The Legislature abolished the Spokane Intercollege Research and Technology Institute agency which reported in the Higher Education Student Services Fund and transferred residual balances to Innovate Washington, a new agency, which reports in the Higher Education Special Revenue Fund. As a result, the beginning fund balance of the Higher Education Student Services was reduced by \$280 thousand and the Higher Education Special Revenue Fund was increased by \$280 thousand.

The state recorded a prior period adjustment \$54.5 million to report Other Postemployment Benefits liability in the Internal Service Funds. The liability was previously reported at the government-wide level, but not at the fund statement level.

Governmental Capital Assets and Long-term Obligations. The state's adoption of a \$2,000 capitalization threshold for the University of Washington noted above also resulted in a \$13.9 million prior period adjustment to governmental capital assets.

Fund equity at July 1, 2011, has been restated as follows (expressed in thousands):

	Fund equity (deficit) at June 30, 2011, as previously reported	Fund Reclassification	Prior Period Adjustment	Fund equity (deficit) as restated, July 1, 2011
Governmental Funds:				
General	\$ 1,218,201	\$ 386	\$ -	\$ 1,218,587
Higher Education Special Revenue	1,820,202	-	3,268	1,823,470
Higher Education Endowment	3,158,277	-	-	3,158,277
Nonmajor Governmental	4,354,388	5,094	1,296	4,360,778
Proprietary Funds:				
Enterprise Funds:				
Workers' Compensation	(9,860,511)	-	-	(9,860,511)
Unemployment Compensation	3,199,137	-	-	3,199,137
Higher Education Student Services	1,333,704	-	3,279	1,336,983
Guaranteed Education Tuition Program*	-	(565,274)	-	(565,274)
Other Activities**	(496,637)	496,637	-	-
Nonmajor Enterprise	79,247	63,157	-	142,404
Internal Service Funds	(39,519)	-	(55,396)	(94,915)
Fiduciary Funds:				
Private Purpose Trust	32,945	-	-	32,945
Local Government Investment Pool	8,863,128	-	-	8,863,128
Pension and Other Employee Benefit Plans	68,467,215	-	-	68,467,215
Component Units:				
Public Stadium	357,408	-	-	357,408
Nonmajor Component Units	96,704	-	-	96,704

* The Guaranteed Education Tuition Program Fund was reported in the Other Activities Fund, a major fund in fiscal year 2011, but is reported as a major proprietary fund in fiscal year 2012.

** The Other Activities Fund which was reported as a major proprietary fund in fiscal year 2011 became a nonmajor enterprise fund for reporting purposes in fiscal year 2012.

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 require state agencies 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, 2012, \$1.12 billion of the state's deposits with financial institutions were either insured or collateralized, with the remaining \$17.7 million uninsured/uncollateralized.

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 pension trust funds consist of retirement contributions from employer and employee participants in the Washington State Retirement System and related earnings on those contributions. The Retirement System is administered by the Department of Retirement Systems. The WSIB has exclusive control of the investment of all money invested in the pension trust funds.

In accordance with RCW 43.33A.110, the WSIB manages the pension fund portfolio to achieve maximum return at a prudent level of risk. 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. The WSIB is authorized by statute as having investment management responsibility for pension funds. The WSIB is authorized to invest as provided by statute (chapter 43.33A RCW) and WSIB policy 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 2012.

Commingled Trust Fund. Pension trust funds are invested in the Commingled Trust Fund (CTF). The CTF is a diversified pool of investments used as an investment vehicle for 14 separate retirement plans and one supplemental insurance fund. These plans hold shares in the CTF, which represent a percentage ownership in the pool of investments. Plans are allowed to purchase or sell units in the CTF, based on the fair value of the underlying assets, on the first business day of each month.

In addition to share ownership in the CTF, each retirement plan holds short-term investments that are used to manage each plan's cash needs.

The CTF consists of the Public Employees' Retirement System (PERS) Plans 1 and 2/3; Teachers' Retirement System (TRS) Plans 1 and 2/3; School Employees' Retirement System (SERS) Plans 2/3; Law Enforcement Officers' and Fire Fighters' Retirement Plans 1 and 2; Washington State Patrol Retirement System Plans 1 and 2; Public Safety Employees' Retirement System Plan 2; Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund; and the Higher Education Supplemental Insurance Fund. PERS Plan 3, TRS Plan 3 and SERS Plan 3 are hybrid defined benefit/defined contribution plans. The participants of those plans have the option to direct their contributions to the CTF or invest their defined contributions in other external options not managed by the WSIB.

CTF Investment Policies and Restrictions. The CTF is comprised of public markets equities, fixed income securities, private equity investments, tangible assets, real estate, and an innovation portfolio. The CTF's performance objective is to exceed the return of two custom benchmarks, each 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.

When market values fall outside policy ranges, assets are rebalanced first by using normal cash flows and then through reallocations of assets across asset classes. In cases of a major rebalancing, the pension trust funds can utilize futures, forward contracts and options in order to maintain exposure within each asset class and reduce transaction costs. Major rebalancing can occur to bring asset classes within their target ranges or when the pension trust funds are transitioning managers.

To achieve the performance and diversification objectives of the pension trust funds, the public markets equity program seeks to achieve the highest return possible from active management consistent with prudent risk

management and the desire for downside protection with passive management as the default; provide diversification to the pension trust funds overall investment program; maintain liquidity in public equity; and maintain transparency into all public equity strategies to the extent possible.

The public markets equity portion of the pension trust funds invests in publicly traded equities globally, including equity securities in the U.S., developed non-U.S. and emerging markets. The program has a global benchmark, currently the MSCI All Country World Investable Market Index. A mix of external managers approved by the WSIB is used to manage the program. Passive management delivers broad diversified equity market exposure at low costs and is used when active managers cannot be identified and monitored with existing resources. Passive management is also used when it is considered an appropriate alternative to active management, typically in more efficient markets. Active management is used when the pension trust funds can identify, access, and monitor successful managers in markets that are less efficient. Active management seeks to enhance the risk/return profile of the program.

The fixed income segment is managed to achieve the highest return possible consistent with the desire to control asset volatility; and emphasize high yield to maturity opportunities to add value through active management, provide diversification to the overall investment program, and to meet or exceed the return of the Barclays Capital Universal Bond Index, with volatility similar to or less than the index.

The fixed income portfolio limits exposure to any corporate issuer to 3 percent of the pension trust funds' fixed income portfolio's market value. The fixed income 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 market value of below investment grade credit bonds (as defined by Barclays Capital Global Family of Fixed Income Indices) shall not exceed 15 percent of the market value of the fixed income portfolio. The total market value of below investment grade mortgage-backed, asset-backed, and commercial mortgage-backed securities shall not exceed 5 percent of the market value of the fixed income portfolio. 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.

The major sector allocations of the fixed income portfolio 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, growth equity, special situations, distressed, mezzanine, and other investments. Private equity investments are made through limited partnership or direct investment vehicles.

The private equity investment 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 those funds, separate accounts, or tangible asset operating companies providing the WSIB with the most robust governance provisions related to acquisition, dispositions, debt levels, 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 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 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. Second, real estate capital is diversified among a host of partners with varying investment styles. Third, 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 real estate portfolio 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 the 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, there are three investment strategies in the innovation portfolio, two involving private partnerships and one investing in public equities.

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, 2012, the pension trust funds had unfunded commitments of \$9.07 billion, \$7.18 billion, \$408.4 million, and \$194.8 million in private equity, real estate, tangible assets, and the innovation portfolio, 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.

In anticipation of the custodian bank conversion on July 1, 2012, the pension trust funds recalled all securities on loan. There were no assets on loan at June 30, 2012, and no collateral held related to securities lending transactions.

Fixed income and equity securities were loaned during the fiscal year and collateralized by the pension trust funds' agent with cash, 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.

During fiscal year 2012, securities lending transactions could be terminated on demand by either the WSIB or the borrower. The weighted average maturity of loans for 2012 was 1.5 days.

Cash collateral was invested by the WSIB's agents in securities in the WSIB's separately managed short-term investment pool. 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. 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 2012, there were no significant violations of legal or contractual provisions and no failures by any borrowers to return loaned securities or to pay distributions thereon. Further, the pension trust funds incurred no losses during fiscal year 2012 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. 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.

While the WSIB does not have a formal policy specifically for interest rate risk, the pension trust funds' fixed income investments are actively managed to meet or 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, 2012, the duration of the pension trust funds' fixed income investments was within the duration target of this index.

The schedule below provides information about the interest rate risks associated with the pension trust funds' investments as of June 30, 2012. 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. Certain foreign investments are recorded in U.S. dollars (USD), while others are recorded in non U.S. dollars (Non USD) but have been converted to U.S. dollars for reporting purposes.

Pension Trust Funds						
Schedule of Maturities and Credit Quality						
June 30, 2012						
(expressed in thousands)						
Investment Type	Fair Value	Maturity				Credit Rating
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Asset-backed securities	\$ 20,133	\$ -	\$ 20,113	\$ -	\$ 20	Multiple
Residential mortgage-backed securities	1,828,200	407,760	1,420,379	61	-	Multiple
Commercial mortgage-backed securities	233,569	-	233,569	-	-	Multiple
Corporate bonds - domestic (USD)	980,534	-	195,683	615,398	169,453	Multiple
Corporate bonds - domestic (Non USD)	62,171	-	62,171	-	-	Multiple
Corporate bonds - foreign (USD)	3,881,367	15,936	659,954	2,576,569	628,908	Multiple
Corporate bonds - foreign (Non USD)	160,521	-	73,555	55,812	31,154	Multiple
U.S. government treasuries	3,282,516	300,743	2,175,807	805,966	-	Aaa
Foreign government and agencies (USD)	1,122,853	-	135,001	829,062	158,790	Multiple
Foreign government and agencies (Non USD)	619,043	-	154,596	285,694	178,753	Multiple
Supranational (Non USD)	379,992	7,563	271,937	100,492	-	Aaa
	12,570,899	\$ 732,002	\$ 5,402,765	\$ 5,269,054	\$ 1,167,078	
Corporate stock (USD)	2,917,446					
Corporate stock (Non USD)	9,557,040					
Commingled equity index funds	9,914,679					
Alternative investments	25,514,273					
Liquidity	1,500,573					
Total	\$ 61,974,910					

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, 2012										
(expressed in thousands)										
Moody's Equivalent Credit Rating	Investment Type									Total
	Asset- Backed Securities	Residential Mortgage- Backed Securities	Commercial Mortgage- Backed Securities	Corporate Bonds - Domestic (USD)	Corporate Bonds - Domestic (Non USD)	Corporate Bonds - Foreign (USD)	Corporate Bonds - Foreign (Non USD)	Foreign Government and Agencies (USD)	Foreign Government and Agencies (Non USD)	
Aaa	\$ 20,113	\$ 1,810,713	\$ 189,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 169,112	\$ 2,189,297
Aa1	20	-	-	-	-	-	-	18,408	22,019	40,447
Aa2	-	2,206	-	-	-	28,541	-	28,825	-	59,572
Aa3	-	-	44,210	57,490	-	16,480	-	63,094	-	181,274
A1	-	-	-	22,033	-	62,279	10,273	285,193	24,510	404,288
A2	-	15,281	-	189,906	21,902	65,031	31,154	24,133	42,494	389,901
A3	-	-	-	49,640	-	334,750	32,401	25,618	68,517	510,926
Baa1	-	-	-	207,127	-	513,425	21,220	49,459	25,858	817,089
Baa2	-	-	-	205,090	40,269	949,835	20,758	281,266	105,862	1,603,080
Baa3	-	-	-	66,946	-	1,072,689	44,715	285,937	105,146	1,575,433
Ba1 or lower	-	-	-	182,302	-	838,337	-	60,920	55,525	1,137,084
Total	\$ 20,133	\$ 1,828,200	\$ 233,569	\$ 980,534	\$ 62,171	\$ 3,881,367	\$ 160,521	\$ 1,122,853	\$ 619,043	\$ 8,908,391

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, 2012, 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, 2012.

Custodial Credit Risk. Custodial credit risk for investments 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 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 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. Private equity and real estate are presented according to the financial reporting currency of the individual funds. This is not a presentation of currency exposure relating to the underlying holdings. The schedule is stated in U.S. dollars.

Pension Trust Funds
Foreign Currency Exposure by Country
June 30, 2012

(expressed in thousands)

Foreign Currency Denomination	Investment Type					
	Currency	Fixed Income	Common Stock	Private Equity	Real Estate	Total
Australia-Dollar	\$ 1,663	\$ 387,973	\$ 556,211	\$ -	\$ 24,674	\$ 970,521
Brazil-Real	323	295,387	119,277	-	-	414,987
Canada-Dollar	4,241	-	742,340	-	-	746,581
Denmark-Krone	1,808	-	105,052	-	-	106,860
E.M.U.-Euro	21,940	-	2,314,191	2,112,225	168,632	4,616,988
Hong Kong-Dollar	2,602	-	388,007	-	-	390,609
India-Rupee	-	123,752	83,881	-	-	207,633
Indonesia-Rupiah	679	71,417	61,284	-	-	133,380
Japan-Yen	21,098	-	1,576,982	-	-	1,598,080
Malaysia-Ringgit	2,379	68,517	25,813	-	-	96,709
Mexico-Peso	218	57,012	41,567	-	-	98,797
Singapore-Dollar	1,576	-	141,508	-	-	143,084
South Korea-Won	1	-	151,774	-	-	151,775
Sweden-Krona	2,127	-	240,710	1,654	-	244,491
Switzerland-Franc	2,282	-	682,056	-	-	684,338
Turkey-Lira	-	62,982	40,291	-	-	103,273
United Kingdom-Pound	25,144	-	1,956,769	4,174	-	1,986,087
Other-Miscellaneous	3,431	154,687	329,327	-	-	487,445
Total	\$ 91,512	\$ 1,221,727	\$ 9,557,040	\$ 2,118,053	\$ 193,306	\$ 13,181,638

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 cash overlay program, at June 30, 2012, 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, 2012, 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 TBAs 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. TBAs carry future settlement risk due to the possibility of not receiving the asset or associated gains specified in the contract. Such loss associated with failure by counterparties to deliver under the contracts was not deemed material at June 30, 2012.

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 to 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, 2012, the pension trust funds had outstanding forward currency contracts to purchase foreign currencies with a fair value of \$1.03 billion and outstanding contracts to sell foreign currencies with a fair value of \$1.03 billion. The net unrealized gain of \$2.2 million is included in the Statement of Changes in Net Assets. The contracts have varying maturity dates ranging from July 2, 2012, to September 19, 2012.

At June 30, 2012, the pension trust funds' fixed income portfolio held derivative securities consisting of The following schedule presents the significant terms for derivatives held as investments by the WSIB:

collateralized mortgage obligations with a fair value of \$682.0 million. 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, 2012, if all counterparties fail to perform as contracted is de minimus.

At June 30, 2012, the counterparties for forward currency contracts that are subject to credit risk had a credit rating of no less than A1 using the Moody's rating scale.

Pension Trust Funds Derivative Investments June 30, 2012 (expressed in thousands)			
	Changes in Fair Value - Included in Investment Income (Loss) Amount	Fair Value - Investment Derivative Amount	Notional
Futures Contracts:			
Bond index futures	\$ 54,598	\$ 1,840	\$ 4,520
Equity index futures	(3,770)	3,725	1,049
Total	\$ 50,828	\$ 5,565	\$ 5,569
To Be Announced (TBA) Securities:			
FHLMC TBA	\$ 1,208	\$ 47,713	\$ 43,906
FNMA TBA	9,940	182,609	171,016
GNMA TBA	2,415	61,270	56,042
Total	\$ 13,563	\$ 291,592	\$ 270,964
Forward Currency Contracts:			
Australia-Dollar	\$ (9,147)	\$ 40	\$ 240,943
Brazil-Real	(282)	-	-
Canada-Dollar	(6,869)	554	127,606
Denmark-Krone	(572)	(14)	25,933
E.M.U.-Euro	(34,124)	(2,412)	246,525
Hong Kong-Dollar	1	-	222,301
Israel-Shekel	(1)	(1)	922
Japan-Yen	(1,822)	(10)	8,198,145
Mexico-Peso	(7)	(7)	6,500
New Zealand-Dollar	(467)	(169)	6,141
Norway-Krone	(2,957)	(11)	142,531
Singapore-Dollar	(713)	(3)	1,547
South Africa-Rand	175	177	56,459
Sweden-Krona	(3,565)	(188)	282,251
Switzerland-Franc	(8,396)	(1)	19,690
United Kingdom-Pound	(8,655)	(115)	74,865
United States-Dollar	74,798	-	1,023,077
Total	\$ (2,603)	\$ (2,160)	\$ 10,675,436

8. Reverse Repurchase Agreements – None.

C. INVESTMENTS – WORKERS’ COMPENSATION FUND

1. Summary of Investment Policies

Under RCW 43.33A.030, trusteeship 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 and its staff 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.

The Workers’ Compensation Fund consist of contributions from employers and their employees participating in the state workers’ compensation program and related earnings on those contributions. The workers’ compensation program provides medical, time-loss, and disability benefit payments to qualifying individuals sustaining work-related injuries.

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 the objectives 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 chapter 43.33A RCW. Eligible investments include:

- U.S. equities.
- International equities.
- Treasury inflation protection securities (TIPS).
- 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 the Workers’ Compensation Fund 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.
- 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 benchmark and structure for U.S. equities will be the broad U.S. stock market as defined by the MSCI US IMI passive mandate. The benchmark and structure for international equities will be the Morgan Stanley Capital International All Country World Ex U.S. Investable Market Index. Both portfolios will be 100 percent passively managed in commingled index funds. The commingled funds may use futures for hedging or establishing a long position.
- TIPS will be managed to plus or minus 20 percent of the duration of the Barclays Capital U.S. TIPS Index.
- The structure of the fixed income portfolio varies depending upon the required duration target. 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.

- 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 to the target allocations as soon as it is practical.
- Total market value of below investment grade credit bonds (as defined by Barclays Capital Global Family of Fixed Income Indices) shall not exceed 5 percent of the total market value of the funds. Although below investment grade mortgage-backed, asset-backed, and commercial mortgage-backed securities may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held.
- 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.

In anticipation of the custodian bank conversion on July 1, 2012, the Workers' Compensation Fund recalled all securities on loan. There were no assets on loan at June 30, 2012, and no collateral held related to securities lending transactions.

During fiscal year 2012, 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. Securities lending transactions could be terminated on demand by either the Workers' Compensation Fund or the borrower. The weighted average maturity of loans was 1.5 days.

Cash collateral was invested by the Workers' Compensation Fund in the WSIB's short-term investment pool. 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. 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 2012, 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 2012 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. Increases in prevailing interest rates generally translate into decreases in fair values of those investments.

While the WSIB does not have a formal policy specifically for interest rate risk, the Workers' Compensation Fund fixed income portfolio is managed to set duration targets. The duration targets will be reviewed every three years, or sooner, if there are significant changes in the funding levels or the liability durations. As of June 30, 2012, the Workers' Compensation Fund portfolio durations were within the prescribed duration targets.

The schedule below provides information about the interest rate risks associated with the Workers' Compensation Fund investments as of June 30, 2012. 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 the schedule are reported using the stated maturity date.

Workers' Compensation Fund Schedule of Maturities and Credit Quality June 30, 2012 (expressed in thousands)						
Investment Type	Fair Value	Maturity				Credit Rating
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
Residential mortgage-backed securities	\$ 1,743,809	\$ 25,143	\$ 1,004,023	\$ 667,980	\$ 46,663	Aaa
Commercial mortgage-backed securities	429,228	30,322	377,786	21,120	-	Multiple
Corporate bonds-domestic	3,191,256	203,994	534,684	1,021,460	1,431,118	Multiple
Corporate bonds-foreign (USD)	2,463,565	267,206	439,806	814,804	941,749	Multiple
Foreign government and agencies (USD)	941,850	44,791	396,713	303,048	197,298	Multiple
Supranational (USD)	184,781	45,792	138,989	-	-	Aaa
U.S. government treasuries	777,685	145,357	599,355	32,973	-	Aaa
U.S. treasury inflation protected securities	1,889,532	-	597,280	618,101	674,151	Aaa
	11,621,706	\$ 762,605	\$ 4,088,636	\$ 3,479,486	\$ 3,290,979	
Commingled index funds-domestic	951,396					
Commingled index funds-foreign	628,820					
Money market funds	119,900					
Total	\$ 13,321,822					

USD: Reported in U.S. dollars

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, 2012 (expressed in thousands)					
Moody's Equivalent Credit Rating	Investment Type				Total
	Commercial Mortgage-Backed Securities	Corporate Bonds - Domestic	Corporate Bonds- Foreign (USD)	Foreign Government and Agencies (USD)	
Aaa	\$ 332,934	\$ 6,101	\$ -	\$ 166,303	\$ 505,338
Aa2	-	-	-	53,237	53,237
Aa3	96,294	226,940	224,345	139,208	686,787
A1	-	178,665	225,957	248,947	653,569
A2	-	762,672	35,017	-	797,689
A3	-	481,087	313,892	-	794,979
Baa1	-	558,674	425,599	27,297	1,011,570
Baa2	-	770,301	636,284	146,050	1,552,635
Baa3	-	123,108	443,673	83,253	650,034
Ba1 or lower	-	83,708	158,798	77,555	320,061
Total	\$ 429,228	\$ 3,191,256	\$ 2,463,565	\$ 941,850	\$ 7,025,899

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, 2012, 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 corporate fixed income issue's cost shall

not 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, 2012.

Custodial Credit Risk. Custodial credit risk for investments 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. At June 30, 2012, the Workers' Compensation Fund had \$628.8 million invested in an international commingled equity index fund.

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, 2012.

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, 2012, the only derivative securities held directly by the Workers' Compensation Fund were collateralized mortgage obligations of \$1.74 billion.

7. Reverse Repurchase Agreements – None.

D. INVESTMENTS – LOCAL GOVERNMENT INVESTMENT POOL

1. Summary of Investment Policies

The Local Government Investment Pool (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 the policy 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 state treasurer and designated investment officers shall adhere to all restrictions on the investment of funds established by law and by policy.

The LGIP portfolio is invested in a manner generally consistent with 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.

Safety of principal is the primary objective. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

The investment portfolio will remain liquid to enable the state treasurer to meet all cash requirements that might reasonably be anticipated.

The LGIP will be structured with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the pool.

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.

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)).
- Certificates of deposit or demand deposits with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Obligations of the state of Washington or its political subdivisions.

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

- Investments are restricted to fixed rate securities that mature in 397 days or less, floating and variable rate securities that mature in 762 days or less, and securities utilized in repurchase agreements.
- The weighted average maturity of the portfolio will not exceed 60 days.
- The weighted average life of the portfolio will not exceed 120 days.
- The purchase of investments in securities other than those issued by the U.S. government or its agencies will be limited.

- 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

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, unless it is cash received from the lending of non coupon-bearing securities, 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. Cash collateral received from the lending of non coupon-bearing securities shall not be valued at less than 102 percent of market value, not to exceed par.

The cash is invested by the lending agent 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. One option available to the lending agent is to invest cash collateral with the LGIP. On June 30, 2012, there was \$441.0 million invested with the LGIP by the lending agent. The average life of both the loans and the investment of cash received as collateral was one day.

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 2012, 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 no violations of legal or contractual provisions and no losses resulting from a default of a borrower or lending agent during the year. There was \$441.0 million on loan as of June 30, 2012.

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 LGIP portfolio is invested in a manner

generally consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940, i.e., money market funds. To a great extent, 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 60-day maximum on the weighted average maturity and a 120-day maximum on the weighted average life. 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 that on any reset date can reasonably be expected to have a market value that approximates its amortized cost. As of June 30, 2012, the LGIP had a weighted average maturity of 40 days and a weighted average life of 112 days.

The following schedule presents the LGIP investments, deposits, and related maturities, by type, and provides information about the interest rate risks associated with the LGIP investments as of June 30, 2012:

Local Government Investment Pool (LGIP)			
June 30, 2012			
(expressed in thousands)			
Investment Type	Fair Value	Maturity	
		Less than 1 Year	1-5 Years
U.S. agency securities	\$ 3,374,944	\$ 2,340,713	\$ 1,034,231
U.S. treasury securities	1,649,151	1,649,151	-
Repurchase agreements	3,609,500	3,609,500	-
Demand deposit accounts	599,041	599,041	-
Certificates of deposit and other	87,873	87,873	-
Total	\$ 9,320,509	\$ 8,286,278	\$ 1,034,231

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 depositories, and 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 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 counterparty, 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 by Moody's and AA+ by Standard & Poor's. The fair 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. With the exception of U.S. treasury and U.S. agency securities, the LGIP limits the purchase of securities of any one issuer to no more than 5 percent of the portfolio.

As of June 30, 2012, U.S. treasury securities comprised 17.7 percent of the total portfolio. U.S. agency securities comprised 36.2 percent of the total portfolio, including Federal Home Loan Mortgage Corporation (4.5 percent), Federal Home Loan Bank (15.3 percent), Federal National Mortgage Association (9.4 percent), and Federal Farm Credit Bank (7.0 percent).

5. Foreign Currency Risk - None.

6. Derivatives - None.

7. Repurchase and Reverse Repurchase Agreements

State law 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, 2012, there were no obligations under reverse repurchase agreements.

The fair 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 fair 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 utilized in repurchase agreements must pass the Federal Financial Institutions Examination Council 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, 2012, repurchase agreements totaled \$3.61 billion.

E. INVESTMENTS – HIGHER EDUCATION SPECIAL REVENUE, ENDOWMENT, AND STUDENT SERVICES FUNDS

1. Summary of Investment Policies

The investments of the University of Washington represent 73 percent of the total investments in Higher Education Special Revenue, Endowment, and Student Services 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, 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 venture capital, private equity, opportunistic investments, marketable alternatives, mortgages, real assets, and miscellaneous investments.

The University combines most short-term cash balances in the Invested Funds Pool. At June 30, 2012, the Invested Funds Pool totaled \$1.39 billion. The fund also owns units in the Consolidated Endowment Fund valued at \$422.9 million on June 30, 2012.

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 2012. Endowment operating and gift accounts received 3 percent in fiscal year 2012. 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. Chapter 24.55 RCW and the Uniform Prudent Management of Institutional Funds Act allow for the spending of appreciation in the CEF under comprehensive prudent standards.

Under the CEF spending policy approved by the Board of Regents, quarterly distributions to programs are based on an annual percentage rate of 4 percent applied to the five-year rolling average of the CEF's market valuation. Additionally, the policy allows for an administrative fee of 1 percent supporting campus-wide fundraising and stewardship activities and offsetting the internal cost of managing endowment assets.

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 \$1.31 billion permanent endowment funds (at fair value) as of June 30, 2012, the aggregate amount of the deficiencies where the fair value of the assets is less than the original gifts is \$41.6 million.

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 \$49.1 million at June 30, 2012. Income received from these trusts, which is included in investment income, was \$2.3 million for the year ended June 30, 2012.

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 \$7.9 million in 2012 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 in the fair value of investments during the year ended June 30, 2012 was \$35.1 million.

The following schedule presents the fair value of the University of Washington's investments by type at June 30, 2012:

University of Washington	
June 30, 2012	
(expressed in thousands)	
Investment Type	Fair Value
Cash equivalents	\$ 243,017
Fixed income	1,726,157
Equity	974,827
Non-marketable alternatives	405,866
Absolute return	332,359
Real assets	166,461
Miscellaneous	7,343
Total	\$ 3,856,030

2. Funding Commitments

The University enters into contracts with investment managers to fund alternate investments. As of June 30, 2012, the University had outstanding commitments to fund alternative investments in the amount of \$233.7 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, 2012, the University had 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.

5. Credit Risk

Fixed income securities are subject to credit risk, which 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 25 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 securities.

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 CEF investment policy limits concentration by manager, country (other than U.S.), and market sector. The University further mitigates concentration of credit risk through the due diligence of each manager and careful monitoring of asset concentrations.

The composition of the fixed income securities at June 30, 2012, along with credit quality and effective duration measures is summarized below. The schedule excludes \$248.4 million of fixed-income securities held outside the CEF and the Invested Funds Pool, which makes up 6.4 percent of the University's investments.

University of Washington Invested Funds Pool and Consolidated Endowment Fund Fixed Income Credit Quality and Effective Duration June 30, 2012 (expressed in thousands, duration in years)						
Investments	U.S. Government	Investment Grade	Non-Invest- ment Grade	Not Rated	Total	Duration (in years)
U.S. treasuries	\$ 825,433	\$ -	\$ -	\$ -	\$ 825,433	3.20
U.S. government agency	534,137	-	-	-	534,137	2.61
Mortgage-backed	-	64,500	16,739	5,920	87,159	3.59
Asset-backed	-	122,815	3,757	-	126,572	2.02
Corporate and other	-	142,890	151	4,384	147,425	1.62
Total	\$ 1,359,570	\$ 330,205	\$ 20,647	\$ 10,304	\$ 1,720,726	2.84

6. Foreign Currency Risk

The University's investment policies permit investments in international equity and other asset classes that can include foreign currency exposure. At June 30, 2012, the University had net outstanding forward commitments to sell foreign currency with a total fair value of \$10.9 million, which equals 0.28 percent of the total portfolio.

The following schedule details the market value of foreign denominated securities by currency type:

University of Washington Consolidated Endowment Fund Foreign Currency Risk June 30, 2012 (expressed in thousands)	
Foreign Currency	Amount
E.M.U.-Euro	\$ 70,764
Britain-Pound	67,889
China-Renminbi	52,213
India-Rupee	49,802
Japan-Yen	48,273
Russia-Ruble	38,328
Brazil-Real	36,451
Canada-Dollar	28,153
Hong Kong-Dollar	24,181
Switzerland-Franc	22,876
South Korean-Won	22,465
Australia-Dollar	14,271
Thailand-Baht	13,564
Taiwan-Dollar	13,159
Indonesia-Rupiah	12,829
Remaining currencies	122,296
Total	\$ 637,514

7. Derivatives

The University's investment policies allow investing in various derivative instruments, including futures, swaps, and forwards, to manage its exposure to market fluctuations in various asset classes. Futures are financial contracts obligating the buyer to purchase an asset at a predetermined future date and price. Total return swaps involve commitments to pay interest in exchange for a market linked return, both based on notional amounts.

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, 2012.

The University did not hold any investment or hedging derivatives as of June 30, 2012. Details on foreign currency derivatives are disclosed under Foreign Currency Risk.

The following schedule presents the significant terms for derivatives held as investments by the University:

University of Washington Derivative Investments June 30, 2012 (expressed in thousands)			
Category	Changes in Fair	Fair Value -	Notional
	Value - Included in Investment Income (Loss) Amount	Investment - Derivative Amount	
Futures contracts	\$ 8,336	\$ 90,732	\$ 86,732

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, including 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 to policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7)).
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission.
- Local Government Investment Pool.
- Obligations of the state of Washington or its political subdivisions.

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 is not allowed.
- The allocation to investments subject to high price 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, 2012, 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 2012, 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, 2012:

Office of the State Treasurer (OST)					
Cash Management Account					
June 30, 2012					
(expressed in thousands)					
Investment Type	Fair Value	Maturity			
		Less than 1 Year	1-5 Years	6-10 Years	
U.S. agency obligations	\$ 1,055,336	\$ 20,000	\$ 1,015,346	\$ 19,990	
U.S. government obligations	589,694	-	589,694	-	
Repurchase agreements	2,225,000	2,225,000	-	-	
Certificates of deposit	151,797	151,797	-	-	
Investments with LGIP	350,322	350,322	-	-	
Demand deposit accounts	61,446	61,446	-	-	
Municipal bonds	12	12	-	-	
Total	\$ 4,433,607	\$ 2,808,577	\$ 1,605,040	\$ 19,990	

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 depositories.

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 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 2012, 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 utilized in repurchase agreements must pass the Federal Financial Institutions Examination Council 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, 2012.

Note 4

Receivables and Deferred/Unearned Revenue

A. GOVERNMENTAL FUNDS

Taxes Receivable

Taxes receivable at June 30, 2012, consisted of the following (expressed in thousands):

Taxes Receivable	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property	\$ 991,803	\$ -	\$ -	\$ 178	\$ 991,981
Sales	1,545,033	-	-	-	1,545,033
Business and occupation	670,164	-	-	-	670,164
Estate	1,053	18,145	-	-	19,198
Fuel	-	-	-	111,739	111,739
Other	6,598	-	-	355	6,953
Subtotals	3,214,651	18,145	-	112,272	3,345,068
Less: Allowance for uncollectible receivables	48,993	-	-	790	49,783
Total Taxes Receivable	\$ 3,165,658	\$ 18,145	\$ -	\$ 111,482	\$ 3,295,285

Other Receivables

Other receivables at June 30, 2012, consisted of the following (expressed in thousands):

Other Receivables	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Public assistance ⁽¹⁾	\$ 823,955	\$ -	\$ -	\$ -	\$ 823,955
Accounts receivable	26,418	174,564	812	72,506	274,300
Interest	-	7,582	4,064	3,504	15,150
Loans ⁽²⁾	3,995	130,636	-	448,990	583,621
Long-term contracts ⁽³⁾	1,867	-	9,912	66,612	78,391
Miscellaneous	121,592	46,414	9,458	181,054	358,518
Subtotals	977,827	359,196	24,246	772,666	2,133,935
Less: Allowance for uncollectible receivables	810,274	24,436	-	39,006	873,716
Total Other Receivables	\$ 167,553	\$ 334,760	\$ 24,246	\$ 733,660	\$ 1,260,219

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 \$107.0 million in the Higher Education Special Revenue Fund for student loans and \$421.8 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 and Unearned Revenue

Deferred and unearned revenue at June 30, 2012, consisted of the following (expressed in thousands):

Deferred and Unearned Revenue	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Property taxes	\$ 964,786	\$ -	\$ -	\$ 57	\$ 964,843
Other taxes	475,362	14,924	-	283	490,569
Timber sales	1,867	-	9,912	66,612	78,391
Charges for services	107,078	191,217	606	38,268	337,169
Donable goods	-	-	-	7,103	7,103
Grants and donations	18,317	1,552	-	9,694	29,563
Loan programs	-	13	-	801,626	801,639
Seizure of forfeited assets	-	-	-	6,390	6,390
Miscellaneous	26,925	5,171	-	28,745	60,841
Total Deferred and Unearned Revenue	\$ 1,594,335	\$ 212,877	\$ 10,518	\$ 958,778	\$ 2,776,508

B. PROPRIETARY FUNDS

Taxes Receivable

Taxes receivable at June 30, 2012, consisted of \$9.8 million in liquor taxes reported in Nonmajor Enterprise Funds.

Other Receivables

Other receivables at June 30, 2012, consisted of the following (expressed in thousands):

Other Receivables	Business-Type Activities Enterprise Funds						Governmental Activities
	Workers' Compensation	Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Total	Internal Service Funds
Accounts receivable	\$ 156,880	\$ -	\$ 240,597	\$ 6	\$ 39,818	\$ 437,301	\$ 12,366
Interest	109,783	-	526	5,589	-	115,898	9
Miscellaneous	576,663	665,224	2,862	1	48	1,244,798	9,509
Subtotals	843,326	665,224	243,985	5,596	39,866	1,797,997	21,884
Less: Allowance for uncollectible receivables	156,691	95,054	72,481	-	263	324,489	354
Total Other Receivables	\$ 686,635	\$ 570,170	\$ 171,504	\$ 5,596	\$ 39,603	\$ 1,473,508	\$ 21,530

Unearned Revenue

Unearned revenue at June 30, 2012, consisted of the following (expressed in thousands):

Unearned Revenue	Business-Type Activities Enterprise Funds						Governmental Activities
	Workers'	Unemployment	Higher Education	Guaranteed	Nonmajor	Total	Internal Service Funds
	Compensation	Compensation	Student Services	Education Tuition Program	Enterprise Funds		
Charges for services	\$ 3	\$ -	\$ 35,606	\$ -	\$ -	\$ 35,609	\$ 1,074
Other taxes	510	-	-	-	-	510	-
Miscellaneous	7,176	-	333	-	-	7,509	2
Total Unearned Revenue	\$ 7,689	\$ -	\$ 35,939	\$ -	\$ -	\$ 43,628	\$ 1,076

C. FIDUCIARY FUNDS

Other Receivables

Other receivables at June 30, 2012, consisted of the following (expressed in thousands):

Other Receivables	Local Government	
	Investment Pool	Agency Funds
Interest	\$ 1,045	\$ 6,903
Other	-	1,872
Subtotals	1,045	8,775
Less: Allowance for uncollectible receivables	-	3,534
Total Other Receivables	\$ 1,045	\$ 5,241

Unearned Revenue

Unearned revenue at June 30, 2012, consisted of \$883 thousand for service credit restorations reported in Pension and Other Employee Benefit Plans.

Note 5

Interfund Balances and Transfers

A. INTERFUND BALANCES

Interfund balances as reported in the financial statements at June 30, 2012, consisted of the following (expressed in thousands):

Due To	Due From				
	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Workers' Compensation
General	\$ -	\$ 975	\$ -	\$ 125,545	\$ 985
Higher Education Special Revenue	56,845	-	-	9,063	253
Higher Education Endowment	-	-	-	1	-
Nonmajor Governmental Funds	681,675	133,807	1,769	171,700	35
Workers' Compensation	6	-	-	19	-
Unemployment Compensation	1,732	1,750	-	1,091	74
Higher Education Student Services	836	142,774	-	281,719	238
Guaranteed Education Tuition Program	1	-	-	-	-
Nonmajor Enterprise Funds	4,223	576	-	442	20
Internal Service Funds	28,476	970	-	20,316	6,990
Fiduciary Funds	-	-	-	-	-
Totals	\$ 773,794	\$ 280,852	\$ 1,769	\$ 609,896	\$ 8,595

Nearly all 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. Interfund balances include a \$28.5 million loan from a nonmajor governmental fund to the General Fund which is expected to be paid over the next six years.

In addition to the interfund balances noted in the schedule above, there are interfund balances of \$6.0 million within the state's Pension Trust Funds.

Due From						
Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Internal Service Funds	Fiduciary Funds	Totals
\$ 1	\$ 28,465	\$ 126	\$ 33,762	\$ 2,851	\$ -	\$ 192,710
-	407,832	-	-	15,449	-	489,442
-	-	-	-	-	-	1
1,091	139,920	-	253	1,669	22	1,131,941
-	-	-	-	20	-	45
-	40	-	189	188	173	5,237
-	-	-	-	-	-	425,567
-	-	-	-	-	-	1
-	40	2	574	50	42	5,969
-	30	4	1,317	53,315	1,362	112,780
-	-	-	10	-	-	10
\$ 1,092	\$ 576,327	\$ 132	\$ 36,105	\$ 73,542	\$ 1,599	\$ 2,363,703

B. INTERFUND TRANSFERS

Interfund transfers as reported in the financial statements for the year ended June 30, 2012, consisted of the following (expressed in thousands):

Transferred From	Transferred To				
	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Workers' Compensation
General	\$ -	\$ 906	\$ -	\$ 1,041,373	\$ -
Higher Education Special Revenue	26,056	-	369	6,552	-
Higher Education Endowment	-	8,488	-	121,095	-
Nonmajor Governmental Funds	243,623	37,915	1,785	900,941	-
Workers' Compensation	-	-	-	-	-
Unemployment Compensation	-	-	-	-	-
Higher Education Student Services	-	43,175	-	-	-
Guaranteed Education Tuition Program	-	-	-	-	-
Nonmajor Enterprise Funds	220,015	-	-	10,280	-
Internal Service Funds	5,960	183	-	-	-
Totals	\$ 495,654	\$ 90,667	\$ 2,154	\$ 2,080,241	\$ -

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.

On June 30, 2012, \$129.5 million was transferred from the General Fund Basic Account to the Budget Stabilization Account (BSA) in accordance with the provisions of the Constitution. The BSA is reported as an Administrative Account within the General Fund. 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.

In addition to the transfers noted in the schedule above, there were transfers of \$3.0 million within the state's Pension Trust Funds.

Transferred To						
Unemployment Compensation	Higher Education Student Services	Guaranteed Education Tuition Program	Nonmajor Enterprise Funds	Internal Service Funds	Totals	
\$ -	\$ -	\$ -	\$ -	\$ 14,044	\$ 1,056,323	
-	90,603	-	-	1,776	125,356	
-	-	-	-	-	129,583	
-	21,145	-	-	-	1,205,409	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	3,685	46,860	
-	-	-	-	-	-	
-	-	-	15,987	-	246,282	
-	527	-	-	18,798	25,468	
\$ -	\$ 112,275	\$ -	\$ 15,987	\$ 38,303	\$ 2,835,281	

Note 6

Capital Assets

Capital assets at June 30, 2012, 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, 2012 (expressed in thousands):

Capital Assets	Balances July 1, 2011*	Additions	Deletions / Adjustments**	Balances June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 1,330,517	\$ 1,041,379	\$ (13,772)	\$ 2,358,124
Transportation infrastructure	20,976,355	922,836	(1,031,694)	20,867,497
Intangible assets - indefinite lives	3,415	1,520	(3,415)	1,520
Art collections, library reserves, and museum and historical collections	113,071	9,641	(40)	122,672
Construction in progress	969,522	261,622	(418,543)	812,601
Total capital assets, not being depreciated	23,392,880			24,162,414
Capital assets, being depreciated:				
Buildings	10,778,797	739,774	(57,286)	11,461,285
Accumulated depreciation	(3,698,571)	(270,520)	18,352	(3,950,739)
Net buildings	7,080,226			7,510,546
Other improvements	1,214,674	60,790	(9,499)	1,265,965
Accumulated depreciation	(539,010)	(48,175)	4,611	(582,574)
Net other improvements	675,664			683,391
Furnishings, equipment and intangible assets	4,184,669	380,951	(128,246)	4,437,374
Accumulated depreciation	(2,801,889)	(258,530)	103,312	(2,957,107)
Net furnishings, equipment and intangible assets	1,382,780			1,480,267
Infrastructure	840,985	45,231	-	886,216
Accumulated depreciation	(397,230)	(27,242)	-	(424,472)
Net infrastructure	443,755			461,744
Total capital assets, being depreciated, net	9,582,425			10,135,948
Governmental Activities Capital Assets, Net	\$ 32,975,305			\$ 34,298,362

* Beginning balances reflect the prior period adjustment to the capitalization threshold for the University of Washington (UW) which resulted in an increase in governmental furnishings and equipment of \$112.4 million and an increase to accumulated depreciation of \$97.2 million.

** Adjustment activity includes a UW transfer of net assets from the Higher Education Student Services Fund, a major enterprise fund, to the Higher Education Revolving Fund, an internal service fund, of \$7.8 million. The Department of Transportation made adjustments to transportation infrastructure to reclassify \$907.4 million to land, and properly expense items previously capitalized that should not have been.

B. BUSINESS-TYPE CAPITAL ASSETS

The following is a summary of business-type capital asset activity for the year ended June 30, 2012 (expressed in thousands):

Capital Assets	Balances July 1, 2011 *	Additions	Deletions / Adjustments **	Balances June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 65,264	\$ -	\$ (2,502)	\$ 62,762
Art collections	35	-	-	35
Construction in progress	292,830	429,113	(40,529)	681,414
Total capital assets, not being depreciated	358,129			744,211
Capital assets, being depreciated:				
Buildings	2,040,447	219,346	(157,204)	2,102,589
Accumulated depreciation	(677,007)	(57,252)	34,053	(700,206)
Net buildings	1,363,440			1,402,383
Other improvements	83,305	4,825	(488)	87,642
Accumulated depreciation	(28,057)	(3,807)	342	(31,522)
Net other improvements	55,248			56,120
Furnishings, equipment and intangible assets	584,580	87,045	(53,857)	617,768
Accumulated depreciation	(437,021)	(41,273)	22,038	(456,256)
Net furnishings, equipment and intangible assets	147,559			161,512
Infrastructure	41,273	409	-	41,682
Accumulated depreciation	(14,845)	(1,486)	-	(16,331)
Net infrastructure	26,428			25,351
Total capital assets, being depreciated, net	1,592,675			1,645,366
Business-Type Activities Capital Assets, Net	\$ 1,950,804			\$ 2,389,577

* Beginning balances reflect the prior period adjustment to the capitalization threshold for the University of Washington (UW) which resulted in an increase in furnishings and equipment of \$20.5 million and an increase in accumulated depreciation of \$16.9 million.

** Adjustment activity includes a UW transfer of net assets from the Higher Education Student Services Fund, a major enterprise fund, to the Higher Education Revolving Fund, an internal service fund, of \$7.8 million.

C. DEPRECIATION

Depreciation expense for the year ended June 30, 2012, was charged by the primary government as follows (expressed in thousands):

	Amount
Governmental Activities:	
General government	\$ 50,529
Education - elementary and secondary (K-12)	2,198
Education - higher education	335,704
Human services	31,265
Adult corrections	46,610
Natural resources and recreation	41,566
Transportation	96,595
Total Depreciation Expense - Governmental Activities *	\$ 604,467
Business-Type Activities:	
Workers' compensation	\$ 6,634
Unemployment compensation	-
Higher education student services	92,137
Guaranteed education tuition program	7
Other	5,040
Total Depreciation Expense - Business-Type Activities	\$ 103,818

* Includes \$72.7 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, 2012, are as follows (expressed in thousands):

Agency / Project Commitments	Construction In Progress June 30, 2012	Remaining Project Commitments
Department of Enterprise Services:		
O'Brien Building improvement, Transportation Building preservation, Capitol Campus High Voltage System and other projects	\$ 63,617	\$ 16,484
Department of Labor and Industries:		
Early claims solution software and Retro rewrite	3,681	13,080
Department of Social and Health Services:		
Residential housing unit renovations and other projects	25,651	6,193
Department of Veterans Affairs:		
Veterans Cemetery, Walla Walla Veterans Home and other projects	9,873	31,769
Department of Corrections:		
Prison intake center	-	252,226
Correctional center housing units and kitchen expansion and other projects	31,235	24,868
Department of Transportation:		
State ferry vessels and terminals and other projects	149,268	231,568
Transportation infrastructure	-	3,073,930
Department of Fish and Wildlife:		
Voights Creek Hatchery, Skookumchuck Hatchery renovation, Deschutes Watershed Center, and other projects	10,426	26,017
Employment Security Department:		
Next generation TAXIS system project	27,447	27,030
University of Washington:		
HUB renovation	95,052	13,550
Washington Biomed Research Facilities	97,406	89,654
UW Bothell sportfield and Husky stadium projects	95,439	138,337
UWMC expansion	190,207	69,083
Elm, Alder and Lander Student Hall renovations, and Mercer Hall replacement	129,899	284,474
Odegard renovation, high voltage infrastructure, UW Tacoma & Bothell and other projects	122,582	64,107
Washington State University:		
Veterinary Medical Research Building, Agricultural Animal Health Research Facility, and Global Animal Health Building	103,522	59,369
Biomedical and Health Sciences Building	14,944	63,671
Martin Stadium improvements	38,664	41,336
Clean Technology Laboratory	539	57,161
Duncan Dunn/Community Hall renovation, Northside Resident Hall construction, and other projects	35,195	45,306
Eastern Washington University:		
Patterson Hall renovation, residence hall project, and other projects	32,388	53,149
Central Washington University:		
Hogue Hall renovation, new residence hall construction, and other projects	61,390	14,200
The Evergreen State College:		
Communication Building project and other projects	10,255	13,434
Western Washington University:		
Carver and Fraser Hall renovation, housing and dining, and other projects	11,772	336
Community and Technical Colleges:		
Bellevue Health Science Building	3,011	42,276
Everett index replacement, Parks Union and Jackson remodel	14,864	19,778
Green River Lindbloom Center, Trades and Industry and SMT renovation	4,427	82,988
Seattle Community College District Employment Residence Center, Georgetown PSIEC, and wood construction replacement	30,005	3,768
Tacoma Health Careers Center	2,262	38,772
Other miscellaneous community college projects	44,089	116,089
Other Agency Projects	34,906	28,537
Total Construction in Progress	\$ 1,494,016	\$ 5,042,540

Note 7

Long-Term Liabilities

A. BONDS PAYABLE

Bonds payable at June 30, 2012, 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 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 statutes 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 2012 is \$1.09 billion.

This computation excludes specific bond issues and types, which are not secured by general state revenues. Of the \$17.85 billion general obligation bond debt outstanding at June 30, 2012, \$10.71 billion is subject to the limitation.

Based on the debt limitation calculation, the debt service requirements as of June 30, 2012, 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_cdl2012.pdf, or to Schedule 11 in the Statistical Section of this report.

Authorized But Unissued

The state had a total of \$7.42 billion in general obligation bonds authorized but unissued as of June 30, 2012, for the purpose of capital construction, higher education, and transportation projects throughout the state.

Interest Rates

Interest rates on fixed rate general obligation bonds ranged from 0.3 to 6.75 percent. Variable rate demand obligations (VRDO) of \$108.8 million as of June 30, 2012, are remarketed on a weekly basis. Interest rates on revenue bonds range from 2 to 7.4 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 2012. 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 dial 711 for the Washington Relay Service, 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, 2012, are as follows (expressed in thousands):

General Obligation Bonds	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
By Fiscal Year:						
2013	\$ 695,292	\$ 847,183	\$ 3,400	\$ 717	\$ 698,692	\$ 847,900
2014	765,572	826,184	3,605	527	769,177	826,711
2015	798,035	801,394	3,820	325	801,855	801,719
2016	817,732	770,862	4,050	110	821,782	770,972
2017	844,159	757,285	-	-	844,159	757,285
2018-2022	4,118,737	3,192,832	-	-	4,118,737	3,192,832
2023-2027	3,990,131	2,169,955	-	-	3,990,131	2,169,955
2028-2032	3,487,804	1,193,629	-	-	3,487,804	1,193,629
2033-2037	1,737,345	332,984	-	-	1,737,345	332,984
2038-2042	583,044	65,052	-	-	583,044	65,052
Total Debt Service Requirements	\$ 17,837,851	\$ 10,957,360	\$ 14,875	\$ 1,679	\$ 17,852,726	\$ 10,959,039

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, 2012, include \$221.0 million in governmental activities and \$1.16 billion 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, 2012, are as follows (expressed in thousands):

Revenue Bonds	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
By Fiscal Year:						
2013	\$ 19,733	\$ 81,142	\$ 18,482	\$ 86,267	\$ 38,215	\$ 167,409
2014	29,210	87,179	48,842	86,970	78,052	174,149
2015	26,728	85,613	43,965	84,835	70,693	170,448
2016	76,599	83,250	46,288	82,553	122,887	165,803
2017	80,802	79,286	47,985	80,339	128,787	159,625
2018-2022	441,552	333,788	258,200	365,734	699,752	699,522
2023-2027	406,477	211,587	268,650	294,554	675,127	506,141
2028-2032	294,660	123,506	275,175	217,812	569,835	341,318
2033-2037	168,687	59,381	373,670	144,269	542,357	203,650
2038-2042	112,708	10,992	300,573	36,862	413,281	47,854
Total Debt Service Requirements	\$ 1,657,156	\$ 1,155,724	\$ 1,681,830	\$ 1,480,195	\$ 3,338,986	\$ 2,635,919

Governmental activities include revenue bonds outstanding at June 30, 2012, of \$388.8 million issued by the Tobacco Settlement Authority (TSA), which is a blended component unit of the state. In November 2002, the TSA issued \$517.9 million in bonds and transferred \$450.0 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 \$706.4 million, payable through 2032. For the current year, pledged revenue and debt service were \$44.8 million and \$44.3 million, respectively.

Governmental activities include revenue bonds outstanding at June 30, 2012, of \$500.4 million issued for the Washington State Department of Transportation. The bonds were issued to finance a portion of the costs of constructing the State Route 520 Floating Bridge and Eastside Project.

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 \$702.5 million, payable through 2025. The bonds were issued on June 6, 2012, so both pledged revenue and debt service were zero for the current year.

Governmental activities include revenue bonds outstanding at June 30, 2012, of \$179.9 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 \$294.1 million, payable through 2038. For the current year, pledged revenue and debt service were \$27.8 million and \$7.1 million, respectively.

Governmental activities include revenue bonds outstanding at June 30, 2012, of \$52.9 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 \$82.9 million, payable through 2028. For the current year, both pledged revenue and debt service were \$3.9 million.

Governmental activities include revenue bonds outstanding at June 30, 2012, of \$304.5 million issued by FYI Properties, a blended component unit of the state. The bonds, issued in 2009, are payable solely from the trust estate pledged under the indenture, including rental payments. The bonds were used to construct an office building in Olympia, Washington which the state occupied beginning in fiscal year 2012.

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 \$584.2 million, payable through 2039. For the current year, both pledged revenue and debt service were \$17.5 million.

Additionally, governmental activities include revenue bonds outstanding at June 30, 2012, of \$9.7 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 \$11.6 million, payable through 2022. For the current year, both pledged revenue and debt service were \$1.6 million.

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, 2012, 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	\$ 31,097	\$ 43,598	\$ 2,687	\$ 38
Current year debt service	19,617	19,728	777	228
Total future revenues pledged *	477,223	458,458	9,311	5,024
Description of debt	Housing and dining bonds, issued in 1998- 2012	Student facilities bonds, issued in 1996-2009 and refunding revenue bonds, issued in 2002-2012	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	2013-2042	2019-2038	2024-2030	2034
Percentage of debt service to pledged revenues (current year)	63.08%	45.25%	28.92%	594.19%

* Total future principal and interest payments.

B. CERTIFICATES OF PARTICIPATION

Certificates of participation at June 30, 2012, 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, 2012, are as follows (expressed in thousands):

Certificates of Participation	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
By Fiscal Year:						
2013	\$ 83,552	\$ 25,667	\$ 8,587	\$ 2,855	\$ 92,139	\$ 28,522
2014	48,711	15,377	6,124	1,710	54,835	17,087
2015	43,240	13,715	4,810	1,526	48,050	15,241
2016	39,458	12,131	4,389	1,349	43,847	13,480
2017	27,695	18,785	3,081	2,089	30,776	20,874
2018-2022	113,345	38,427	12,608	4,274	125,953	42,701
2023-2027	80,712	17,211	8,978	1,914	89,690	19,125
2028-2032	31,933	2,842	3,552	316	35,485	3,158
Total Debt Service Requirements	\$ 468,646	\$ 144,155	\$ 52,129	\$ 16,033	\$ 520,775	\$ 160,188

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 November 9, 2011, the state issued \$461.4 million of various purpose general obligation refunding bonds with an average interest rate of 4.84 percent to refund \$488.1 million of various purpose general obligation bonds with an average interest rate of 4.91 percent. The refunding resulted in a \$58.4

million gross debt service savings over the next 13 years and a net present value savings of \$48.7 million.

Also on November 9, 2011, the state issued \$42.3 million of motor vehicle fuel tax refunding bonds with an average interest rate of 4.84 percent to refund \$43.7 million of motor vehicle fuel tax general obligation bonds with an average interest rate of 4.91 percent. The refunding resulted in a \$3.9 million gross debt service savings over the next 13 years and a net present value savings of \$2.9 million.

On February 21, 2012, the state issued \$733.7 million of various purpose general obligation refunding bonds with an average interest rate of 4.43 percent to refund \$781.2 million of various purpose general obligation bonds with an average interest rate of 5 percent. The refunding resulted in a \$145.6 million gross debt service savings over the next 18 years and a net present value savings of \$114.7 million.

Also on February 21, 2012, the state issued \$271.1 million of motor vehicle fuel tax refunding bonds with an average interest rate of 4.37 percent to refund \$288.5 million of motor vehicle fuel tax general obligation bonds with an average interest rate of 4.93 percent. The refunding resulted in a \$50.4 million gross debt service savings over the next 18 years and a net present value savings of \$40.5 million.

Business-Type Activities. On July 28, 2011, the University of Washington issued \$211.4 million in general revenue and refunding bonds. \$74.5 million of the proceeds were used to refund \$89.3 million of 63-20 financings issued through third parties. The refunded bonds had coupon rates ranging from 5 to 6.6 percent; the new bonds have an average interest rate of 4.623 percent. The refunding resulted in a \$17.0 million gross debt service savings over the next 20.7 years and resulted in a total economic gain of \$13.7 million.

On March 7, 2012, the University of Washington issued \$50.3 million of general revenue and refunding bonds with an average interest rate of 4.79 percent to refund \$62.0 million of existing bonds with an average interest rate of 4.99 percent. The refunding resulted in an \$8.2 million gross debt service savings over the next 11.7 years and an economic gain of \$8.0 million.

On April 17, 2012, Central Washington University issued \$7.7 million in business-type activity revenue refunding bonds with an average interest rate of 3.34 percent to refund \$7.5 million of business-type activity revenue bonds with an average interest rate of 5.31 percent. The refunding resulted in a \$1.6 million gross debt service savings over the next 20 years and an economic loss of \$101,577.

On April 30, 2012, Western Washington University issued \$24.4 million in student recreation fee revenue and refunding bonds with an average interest rate of 3.92 percent to refund \$23.6 million of student recreation fee revenue bonds with an average interest rate of 5.19 percent. The refunding resulted in a \$697,615 gross debt service loss over the next 15 years and an economic gain of \$2.7 million.

Certificates of Participation (COPs)

On August 24, 2011, the state issued \$16.5 million in refunding certificates of participation with an average interest rate of 4.67 percent to refund \$18.1 million of certificates of participation with interest rates between 4.57 and 5.28 percent. The refunding resulted in a \$2.4 million gross debt service savings over the next 12 years and a net present value savings of \$2.1 million.

On March 23, 2012, the state issued \$9.1 million in refunding certificates of participation with an average interest rate of 2.71 percent to refund \$10.1 million of certificates of participation with an average interest rate of 4.84 percent. The refunding resulted in a \$1.0 million gross savings over the next 10.5 years and a net present value savings of \$998,000.

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, 2012, \$1.91 billion of general obligation bonded debt outstanding is considered defeased.

Revenue Bond Debt

On June 30, 2012, \$75.2 million of revenue bonded debt outstanding is considered defeased.

Certificates of Participation Debt

On June 30, 2012, \$66.1 million of certificates of participation debt outstanding is considered defeased.

D. LEASES

Leases at June 30, 2012, 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 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, 2012, include the following (expressed in thousands):

	Governmental Activities	Business-Type Activities
Land (non-depreciable)	\$ 1,918	\$ -
Buildings	4,105	4,512
Equipment	24,026	5,791
Less: Accumulated depreciation	(16,547)	(7,871)
Totals	\$ 13,502	\$ 2,432

The following schedule presents future minimum payments for capital and operating leases as of June 30, 2012 (expressed in thousands):

Capital and Operating Leases	Capital Leases		Operating Leases	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
By Fiscal Year:				
2013	\$ 3,242	\$ 825	\$ 106,319	\$ 25,960
2014	1,911	963	97,718	25,256
2015	1,582	946	86,326	23,930
2016	278	933	67,070	21,245
2017	134	920	45,637	16,638
2018-2022	420	2,592	163,632	20,295
2023-2027	25	48	114,636	13,045
2028-2032	-	-	112,458	15,119
2033-2037	-	-	117,831	17,523
2038-2042	-	-	41,026	19,133
Total Future Minimum Payments	7,592	7,227	952,653	198,144
Less: Executory Costs and Interest Costs	(441)	(1,505)	-	-
Net Present Value of Future Minimum Lease Payments	\$ 7,151	\$ 5,722	\$ 952,653	\$ 198,144

The total operating lease rental expense for fiscal year 2012 for governmental activities was \$277.0 million, of which \$1.0 million was for contingent rentals. The total operating lease rental expense for fiscal year 2012 for business-type activities was \$51.2 million, of which \$34 thousand was for contingent rentals.

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, 2012, \$35.42 billion of unpaid claims and claim adjustment expenses are presented at their net present and settlement value of \$22.60 billion. These claims are discounted at assumed interest rates of 2.0

percent (time loss and medical) to 6.5 percent (pensions) to arrive at a settlement value.

The claims and claim adjustment liabilities of \$22.60 billion as of June 30, 2012, include \$10.86 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 \$11.74 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 2011 and 2012 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
2011	\$ 24,025,832	1,016,932	(2,099,453)	\$ 22,943,311
2012	\$ 22,943,311	1,731,341	(2,078,302)	\$ 22,596,350

Risk Management

The Risk Management Fund administers tort and sundry claims filed against Washington state agencies, except the University of Washington and the Department of Transportation Ferries Division. The Fund reports a tort 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 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, 2012, outstanding and actuarially determined claims against the state and its agencies, with the exception of the University of Washington, including actuarially projected defense costs were \$813.4 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, 2012, the Risk Management Fund held \$107.9 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 2011 and 2012 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
2011	\$ 727,136	86,297	(74,051)	(36,750)	\$ 702,632
2012	\$ 702,632	170,437	(42,747)	(16,949)	\$ 813,373

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, 2012, health insurance claims liabilities totaling \$68.9 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 2011 and 2012 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
2011	\$ 88,395	736,340	(739,745)	\$ 84,990
2012	\$ 84,990	771,328	(787,411)	\$ 68,907

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 25 projects in progress for which the state has recorded a liability of \$26.4 million.

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. At June 30, 2012, the state has recorded a liability of \$138.8 million for remaining project commitments.

Overall, the state has recorded a pollution remediation liability of \$165.2 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; 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, 2012, is reported by the state of Washington within governmental activities and business-type activities, as applicable. Long-term liability activity for governmental activities for fiscal year 2012 is as follows (expressed in thousands):

	Beginning Balance July 1, 2011	Additions	Reductions	Ending Balance June 30, 2012	Amounts Due Within One Year
Governmental Activities:					
Long-Term Debt:					
GO Bonds Payable:					
General obligation (GO) bonds	\$ 16,084,175	\$ 3,337,180	\$ 2,214,805	\$ 17,206,550	\$ 659,800
GO - zero coupon bonds (principal)	666,196	-	34,895	631,301	35,492
Subtotal - GO bonds payable	16,750,371	3,337,180	2,249,700	17,837,851	695,292
Accreted interest - GO - zero coupon bonds	393,181	21,538	-	414,719	-
Revenue bonds payable	739,691	972,208	54,743	1,657,156	19,733
Less: Deferred amounts for issuance discounts	(7,310)	626	-	(6,684)	-
Total Bonds Payable	17,875,933	4,331,552	2,304,443	19,903,042	715,025
Other Liabilities:					
Certificates of participation	481,929	57,433	70,716	468,646	83,552
Claims and judgments	891,239	276,626	145,881	1,021,984	279,411
Installment contracts	7,012	-	213	6,799	96
Leases	5,913	3,954	2,716	7,151	3,120
Compensated absences	537,454	326,364	309,867	553,951	67,244
Unfunded pension obligations	234,320	48,392	289	282,423	-
Other postemployment benefits obligations	921,841	224,649	-	1,146,490	-
Pollution remediation obligations	168,219	20,739	23,724	165,234	-
Unclaimed property refunds	100,172	29,086	6	129,252	51
Other	316,097	1,180,040	1,065,362	430,775	299,678
Total Other Liabilities	3,664,196	2,167,283	1,618,774	4,212,705	733,152
Total Long-Term Debt	\$ 21,540,129	\$ 6,498,835	\$ 3,923,217	\$ 24,115,747	\$ 1,448,177

For governmental activities, certificates of participation are being repaid approximately 52 percent from the General Fund, 35 percent from the Higher Education Special Revenue Fund, and the balance from various governmental funds. The compensated absences liability will be liquidated approximately 44 percent by the General Fund, 33 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The claims and judgments liability will be liquidated approximately 80 percent by the Risk Management Fund (an internal service fund), 7 percent by the Health Insurance Fund (an internal service fund), and the balance by various other governmental funds.

The other postemployment benefits obligations liability will be liquidated approximately 44 percent by the General Fund, 33 percent by the Higher Education Special Revenue Fund, and the balance by various other governmental funds. The pollution remediation liability will be liquidated approximately 84 percent by the Wildlife and Natural Resources Fund, a nonmajor governmental fund, and the balance by various other governmental funds. The unclaimed property refunds will be liquidated against future unclaimed property deposited to the General Fund. Leases, installment contract obligations, and other liabilities will be repaid from various other governmental funds.

Long-term liability activity for business-type activities for fiscal year 2012 (expressed in thousands) is as follows:

Business-Type Activities	Beginning Balance July 1, 2011	Additions	Reductions	Ending Balance June 30, 2012	Amounts Due Within One Year
Long-Term Debt:					
General obligation bonds payable	\$ 18,080	\$ -	\$ 3,205	\$ 14,875	\$ 3,400
Revenue bonds payable	1,423,167	445,554	186,891	1,681,830	18,482
Plus: Unamortized amounts issuance premiums	13,662	63,897	4,898	72,661	-
Less: Deferred amounts for issuance discounts	(449)	33	-	(416)	-
Less: Deferred gain/loss on bond refunding	(8,517)	510	7,666	(15,673)	-
Total Bonds Payable	1,445,943	509,994	202,660	1,753,277	21,882
Other Liabilities:					
Certificates of participation	61,666	10,310	19,847	52,129	8,587
Less: Deferred amounts for issuance discounts	-	4	(1,244)	1,248	-
Claims and judgments	22,955,326	633,244	980,617	22,607,953	1,777,642
Lottery prize annuities payable	240,158	54,087	87,666	206,579	40,137
Tuition benefits payable	2,730,700	336,759	125,459	2,942,000	160,000
Leases	6,490	67	835	5,722	539
Compensated absences	60,991	28,841	24,243	65,589	33,097
Other postemployment benefits obligations	105,926	26,965	-	132,891	-
Other	225,200	493,625	616,725	102,100	76,753
Total Other Liabilities	26,386,457	1,583,902	1,854,148	26,116,211	2,096,755
Total Long-Term Debt	\$ 27,832,400	\$ 2,093,896	\$ 2,056,808	\$ 27,869,488	\$ 2,118,637

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 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, 2012, balances for the "No Commitment" debt of the state's financing authorities (expressed in thousands):

Financing Authorities	Principal Balance
Washington State Housing Finance Commission	\$ 3,622,082
Washington Higher Education Facilities Authority	674,828
Washington Health Care Facilities Authority	5,425,000
Washington Economic Development Finance Authority	838,121
Total No Commitment Debt	\$ 10,560,031

Note 9

Governmental Fund Balances

A. GOVERNMENTAL FUND BALANCES

The state's governmental fund balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- **Nonspendable.** Balances that either are not in a spendable form or are legally or contractually required to remain intact.
- **Restricted.** Balances that are restricted for specific purposes by the constitution, enabling legislation or

external resource providers such as creditors, grantors, or laws or regulations of other governments. Net assets restricted as a result of enabling legislation totaled \$29.7 million at June 30, 2012.

- **Committed.** Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature.
- **Assigned.** Balances that are constrained by management to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned.** Residual balances that are not contained in the other classifications.

A summary of governmental fund balances at June 30, 2012, is as follows (expressed in thousands):

Fund Balances	General	Higher Education Special Revenue	Higher Education Endowment	Nonmajor Governmental Funds	Total
Nonspendable:					
Permanent funds	\$ -	\$ -	\$ 1,856,749	\$ 192,447	\$ 2,049,196
Consumable inventories	12,883	10,457	-	43,363	66,703
Petty cash	555	2,800	-	1,625	4,980
Investments	-	36,930	62,635	1	99,566
Other receivables – long-term	41,288	-	-	-	41,288
Total Nonspendable Fund Balance	54,726	50,187	1,919,384	237,436	2,261,733
Restricted for:					
Higher education	-	706,621	1,153,452	81,573	1,941,646
Education	-	-	23,408	11,954	35,362
Transportation	-	-	-	759,321	759,321
Other purposes	5,704	-	-	21,595	27,299
Human services	-	-	156	202,937	203,093
Wildlife and natural resources	17,137	-	-	783,013	800,150
Local grants and loans	7,171	-	-	283	7,454
School construction	1,573	-	-	131,077	132,650
State facilities	-	-	-	265,148	265,148
Budget stabilization	130,104	-	-	-	130,104
Debt service	-	-	-	86,924	86,924
Pollution remediation	-	-	-	140,548	140,548
Unspent bond proceeds	-	-	-	29,589	29,589
Operations and maintenance	-	-	-	2,566	2,566
Unspent GARVEE bond proceeds	-	-	-	517,395	517,395
Third tier debt service	-	-	-	2,169	2,169
Total Restricted Fund Balance	161,689	706,621	1,177,016	3,036,092	5,081,418
Committed for:					
Higher education	42,473	1,258,434	-	57,658	1,358,565
Education	-	-	-	1,599	1,599
Transportation	-	-	-	120,819	120,819
Other purposes	5,560	-	-	149,926	155,486
Human services	8,959	-	-	262,897	271,856
Wildlife and natural resources	15,983	-	-	435,838	451,821
Local grants and loans	5,142	-	-	985,123	990,265
State facilities	-	-	-	14,431	14,431
Debt service	-	-	-	216,921	216,921
Total Committed Fund Balance	78,117	1,258,434	-	2,245,212	3,581,763
Assigned for:					
Working capital	710,091	-	-	-	710,091
Other purposes	-	-	-	44	44
Total Assigned Fund Balance	710,091	-	-	44	710,135
Total Fund Balance	\$ 1,004,623	\$ 2,015,242	\$ 3,096,400	\$ 5,518,784	\$ 11,635,049

B. BUDGET STABILIZATION ACCOUNT

In accordance with Article 7, Section 12 of the Washington State Constitution, the state maintains the Budget Stabilization Account ("Rainy Day Fund"). The Budget Stabilization Account is reported in the General Fund.

By June 30th of each fiscal year, an amount equal to 1 percent of the general state revenues for that fiscal year is transferred to the Budget Stabilization Account.

The Budget Stabilization Account balance can only be used as follows: (a) If the governor declares a state of emergency resulting from a catastrophic event that necessitates government action to protect life or public safety, then for that fiscal year money may be withdrawn and appropriated from the Budget Stabilization Account, via separate legislation setting forth the nature of the emergency and containing an appropriation limited to the above-authorized purposes as contained in the declaration, by a favorable vote of a majority of the members elected to each house of the Legislature; (b) If

the employment growth forecast for any fiscal year is estimated to be less than 1 percent, then for that fiscal year money may be withdrawn and appropriated from the Budget Stabilization Account by the favorable vote of a majority of the members elected to each house of the Legislature; (c) Any amount may be withdrawn and appropriated from the Budget Stabilization Account at any time by the favorable vote of at least three-fifths of the members of each house of the Legislature.

When the balance in the Budget Stabilization Account, including investment earnings, equals more than 10 percent of the estimated general state revenues in that fiscal year, the Legislature by the favorable vote of a majority of the members elected to each house of the Legislature may withdraw and appropriate the balance to the extent that the balance exceeds 10 percent of the estimated general state revenues. These appropriations may be made solely for deposit to the Education Construction Fund.

As June 30, 2012, the Budget Stabilization Account had restricted fund balance of \$130.1 million.

Note 10

Deficit Net Assets

Risk Management Fund

The Risk Management Fund, an internal service fund, had deficit net assets of \$709.7 million at June 30, 2012. The Risk Management Fund is used to administer the Self-Insurance Liability Program. This program investigates, processes, and adjudicates tort and sundry claims filed against Washington state agencies, with the exception of the University of Washington and the Department of Transportation Ferries Division. 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 fund balance for the Risk Management Fund during the fiscal year ended June 30, 2012 (expressed in thousands):

<u>Risk Management Fund</u>	<u>Net Assets (Deficit)</u>
Balance, July 1, 2011, as restated	\$ (610,964)
Fiscal year 2012 activity	<u>(98,778)</u>
Balance, June 30, 2012	<u>\$ (709,742)</u>

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.

In January 2012, the Department of Retirement Systems began collecting contributions from state institutions of higher education for deposit in the Higher Education Retirement Plan Supplemental Benefit Fund. The contributions are to begin prefunding the unfunded future obligations related to the supplemental benefits of the Higher Education Retirement Plans. Refer to Note 11.J Higher Education Retirement Plans.

Pursuant to RCW 41.50.770, the state offers its employees and employees of those political subdivisions that elect to participate, a deferred compensation program in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, disability, death or unforeseeable financial emergency. This deferred compensation plan is administered by the Department of Retirement Systems.

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. As established in chapter 28B.10 RCW, eligible higher education state employees may participate in Higher Education Retirement Plans. These

plans are privately administered defined contribution plans with a supplemental defined benefit component.

Plan Disclosures

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, 2011, the date of the latest actuarial valuation for all plans:

Number of Participating Members					
Plans	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	53,264	1,789	7,260	473	62,786
PERS 2	24,711	24,456	87,495	29,601	166,263
PERS 3	1,388	3,680	10,823	16,765	32,656
TRS 1	36,118	581	3,700	40	40,439
TRS 2	2,657	2,423	5,719	4,566	15,365
TRS 3	2,934	6,200	33,040	19,138	61,312
SERS 2	3,823	4,874	13,849	6,935	29,481
SERS 3	2,605	5,388	19,042	12,506	39,541
LEOFF 1	7,932	1	250	-	8,183
LEOFF 2	2,015	655	13,692	3,113	19,475
WSPRS 1	875	117	767	-	1,759
WSPRS 2	-	6	145	170	321
PSERS 2	15	1	167	4,020	4,203
JRS	124	-	3	-	127
Judges	13	-	-	-	13
JRA	1	169	9	-	179
VFFRPF	3,836	6,142	4,008	6,554	20,540
Total	142,311	56,482	199,969	103,881	502,643

Following is a summary of the number of government employers participating in state administered retirement plans as of June 30, 2012:

Number of Participating Employers					
Plans	State Agencies	School Districts	Counties/ Municipalities	Other Political Subdivisions	Total Employers
PERS 1	129	220	155	174	678
PERS 2	169	-	274	494	937
PERS 3	157	-	206	300	663
TRS 1	47	257	-	-	304
TRS 2	24	295	-	-	319
TRS 3	35	302	-	-	337
SERS 2	-	299	-	-	299
SERS 3	-	301	-	-	301
LEOFF 1	-	-	42	12	54
LEOFF 2	8	-	212	153	373
WSPRS 1	1	-	-	-	1
WSPRS 2	1	-	-	-	1
PSERS 2	10	-	65	1	76
JRS	1	-	-	-	1
Judges	-	-	-	-	-
JRA	3	-	-	-	3
VFFRPF	-	-	-	642	642
Total	585	1,674	954	1,776	4,989

Employers can participate in multiple systems and/or plans. The actual total number of participating employers as of June 30, 2012 is 1,965.

B. PLAN DESCRIPTIONS

Public Employees' Retirement System

The Legislature established the Public Employees' Retirement System (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. Approximately 50 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 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 members 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 exercised 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. 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. Therefore, Plan 2/3 is considered to be a single plan for reporting purposes.

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 Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During fiscal year 2012, the rate was 5.5 percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. PERS Plan 3 defined contribution retirement benefits are financed from employee contributions and investment earnings. Members 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 members are vested after the completion of 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 monthly benefit is 2 percent of the average final compensation (AFC) per year of service capped at 60 percent. AFC is the monthly average of the 24 consecutive highest-paid service credit months. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced.

Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

Effective June 30, 2011, the automatic annual benefit increase for retirees/beneficiaries in PERS Plan 1 was eliminated, and the Adjusted Minimum Benefit limit was increased to \$1,545 per month. Additionally, the minimum employer contribution rates for the unfunded liability were lowered.

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. The benefit 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, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit 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 if a survivor option is chosen. Plan 1 members may elect to receive an optional 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 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.

The survivor of a Plan 1 member who dies after having earned 10 years of service credit has the option of receiving either a monthly benefit or a lump sum payment of the member's contributions plus interest.

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 credit.

PERS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit. A COLA is granted based on the Consumer Price Index, capped at 3 percent annually.

Half time service credit is granted for members of PERS Plan 2 and Plan 3 for educational employment prior to January 1, 1987.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old, can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

Plan 2 benefits are actuarially reduced if a survivor option is chosen.

The surviving spouse or beneficiary of a PERS Plan 2 member who dies after having earned 10 years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

The defined benefit component of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same COLA as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44; or after 5 service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least 10 service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65;
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

Plan 3 benefits are actuarially reduced if a survivor option is chosen. 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 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3 the monthly benefit amount is 1 percent of the AFC per 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 based on the Consumer Price Index, capped at 3 percent annually.

Beneficiaries of a PERS Plan 2 or Plan 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. 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 may have up to 10 years of interruptive military service credit; five years at no cost, and five years that may be purchased by paying the required contributions. A member who becomes totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible children, may request interruptive military service credit.

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 one-time duty-related 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 proximately out of the member's 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 can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

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.

From January 1, 2007, through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an 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.
- Not be subject to a benefit cap.
- Continue to participate in JRA, if applicable.
- Continue to pay contributions at the regular PERS rate.
- Never be a participant in the JBM program.

Newly elected or appointed 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.

Material changes, if any, in PERS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Teachers' Retirement System

The Legislature established the Teachers' Retirement System (TRS) in 1938. Eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity. TRS is comprised principally of non-state agency employees. TRS retirement benefit provisions are established in chapters 41.32 and 41.34 RCW and may be amended only by the 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 defined benefit plan with a defined contribution component.

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

Legislation passed in 2007 gives TRS members hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of TRS Plan 2 or Plan 3. At the end of 90 days, any member who has not made a choice, becomes a member of 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. Therefore, Plan 2/3 is considered to be a single plan for reporting purposes.

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 Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During fiscal year 2012, the rate was 5.5 percent compounded quarterly. Members in TRS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from TRS-covered employment.

TRS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. 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 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement at any age 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 monthly benefit is 2 percent of the average final compensation (AFC) for each year of service credit, up to a maximum of 60 percent. AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

The monthly benefit is subject to a minimum for TRS Plan 1 retirees who have at least 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced. Plan 1 members may elect to receive an optional 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.

Effective June 30, 2011, the automatic annual benefit increase for retirees/beneficiaries in TRS Plan 1 was eliminated, and the Adjusted Minimum Benefit limit was increased to \$1,545 per month. Additionally, the minimum employer contribution rates for the unfunded liability were lowered.

TRS Plan 1 provides death, as well as, permanent and temporary disability benefits. TRS Plan 1 members receive the following additional lump sum death benefits: retired members \$400 (if retired with 10 years of full-time membership), \$400 (if inactive with 10 years of

membership), active members \$600 (if employed full-time at time of death). The survivor of a TRS Plan 1 member who dies after having earned 10 years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

TRS Plan 1 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 a benefit based on their salary and service to date of disability.

TRS Plan 2 retirement benefits are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months. 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.

TRS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

TRS Plan 2 members who have 30 or more years of service credit and are at least 55 years old, can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

TRS Plan 2 retirement benefits are actuarially reduced if a survivor option is chosen. Additionally, the surviving spouse or eligible children of a TRS Plan 2 member who dies after having earned 10 years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

The defined benefit portion of TRS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and Plan 3 provides the same COLA as Plan 2.

TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service if 12 months of that service are earned after age 44; or after five service credit years earned in

TRS Plan 2 by July 1, 1996. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested TRS Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least 10 service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced 3 percent for each year before age 65, or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

TRS Plan 3 retirement benefits are actuarially reduced if a survivor option is chosen.

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 to have 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 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts 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 based on the Consumer Price Index, capped at 3 percent annually.

TRS members can receive service credit for military service that interrupts employment. Additionally, TRS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible children, may request interruptive military service credit.

TRS members may purchase up to 24 consecutive months of service credit for each period of temporary duty disability. Additionally, TRS Plan 2 and Plan 3

members who have two years of earned service credit may purchase up to seven years of service credit for public education experience earned in another state or with the federal government.

TRS 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 can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of TRS members killed in the course of employment receive survivor benefits without actuarial reduction. 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.

A one-time duty-related 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 or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by 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.

From January 1, 2007, through December 31, 2007, judicial members of TRS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in TRS Plan 1 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit is 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.
- Not be subject to a benefit cap.
- Continue to participate in JRA, if applicable.
- Continue to pay contributions at the regular TRS rate.
- Never be a participant in the JBM program.

Newly elected or appointed justices and judges who chose to become TRS members on or after January 1, 2007, 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, if any, in TRS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

School Employees' Retirement System

The Legislature established the School Employees' Retirement System (SERS) effective in 2000. Membership in the system includes classified employees of school districts and educational service districts. SERS is comprised principally of non-state agency employees. SERS retirement benefit provisions are established in chapters 41.34 and 41.35 RCW and may be amended only by the 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 defined benefit plan with a defined contribution component.

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.

Until June 30, 2007, SERS members joining the system on or after September 1, 2000 became members of SERS Plan 3. Legislation passed in 2007 gives SERS members hired on or after July 1, 2007, 90 days to make an irrevocable choice to become a member of either SERS Plan 2 or Plan 3. At the end of the 90 days, any member who has not made a choice becomes a member of 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. Therefore, Plan 2/3 is considered to be single plan for reporting purposes.

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 the Director of DRS. During fiscal year 2012, the rate was 5.5 percent compounded quarterly. Members in SERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from SERS-covered employment.

SERS Plan 2 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. AFC is the monthly average of the 60 consecutive highest-paid service credit months. 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.

SERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. 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 members are vested after completing five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. AFC is the monthly average of the 60 consecutive highest paid service credit months. 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.

Half time service credit is granted for members of SERS Plan 2 and Plan 3 for educational employment prior to January 1, 1987.

SERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

SERS Plan 2 members who have 30 service credit years and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

SERS Plan 2 retirement benefits are actuarially reduced if a survivor option is chosen.

The surviving spouse or eligible child of a SERS Plan 2 member who dies after having earned 10 years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

The defined benefit portion of SERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same COLA as Plan 2.

Effective June 7, 2006, SERS Plan 3 members are vested in the defined benefit portion of their plan after 10 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 SERS Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least 10 service credit years and are 55 years old, the benefit is reduced by an ERF that varies according to age, for each year before age 65;
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

SERS Plan 3 retirement benefits are also actuarially reduced if a survivor option is chosen. Refer to section J of this note for a description of the defined contribution component of SERS Plan 3.

SERS Plan 2 and Plan 3 members may have up to 10 years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions.

SERS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible children, may request interruptive military service credit.

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

SERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3 the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts 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 based on the Consumer Price Index, capped at 3 percent annually.

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 can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

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.

Beneficiaries of a SERS Plan 2 or Plan 3 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. 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.

A one-time duty-related 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 the member's covered employment, 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, if any, in SERS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Law Enforcement Officers' and Fire Fighters' Retirement System

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members 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.

LEOFF 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 legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During fiscal year 2012, the rate was 5.5 percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF-covered employment.

LEOFF Plan 1 members are vested after the completion of 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 10 years of service. A COLA is granted based on the Consumer Price Index.

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of 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 eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit 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 benefit or service retirement benefit.

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 can be used only to provide the member with a monthly annuity that is paid in addition to the member's benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. 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. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A COLA is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can receive 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, or a surviving spouse or eligible children may request interruptive military service credit.

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.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of a survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. 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.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

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 benefit of at least 10 percent of the FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

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 who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries. Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of health care insurance premiums paid to the Washington state Health Care Authority.

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.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's

covered employment, if found eligible by the Director of the Department of Labor and Industries.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

The optional lump sum payment payable upon remarriage is increased for LEOFF 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 of remarriage to an amount equal to 36 times the monthly allowance.

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.

Department of Fish and Wildlife Enforcement Officers can transfer service credit earned as an enforcement officer in PERS Plan 2 or PERS Plan 3 to LEOFF Plan 2. Member, employer and state contribution rates 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 Plan 2.

Active LEOFF members can choose whether or not to obtain and pay for Medicare coverage through a "divided referendum" process.

Material changes, if any, in LEOFF benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Washington State Patrol Retirement System

The Washington State Patrol Retirement System (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 Legislature.

WSPRS is a single-employer defined benefit retirement system. WSPRS members 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 the Director of DRS. During fiscal year 2012, the rate was 5.364 percent annually, compounded monthly. Members 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. The employer 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, and must retire at age 65. This mandatory requirement, however, does not apply to the chief of the Washington State Patrol.

The monthly benefit is 2 percent of the average final salary (AFS) per year of service, capped at 75 percent. A cost-of-living allowance is granted, based on the Consumer Price Index, capped at 3 percent annually.

For WSPRS Plan 1 members, AFS is based on the average of the 24 highest-paid service credit months and excludes voluntary overtime. Death benefits for these members, if on active duty, consist of the following: (1) If eligible spouse, 50 percent of the AFS, plus 5 percent of the AFS for each eligible surviving child, with a limitation on the combined benefit 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, or (3) If no spouse or eligible children, beneficiary gets refund of contributions and interest.

For WSPRS Plan 2 members, AFS is based on the average of the 60 consecutive highest-paid service credit months and excludes both voluntary overtime and cash-outs of annual and holiday leave. At retirement, these members also have the option of selecting an actuarially reduced benefit in order to provide for post-retirement survivor benefits.

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 can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

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.

Beneficiaries of a WSPRS Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries. Benefits to eligible surviving spouses and dependents of WSPRS members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington State Health Care Authority.

Death benefits for these members, if on active duty, consist of the following: (1) If the member is single or has less than 10 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 10 years of service, a reduced benefit reflecting a joint and 100 percent survivor option or 150 percent of the member's accumulated contributions, at the survivor's option.

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

The death benefit amount is adjusted each year by the Seattle Consumer Price Index up to a maximum of 3 percent each year. This applies to all members of WSPRS Plan 2 killed in the course of employment since January 1, 2009.

WSPRS Plan 2 members may receive up to five years of no-cost 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, or a surviving spouse or eligible children may request interruptive service credit.

Compensation for members of WSPRS Plans 1 and 2 who become totally disabled during the line of duty includes any payments for premiums for employer-provided medical insurance.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of WSPRS members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

Material changes, if any, in WSPRS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Public Safety Employees' Retirement System

The Public Safety Employees' Retirement System (PSERS) was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by chapter 41.37 RCW and may be only amended by the 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 hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the 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, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington state counties;
- Corrections departments of Washington state cities except for Seattle, Tacoma and Spokane; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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 plan accrue interest at a rate specified by the Director of DRS. During fiscal year 2012, the rate was 5.5 percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS members are vested after an employee completes five years of eligible service. PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) at the age 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, or at age 53 with 20 years of service. AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted based on the Consumer Price Index, capped at 3 percent annually.

PSERS members who retire 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.

PSERS members can receive service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible children may request interruptive military service credit.

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 Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit 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. Benefits are actuarially reduced for each year that the member's age is less than 60 (with 10 or more service credit years in PSERS), or less than 65 (with fewer than 10 service credit years). There is no cap on years of service credit and a cost-of-living allowance is granted based on the Consumer Price Index, capped at 3 percent annually.

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

Beneficiaries of a PSERS Plan 2 member with 10 years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. 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 one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The optional lump sum payment payable upon remarriage is increased for 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 of remarriage to an amount equal to 36 times the monthly allowance.

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, if any, to PSERS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Judicial Retirement System

The Judicial Retirement System (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. JRS retirement benefit provisions are established in chapter 2.10 RCW and may be amended only by the 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.

Employee contributions accrue interest at a rate specified by the Director of DRS. During fiscal year 2012, the rate

on employee contributions was 5.5 percent, compounded quarterly. JRS members 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 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 final average salary (FAS) is shown in the table below. This benefit is capped at 75 percent of FAS, exclusive of cost of living increases.

Term of Service	Percent of FAS
15+	3.5%
10-14	3.0%

Death and disability benefits are also provided. Eligibility for death benefits while on active duty requires 10 or more years of service. A monthly spousal benefit is provided which is equal to 50 percent of the benefit that the 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 FAS. For members with 10 or more years of service, a disability benefit of 50 percent of FAS is provided.

Material changes, if any, in JRS benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Judges' Retirement Fund

The Judges' Retirement Fund was created by the Legislature on March 22, 1937, pursuant to chapter 2.12 RCW, 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 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 are financed on a pay-as-you-go basis from a combination of past employee and employer contributions, and a special

funding situation in which the state contributes to the plan.

Material changes, if any, in benefit provisions for Judges for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

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 Legislature.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (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 injured while 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 1, 2001, the disability income benefits and the maximum survivor benefits under the Relief Plan are increased for increases in the Consumer Price Index.

Effective July 22, 2007, vocational rehabilitation may be paid for disabled members who are unable to return to their previous employment. Members who 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 June 10, 2010, members of the VFFRPF retirement system with vested pensions who have reached age 65 may, under certain conditions, retire from

service, draw their pensions, and return to service. Additional service does not count toward the pension, and members cannot draw disability compensation. Departments opting to allow their members to participate in the retire-rehire program agree to pay for annual physicals and an additional surcharge.

Material changes, if any, in VFFRPF benefit provisions for the fiscal year ended June 30, 2012, are listed in the table at the end of this section.

Material Legislative Changes to Pension Plans For the Fiscal Year Ended June 30, 2012

System/Plan Affected	Effective Date	Description of the changes
LEOFF Plan 2, PERS, PSERS, SERS, TRS and WSPRS	7/1/11	DRS is required to include the qualifying foregone compensation during the 2011-2013 biennium in the benefits calculation of retiring government employees in LEOFF Plan 2, PERS, PSERS, SERS, TRS and WSPRS. (Chapter 5, Laws of 2011)
PERS, PSERS, SERS, TRS and Higher Education Retirement Plan Supplemental Benefit Fund	7/1/11 – 1/1/12	Multi-faceted legislation that: • Limits to 867 the post-retirement hours that a PERS Plan 1 or TRS Plan 1 retiree may work prior to suspension of the pension benefit. • Applies the return to work provision of the applicable retirement system to higher education positions eligible for Higher Education Retirement Plans (HERPs). • Prohibits higher education institutions and entities from offering participation in a HERP to any newly hired employee that has retired or is eligible to retire from a DRS administered retirement plan. • Provides, for newly hired employees eligible to participate in a HERP, the option at time of hire to participate in PERS Plan 3, TRS Plan 3 or a HERP. • Creates the Higher Education Retirement Plan Supplemental Benefit Fund. • Requires institutions to contribute a percentage of their HERP-covered employees' salary to DRS to be invested by the Washington State Investment Board. These funds are intended to be used to pay required supplemental benefits to eligible HERP retirees. (Chapter 47, Laws of 2011)
PSERS	7/22/11	The employer definition within PSERS is modified to include correctional entities formed by PSERS employers under the Interlocal Cooperation Act (RCW 39.34). (Chapter 68, Laws of 2011)
PERS Plan 3, SERS Plan 3 and TRS Plan 3	7/22/11	The investment option for new employees who default into membership in PERS Plan 3, SERS Plan 3 or TRS Plan 3 by failing to choose a retirement plan within the allotted 90 days is changed from the Total Allocation Portfolio to a Retirement Strategy Fund, based on the member's birth year and an assumed retirement at age 65. (Chapter 80, Laws of 2011)
All systems, plans	6/7/12*	This legislation allows same-gender couples to marry, and automatically converts certain domestic partnerships to marriages unless the couple marries or dissolves the partnership before June 30, 2014. Under the provisions of this bill, survivor benefits may be available to certain members of the state's retirement systems sooner than under current law. (Chapter 3, Laws of 2012) *This law will remain on hold pending the results of a referendum to take place in November, 2012.
WSPRS	6/7/12	Current WSPRS members who have service credit earned as commercial vehicle enforcement officers within PERS Plan 2 may transfer said credit into the WSPRS. The member must pay the full actuarial cost of the transfer. (Chapter 72, Laws of 2012)

VFFRPF	6/7/12	At any time prior to retirement or at the time of retirement, a member of the VFFRPF may purchase retirement pension coverage for years of eligible service prior to the member's enrollment in the system or for years of service credit lost due to the withdrawal of the member's pension fee contributions. A member choosing to purchase such retirement pension coverage must make a contribution to the system equal to the actuarial value of the resulting benefit increase. (Chapter 239, Laws of 2012)
LEOFF, PERS, PSERS, SERS and TRS	6/7/12	This legislation amends the retirement statutes to clarify that governmental contractors are not employers under the system, unless otherwise qualifying, and that the determination of whether an employee/employer relationship has been established shall be based solely on the relationship between the contracted employee and the governmental employer. (Chapter 236, Laws of 2012)
LEOFF Plan 2	6/7/12	The initial timeline to transfer service credit under RCW 41.26.435 is moved from June 30, 2014 to June 30, 2012. (Chapter 248, Laws of 2012)

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 Plan 2 Retirement Board provided for minimum contribution rates for the LEOFF Plan 2. These minimum rates went into effect beginning with the 2011-13 biennium.

As part of Substitute House Bill 2021, the Legislature reduced the Plan 1 UAAL minimum rates starting in 2015 to 3.5 percent in PERS and to 5.75 percent in TRS.

All employers are required to contribute at the level established by the Legislature. 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 2012.

Public Employees' Retirement System

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. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

- Plan 1 - Employee contribution rates 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.
- Plan 2/3 - 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.
- Plan 3 – The employee contribution rates range from 5 to 15 percent, based on member choice. 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 was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges who participate in the program.

Teachers' Retirement System

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. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.32 and 41.45 RCW.

- Plan 1 - Employee contribution rates are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state elected officials.
- Plan 2/3 – Employer and employee 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.
- Plan 3 – Employee contribution rates range from 5 to 15 percent, based on member choice. Two of the options are graduated rated 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 employee rates were developed to fund the increased retirement benefits of those judges who participate in the program.

School Employees' Retirement System

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. The methods used to determine the contribution requirements are established under state statute in chapters 41.35 and 41.45 RCW.

- Plan 2/3 - 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.
- Plan 3 - Employee contribution rates range from 5 to 15 percent, based on member choice. Two of the options are graduated dependent on the employee's age.

Law Enforcement Officers' and Fire Fighters' Retirement System

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state statute.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement 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 2012, the state contributed \$52.8 million to LEOFF Plan 2.

Washington State Patrol Retirement System

Each biennium, the state Pension Funding Council adopts the employee and the state contribution rates, subject to revision by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 43.43 and 41.45 RCW.

The preliminary 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 4.85 percent.

Public Safety Employees' Retirement System

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The methods used to determine the contribution requirements are established under state statute in chapters 41.37 and 41.45 RCW.

The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2.

Judicial Retirement System

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 Judicial Retirement System 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 2012, the state contributed \$8.1 million.

Judges' Retirement Fund

Past contributions were made based on rates set in chapter 2.12 RCW. By statute, employees were required to contribute 6.5 percent with an equal amount contributed by the state. However, there are no active members remaining in the Judges' Retirement Fund.

The state guarantees the solvency of the Judges' Retirement Fund on a pay-as-you-go basis. Each biennium, therefore, the Legislature, through appropriations from the state General Fund, contributes amounts sufficient to meet benefit payment requirements. For fiscal year 2012, however, no such appropriations or contributions were needed or made.

The Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund

The retirement provisions of Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF) are funded through member contributions of \$30 per year, varying employer contributions, and 40 percent of the Fire Insurance Premium Tax, as per chapter 41.24 RCW.

Employers consist of fire departments, emergency medical service districts and law enforcement agencies. The contribution rate for fire districts is set by the Legislature and was \$30 per member for the years 2011 and 2012. The rate for emergency medical service districts and law enforcement agencies is set each year by the State Board for Volunteer Fire Fighters' and Reserve Officers' Relief and Pension, based on the actual cost of participation as determined by the Office of the State Actuary. For the year 2012, the rate was \$90 per

member. Employers may opt to pay the member's fee on their behalf.

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 2012 were as follows:

Required Contribution Rates	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
<u>PERS</u>						
Members Not Participating in JBM						
State agencies*	7.08%	7.08%	7.08%**	6.00%	4.64%	***
Local governmental units*	7.08%	7.08%	7.08%**	6.00%	4.64%	***
State govt elected officials*	10.54%	7.08%	7.08%**	7.50%	4.64%	***
Members Participating in JBM						
State agencies*	9.58%	9.58%	9.58%**	9.76%	9.10%	7.50%****
Local governmental units*	7.08%	7.08%	7.08%**	12.26%	11.60%	7.50%****
<u>TRS</u>						
Members Not Participating in JBM						
State agencies*	8.04%	8.04%	8.04%**	6.00%	4.69%	***
Local governmental units*	8.04%	8.04%	8.04%**	6.00%	4.69%	***
State govt elected officials*	8.04%	8.04%	8.04%**	7.50%	4.69%	***
Members Participating in JBM						
State agencies*	8.04%	N/A	N/A	9.76%	N/A	N/A
<u>SERS</u>						
State agencies*	N/A	7.58%	7.58%**	N/A	4.09%	***
Local governmental units*	N/A	7.58%	7.58%**	N/A	4.09%	***
<u>LEOFF</u>						
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
<u>WSPRS</u>						
State agencies*	8.07%	8.07%	N/A	6.59%	6.59%	N/A
<u>PSERS</u>						
State agencies*	N/A	8.74%	N/A	N/A	6.36%	N/A
Local governmental units*	N/A	8.74%	N/A	N/A	6.36%	N/A
<u>JRS</u>						
State agencies*	7.50%	N/A	N/A	7.50%	N/A	N/A

* Includes an 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.

N/A indicates data not available.

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.

Plans	2012	2011	2010
PERS Plan 1	\$124.0	\$72.3	\$78.2
PERS Plan 2/3	182.8	158.0	160.4
TRS Plan 1	3.1	4.4	5.6
TRS Plan 2/3	1.1	0.7	0.8
PSERS Plan 2	7.4	8.0	7.8
LEOFF Plan 2	52.8	52.9	52.2
VFFRPF	5.6	5.7	5.7

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, 2011, the most recent actuarial valuation date, is as follows (dollars in millions):

Plans	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	\$ 8,883.4	\$ 12,571.2	\$ 3,687.8	71%	\$ 431.8	854%
PERS Plan 2/3*	20,996.7	21,626.6	629.9	97%	8,148.4	8%
TRS Plan 1	7,485.0	9,231.8	1,746.8	81%	284.2	615%
TRS Plan 2/3*	7,140.6	7,193.8	53.2	99%	4,085.0	1%
SERS Plan 2/3*	2,872.1	2,956.0	83.9	97%	1,490.0	6%
LEOFF Plan 1	5,565.3	4,144.7	(1,420.6)	134%	24.5	0%
LEOFF Plan 2*	6,620.7	5,941.2	(679.5)	111%	1,534.7	0%
WSPRS Plan 1/2*	949.5	859.4	(90.1)	110%	81.5	0%
PSERS Plan 2*	140.7	126.5	(14.2)	111%	232.8	0%
JRS	5.1	109.3	104.2	5%	0.5	22,574%
Judges	2.3	3.9	1.6	61%	-	N/A
VFFRPF	167.8	167.8	-	100%	N/A	N/A

N/A indicates data not applicable.

Note: Figures may not total due to rounding. Percentages are calculated using unrounded totals.

* 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

Defined Benefit Pension Plans Administered by the State

For the Fiscal Year Ended June 30, 2012

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	SERS Plan 2/3
Valuation date	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011
Actuarial cost method	Entry age normal ⁽¹⁾	Aggregate ⁽²⁾	Entry age normal ⁽¹⁾	Aggregate ⁽²⁾	Aggregate ⁽²⁾
Amortization method					
Funding	Level % ⁽⁴⁾	N/A	Level % ⁽⁴⁾	N/A	N/A
GASB	Level \$	N/A	Level \$	N/A	N/A
Remaining amortization years (closed)	10-year rolling	Open plan	10-year rolling	Open plan	Open plan
Remaining amortization period (closed)	N/A	N/A	N/A	N/A	N/A
Asset valuation method	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾
Actuarial assumptions					
Investment rate of return ⁽⁷⁾	7.90%	7.90%	7.90%	7.90%	7.90%
Projected salary increases					
Salary inflation at 3.75% ⁽⁸⁾ , plus the merit increases described below:					
Initial salary merit (grades down to 0%)	6.1%	6.1%	5.8%	5.8%	6.9%
Merit period (years of service)	17 yrs	17 yrs	26 yrs	26 yrs	20 yrs
Includes inflation at cost of living adjustments	N/A Minimum COLA ⁽⁶⁾	3.00% CPI increase, maximum 3%	N/A Minimum COLA ⁽⁶⁾	3.00% CPI increase, maximum 3%	3.00% CPI increase, maximum 3%

N/A indicates data not applicable.

⁽¹⁾ PERS and TRS Plans 1 use a variation of the entry age normal (EAN) cost method, whereas LEOFF Plan 1 uses a variation of the frozen initial liability (FIL) cost method.

⁽²⁾ The aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities.

⁽³⁾ Pay as you go basis for funding.

⁽⁴⁾ Level percent of system payroll, including system growth.

⁽⁵⁾ 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 VFFRPF annual gain/loss is centered around a 7% expected rate of return instead of 8% and LEOFF Plan 2 around 7.5%.

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%			

LEOFF Plan 1	LEOFF Plan 2	PSERS Plan 2	WSPRS	JRS	Judges	VFFRPF ⁽⁹⁾
6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011	6/30/2011
Frozen initial liability ⁽¹⁾	Aggregate ⁽²⁾	Aggregate ⁽²⁾	Aggregate ⁽²⁾	Entry age ⁽³⁾	Entry age ⁽³⁾	Entry age ⁽⁹⁾
Level % ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	Level \$
Level \$	N/A	N/A	N/A	Level \$	Level \$	Level \$
13	Open plan	Open plan	Open plan	5-year rolling	5-year rolling	Open plan
6/30/2024	N/A	N/A	N/A	N/A	N/A	15-year rolling
8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	8-year graded smoothed fair value ⁽⁵⁾	Market	Market	8-year graded smoothed fair value ⁽⁵⁾
7.90%	7.50%	7.90%	7.90%	4.00%	4.00%	7.00%
11.0%	11.0%	6.1%	7.1%	0.0%	0.0%	N/A
21 yrs	21 yrs	17 yrs	26 yrs	N/A	N/A	N/A
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	N/A
CPI increase	CPI increase maximum 3%	CPI increase, maximum 3%	CPI increase, maximum 3%	CPI increase, maximum 3%	None	None

⁽⁶⁾ The PERS Plan 1 and TRS Plan 1 COLA: Qualifying retirees receive an increase in their monthly benefit once a year. The COLA on minimum benefit levels is calculated as the last unrounded minimum COLA amount increased by 3%, rounded to the nearest penny. These are some historical monthly COLA amounts per year of service:

Date	COLA Type	Amount
7/1/2002	Uniform	\$1.14
7/1/2003	Uniform	\$1.18
7/1/2004	Uniform	\$1.21
7/1/2005	Uniform	\$1.25
7/1/2006	Uniform	\$1.29
7/1/2007	Uniform	\$1.33
7/1/2008	Uniform	\$1.73
7/1/2009	Uniform	\$1.83
7/1/2010	Uniform	\$1.88
7/1/2011	Minimum	\$1.94
7/1/2012	Minimum	\$2.00

⁽⁷⁾ The Legislature prescribes the assumed rate of investment return for all plans except Judicial, Judges, and VFFRPF.

⁽⁸⁾ WSPRS also assumes a variable salary merit increase for a merit period of 25 years.

⁽⁹⁾ VFFRPF uses the entry age funding method for pensions, and the aggregate funding method for the relief costs.

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):

Annual Pension Cost and Net Pension Obligation	WSPRS	JRS	Judges
Annual required contribution	\$2.9	\$22.6	\$0.3
Interest on NPO	(1.1)	2.7	(0.0)
Adjustment to annual required contribution	1.8	(14.8)	0.2
Annual pension cost	3.6	10.5	0.4
Less: Contributions made	6.5	8.1	0.0
Increase (decrease) in NPO	(2.9)	2.4	0.4
NPO at beginning of year	(13.9)*	68.6	(0.8)
NPO at end of year	<u>\$(16.8)</u>	<u>\$71.0</u>	<u>\$(0.4)</u>

*Amount restated from prior year's CAFR.

G. THREE YEAR HISTORICAL TREND INFORMATION

The following table presents three-year trend information for the state's single employer and agent multiple-employer defined benefit plans (dollars in millions):

Single and Agent Employer Plans	2012	2011	2010
WSPRS			
Annual pension cost	\$3.6	\$2.8*	\$7.1
% of APC contributed	180.6	187.5*	74.2
NPO	\$(16.8)	\$(13.9)*	\$(11.4)
JRS			
Annual pension cost	\$10.5	\$7.7	\$9.1
% of APC contributed	77.1	141.6	127.5
NPO	\$71.0	\$68.6	\$71.8
Judges			
Annual pension cost	\$0.4	\$0.3	\$0.2
% of APC contributed	0.0	0.0	0.0
NPO	\$(0.4)	\$(0.8)	\$(1.1)

*Amounts restated from prior year's CAFR.

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 return on investment earnings was decreased from 8.0 percent for all plans to 7.9 percent (7.5 percent for LEOFF Plan 2).

The assumed general salary growth was decreased from 4.0 percent for all plans to 3.75 percent (4.5 percent for LEOFF Plan 2).

The assumed rate of inflation was decreased from 3.5 percent to 3.0 percent for all plans.

The assumed system growth was decreased from 1.25 percent (0.90 percent for TRS plans) to 0.95 percent (0.80 percent for TRS plans), while the LEOFF plans remained at 1.25 percent.

The medical inflation assumption associated with non-pension benefits payable to members and survivors in LEOFF and WSPRS plans was changed.

I. CHANGES IN BENEFIT PROVISIONS

Effective June 30, 2011, the automatic annual benefit increase for retirees/beneficiaries in PERS Plan 1 and TRS Plan 1 were eliminated, and the Adjusted Minimum Benefit limit was increased to \$1,545 per month. Additionally, the minimum employer contribution rates for the unfunded liability of both of these plans were lowered.

J. DEFINED CONTRIBUTION PLANS

Public Employees' Retirement System Plan 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). 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 a 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 dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with

self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS Plan 2/3 defined benefit plan.

For fiscal year 2012, covered payroll was \$1.45 billion, employee contributions required and made were \$95.2 million, and plan refunds paid out were \$66.2 million.

Teachers' Retirement System Plan 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). 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 a 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 dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, TRS Plan 3 investments are made in the same portfolio as that of the TRS Plan 2/3 defined benefit plan.

For fiscal year 2012, covered payroll was \$3.38 billion, employee contributions required and made were \$255.9 million and plan refunds paid out were \$150.4 million.

School Employees' Retirement System Plan 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). 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 a 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 dependent upon the results of investment activities.

Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, SERS Plan 3 investments are made in the same portfolio as that of the SERS Plan 2/3 defined benefit plan.

For fiscal year 2012, covered payroll was \$898.8 million, employee contributions required and made were \$59.0 million and plan refunds paid out were \$60.9 million.

Judicial Retirement Account

The Judicial Retirement Account (JRA) 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.

From 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 could no longer participate in JRA and would be enrolled in the JBM Program (enacted in 2006).

JRA plan members are required to contribute 2.5 percent of covered salary. The state, as employer, contributes an equal amount on a monthly basis. 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 Legislature.

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 is to be paid to the member's estate, or such person or persons, trust or organization as the member has nominated by written designation.

For fiscal year 2012, covered payroll was \$1.4 million and the contribution requirement was \$76 thousand. Actual employer and employee contributions were \$38 and \$38

thousand respectively. Plan benefits paid out for fiscal year 2012 totaled \$811 thousand.

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. Under this agreement, DRS is responsible for all record keeping, accounting, and reporting of member accounts and the WSIB is granted the full power to establish investment policy, develop participant investment options and manage the investment funds for the JRA plan, consistent with the provisions of RCW 2.14.080 and 43.84.150.

Higher Education Retirement Plans

The Higher Education Retirement Plans are privately administered defined contribution plans with a supplemental defined benefit plan component. As authorized by chapter 28B.10 RCW, 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. Effective June 2010, eligible employees of the Higher Education Coordinating Board have the ability to participate in the Higher Education Retirement Plan instead of the Public Employees' Retirement System.

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 28B.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.

For fiscal year 2012, covered payroll was \$1.96 billion. Employer and employee contributions were \$165.6 and \$165.6 million respectively, for a total of \$331.2 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 2011. The previous valuation was performed in 2009.

The Unfunded Actuarial Accrued Liability (UAAL) calculated as of June 30, 2011, and 2009, was \$357.4 million and \$336.5 million, respectively, and is amortized over a 13 year period. The Annual Required Contribution (ARC) of \$49.8 million consists of amortization of the

UAL (\$28.9 million) and normal cost (or current cost) (\$19.9 million).

The UAL and ARC were established using the entry age normal cost method. The actuarial assumptions included an investment rate of return of 4.3 to 8 percent and projected salary increases ranging from 2 to 4 percent. Approximately \$1.91 billion and \$1.79 billion of payroll were covered under these plans during 2011 and 2009, respectively.

A 0.25 percent of pay employer contribution rate was initiated in January 1, 2012 for employees covered by higher education retirement plans. The contributions are deposited in the Higher Education Retirement Plan Supplemental Benefit Fund administered by the Department of Retirement Systems and invested by the State Investment Board. The contribution rate increases to 0.5 percent of pay beginning January 1, 2013.

The following table reflects the activity in the Net Pension Obligation (NPO) for the years ended June 30 (expressed in millions):

Net Pension Obligation	2012	2011	2010
Annual required contribution	\$ 49.8	\$ 49.8	\$ 43.5
Payments to beneficiaries	(4.1)	(3.7)	(3.7)
Increase (decrease) in NPO	45.7	46.1	39.8
NPO at beginning of year	165.7	119.6	79.8
NPO at end of year	<u>\$211.4</u>	<u>\$165.7</u>	<u>\$119.6</u>

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, 2012

(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
ASSETS					
Cash and pooled investments	\$ 656	\$ 4,405	\$ 240	\$ 1,160	\$ 5,013
Receivables:					
Employer accounts receivable	4,144	46,269	4,681	2,436	25,362
Member accounts receivable (net of allowance)	752	180	-	464	23
Due from other funds	-	-	-	-	-
Due from other pension and other employee benefit funds	-	420	240	-	2,705
Interest and dividends	21,598	60,313	2,904	18,130	20,614
Investment trades pending	127,579	356,587	17,171	107,104	121,847
Total Receivables	154,073	463,769	24,996	128,134	170,551
Investments, Noncurrent:					
Public equity	2,673,213	7,471,712	1,084,388	2,244,179	2,553,113
Fixed income	1,500,936	4,195,153	202,015	1,260,045	1,433,495
Private equity	1,920,747	5,368,536	258,518	1,612,479	1,834,443
Real estate	1,026,165	2,868,158	138,114	861,472	980,057
Liquidity	173,322	492,426	27,794	145,422	173,472
Tangible assets	99,432	277,915	13,383	83,474	94,964
Total Investments, Noncurrent	7,393,815	20,673,900	1,724,212	6,207,071	7,069,544
Total Assets	7,548,544	21,142,074	1,749,448	6,336,365	7,245,108
LIABILITIES					
Accrued liabilities	171,320	462,438	25,021	144,452	157,947
Due to other funds	67	689	-	27	385
Due to other pension and other employee benefit funds	2,962	240	-	2,475	-
Unearned revenues	59	412	-	167	9
Total Liabilities	174,408	463,779	25,021	147,121	158,341
NET ASSETS					
Net assets held in trust for:					
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 167)	7,374,136	20,678,295	1,724,427	6,189,244	7,086,767
Deferred compensation participants	-	-	-	-	-
Total Net Assets	\$ 7,374,136	\$ 20,678,295	\$ 1,724,427	\$ 6,189,244	\$ 7,086,767

Combining Statement of Plan Net Assets Pension and Other Employee Benefit Funds

June 30, 2012

(expressed in thousands)

continued

	TRS Plan 3 Defined Contribution	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2
ASSETS					
Cash and pooled investments	\$ 4,268	\$ 3,499	\$ 995	\$ 229	\$ 995
Receivables:					
Employer accounts receivable	22,427	9,774	5,122	-	16,995
Member accounts receivable (net of allowance)	-	9	-	73	50
Due from other funds	-	-	-	-	8
Due from other pension and other employee benefit funds	-	2,677	-	-	-
Interest and dividends	9,051	8,222	2,742	14,348	19,342
Investment trades pending	53,523	48,598	16,214	84,791	114,351
Total Receivables	85,001	69,280	24,078	99,212	150,746
Investments, Noncurrent:					
Public equity	3,163,308	1,018,291	673,503	1,776,663	2,396,046
Fixed income	629,680	571,737	190,759	997,547	1,345,314
Private equity	805,802	731,651	244,114	1,276,561	1,721,597
Real estate	430,502	390,887	130,419	682,007	919,769
Liquidity	84,910	67,320	25,078	114,793	165,159
Tangible assets	41,714	37,876	12,637	66,084	89,123
Total Investments, Noncurrent	5,155,916	2,817,762	1,276,510	4,913,655	6,637,008
Total Assets	5,245,185	2,890,541	1,301,583	5,013,096	6,788,749
LIABILITIES					
Accrued liabilities	74,106	63,122	23,596	109,890	147,861
Due to other funds	-	140	-	12	164
Due to other pension and other employee benefit funds	230	-	140	-	-
Unearned revenues	-	5	-	-	227
Total Liabilities	74,336	63,267	23,736	109,902	148,252
NET ASSETS					
Net assets held in trust for:					
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 167)	5,170,849	2,827,274	1,277,847	4,903,194	6,640,497
Deferred compensation participants	-	-	-	-	-
Total Net Assets	\$ 5,170,849	\$ 2,827,274	\$ 1,277,847	\$ 4,903,194	\$ 6,640,497

Combining Statement of Plan Net Assets Pension and Other Employee Benefit Funds

June 30, 2012

(expressed in thousands)

continued

	WSPRS Plan 1/2	PSERS Plan 2	JRS	JRA	Judges
ASSETS					
Cash and pooled investments	\$ 629	\$ 252	\$ 3,490	\$ 9	\$ 1,869
Receivables:					
Employer accounts receivable	504	1,925	2	-	-
Member accounts receivable (net of allowance)	2	-	2	2	-
Due from other funds	-	-	-	-	-
Due from other pension and other employee benefit funds	-	5	-	-	-
Interest and dividends	2,569	497	-	-	-
Investment trades pending	15,186	2,938	-	-	-
Total Receivables	18,261	5,365	4	2	-
Investments, Noncurrent:					
Public equity	318,183	61,557	-	12,257	-
Fixed income	178,650	34,562	-	-	-
Private equity	228,619	44,229	-	-	-
Real estate	122,141	23,630	-	-	-
Liquidity	20,622	6,374	5	-	3
Tangible assets	11,835	2,290	-	-	-
Total Investments, Noncurrent	880,050	172,642	5	12,257	3
Total Assets	898,940	178,259	3,499	12,268	1,872
LIABILITIES					
Accrued liabilities	19,834	3,793	31	-	2
Due to other funds	18	20	-	-	-
Due to other pension and other employee benefit funds	-	-	-	-	-
Unearned revenues	4	-	-	-	-
Total Liabilities	19,856	3,813	31	-	2
NET ASSETS					
Net assets held in trust for:					
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 167)	879,084	174,446	3,468	12,268	1,870
Deferred compensation participants	-	-	-	-	-
Total Net Assets	\$ 879,084	\$ 174,446	\$ 3,468	\$ 12,268	\$ 1,870

Combining Statement of Plan Net Assets Pension and Other Employee Benefit Funds

June 30, 2012

(expressed in thousands)

concluded

	VFFRPF	Deferred Compensation	Higher Ed Supplemental	Total
ASSETS				
Cash and pooled investments	\$ 13,495	\$ 2,611	\$ 14	\$ 43,829
Receivables:				
Employer accounts receivable	-	-	479	140,120
Member accounts receivable (net of allowance)	-	1,555	-	3,112
Due from other funds	-	-	-	8
Due from other pension and other employee benefit funds	-	-	-	6,047
Interest and dividends	440	-	6	180,776
Investment trades pending	2,601	-	34	1,068,524
Total Receivables	3,041	1,555	519	1,398,587
Investments, Noncurrent:				
Public equity	54,509	2,931,869	711	28,433,502
Fixed income	30,605	-	399	12,570,897
Private equity	39,166	-	511	16,086,973
Real estate	20,924	-	273	8,594,518
Liquidity	3,450	4	529	1,500,683
Tangible assets	2,027	-	27	832,781
Total Investments, Noncurrent	150,681	2,931,873	2,450	68,019,354
Total Assets	167,217	2,936,039	2,983	69,461,770
LIABILITIES				
Accrued liabilities	3,371	1,762	44	1,408,590
Due to other funds	4	-	-	1,526
Due to other pension and other employee benefit funds	-	-	-	6,047
Unearned revenues	-	-	-	883
Total Liabilities	3,375	1,762	44	1,417,046
NET ASSETS				
Net assets held in trust for:				
Pension Benefits (Schedule of Funding Progress by Plan begins on Page 167)	163,842	-	2,939	65,110,447
Deferred compensation participants	-	2,934,277	-	2,934,277
Total Net Assets	\$ 163,842	\$ 2,934,277	\$ 2,939	\$ 68,044,724

Combining Statement of Changes in Plan Net Assets

Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2012

(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
ADDITIONS					
Contributions:					
Employers	\$ 257,196	\$ 385,253	\$ -	\$ 111,937	\$ 213,852
Members	31,601	326,129	95,172	17,820	31,175
State	-	-	-	-	-
Participants	-	-	-	-	-
Total Contributions	288,797	711,382	95,172	129,757	245,027
Investment Income:					
Net appreciation (depreciation) in fair value	(68,907)	(125,498)	(14,778)	(57,185)	(42,948)
Interest and dividends	187,954	495,364	24,908	157,833	168,836
Less: investment expenses	(32,680)	(85,208)	(4,755)	(27,450)	(29,490)
Net investment income (loss)	86,367	284,658	5,375	73,198	96,398
Transfers from other pension plans	97	270	1,432	38	16
Other additions	-	-	-	-	-
Total Additions	375,261	996,310	101,979	202,993	341,441
DEDUCTIONS					
Pension benefits	1,173,683	377,000	321	913,864	91,400
Pension refunds	4,554	35,715	66,245	1,552	2,170
Transfers to other pension plans	-	1,376	338	-	213
Administrative expenses	659	650	-	293	89
Distributions to participants	-	-	-	-	-
Total Deductions	1,178,896	414,741	66,904	915,709	93,872
Net Increase (Decrease)	(803,635)	581,569	35,075	(712,716)	247,569
Net Assets - Beginning	8,177,771	20,096,726	1,689,352	6,901,960	6,839,198
Net Assets - Ending	\$ 7,374,136	\$ 20,678,295	\$ 1,724,427	\$ 6,189,244	\$ 7,086,767

Combining Statement of Changes in Plan Net Assets Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2012

(expressed in thousands)

continued

	TRS Plan 3 Defined Contribution	SERS Plan 2/3 Defined Benefit	SERS Plan 3 Defined Contribution	LEOFF Plan 1	LEOFF Plan 2
ADDITIONS					
Contributions:					
Employers	\$ -	\$ 74,640	\$ -	\$ 3	\$ 80,480
Members	255,867	24,316	59,022	1,410	139,119
State	-	-	-	-	52,770
Participants	-	-	-	-	-
Total Contributions	255,867	98,956	59,022	1,413	272,369
Investment Income:					
Net appreciation (depreciation) in fair value	(27,593)	(17,300)	(8,731)	(39,971)	(38,039)
Interest and dividends	76,096	67,492	23,235	122,274	158,003
Less: investment expenses	(14,438)	(11,744)	(4,132)	(21,157)	(27,101)
Net investment income (loss)	34,065	38,448	10,372	61,146	92,863
Transfers from other pension plans	618	11	407	-	10
Other additions	-	-	-	-	-
Total Additions	290,550	137,415	69,801	62,559	365,242
DEDUCTIONS					
Pension benefits	1,150	53,630	302	343,438	78,152
Pension refunds	150,404	2,516	60,929	435	11,214
Transfers to other pension plans	520	306	163	-	44
Administrative expenses	-	59	-	162	1,095
Distributions to participants	-	-	-	-	-
Total Deductions	152,074	56,511	61,394	344,035	90,505
Net Increase (Decrease)	138,476	80,904	8,407	(281,476)	274,737
Net Assets - Beginning	5,032,373	2,746,370	1,269,440	5,184,670	6,365,760
Net Assets - Ending	\$ 5,170,849	\$ 2,827,274	\$ 1,277,847	\$ 4,903,194	\$ 6,640,497

Combining Statement of Changes in Plan Net Assets Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2012

(expressed in thousands)

continued

	WSPRS Plan 1/2	PSERS Plan 2	JRS	JRA	Judges
ADDITIONS					
Contributions:					
Employers	\$ 6,454	\$ 15,285	\$ 31	\$ 38	\$ -
Members	7,030	15,298	31	38	-
State	-	-	8,100	-	-
Participants	-	-	-	-	-
Total Contributions	13,484	30,583	8,162	76	-
Investment Income:					
Net appreciation (depreciation) in fair value	(6,345)	(388)	6	(136)	5
Interest and dividends	21,535	3,811	13	126	13
Less: investment expenses	(3,712)	(647)	(8)	(18)	-
Net investment income (loss)	11,478	2,776	11	(28)	18
Transfers from other pension plans	53	8	-	-	-
Other additions	-	-	-	4	-
Total Additions	25,015	33,367	8,173	52	18
DEDUCTIONS					
Pension benefits	40,368	70	9,765	811	482
Pension refunds	262	1,920	-	-	-
Transfers to other pension plans	-	-	-	-	-
Administrative expenses	50	4	-	-	-
Distributions to participants	-	-	-	-	-
Total Deductions	40,680	1,994	9,765	811	482
Net Increase (Decrease)	(15,665)	31,373	(1,592)	(759)	(464)
Net Assets - Beginning	894,749	143,073	5,060	13,027	2,334
Net Assets - Ending	\$ 879,084	\$ 174,446	\$ 3,468	\$ 12,268	\$ 1,870

Combining Statement of Changes in Plan Net Assets Pension and Other Employee Benefit Funds

For the Fiscal Year Ended June 30, 2012

(expressed in thousands)

concluded

	VFFRPF	Deferred Compensation	Higher Ed Supplemental	Total
ADDITIONS				
Contributions:				
Employers	\$ 882	\$ -	\$ 2,935	\$ 1,148,986
Members	88	-	-	1,004,116
State	5,602	-	-	66,472
Participants	-	178,449	-	178,449
Total Contributions	6,572	178,449	2,935	2,398,023
Investment Income:				
Net appreciation (depreciation) in fair value	(933)	(34,609)	(6)	(483,356)
Interest and dividends	3,730	26,474	12	1,537,709
Less: investment expenses	(625)	(4,171)	(2)	(267,338)
Net investment income (loss)	2,172	(12,306)	4	787,015
Transfers from other pension plans	-	-	-	2,960
Other additions	-	794	-	798
Total Additions	8,744	166,937	2,939	3,188,796
DEDUCTIONS				
Pension benefits	9,907	-	-	3,094,343
Pension refunds	12	-	-	337,928
Transfers to other pension plans	-	-	-	2,960
Administrative expenses	1,255	-	-	4,316
Distributions to participants	-	171,740	-	171,740
Total Deductions	11,174	171,740	-	3,611,287
Net Increase (Decrease)	(2,430)	(4,803)	2,939	(422,491)
Net Assets - Beginning	166,272	2,939,080	-	68,467,215
Net Assets - Ending	\$ 163,842	\$ 2,934,277	\$ 2,939	\$ 68,044,724

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), 54 of the state's K-12 schools and educational service districts (ESDs) and 207 political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of the remaining 246 K-12 schools and ESDs. As of June 2012, membership in the PEBB plan consisted of the following:

	Active Employees	Retirees ⁽¹⁾	Total
State	106,255	27,807	134,062
K-12 schools and ESDs ⁽²⁾	1,800	29,245	31,045
Political subdivisions	11,375	1,261	12,636
Total	119,430	58,313	177,743

⁽¹⁾ Retirees include retired employees, surviving spouses, and terminated members entitled to a benefit.

⁽²⁾ In fiscal year 2012, there were 98,349 full-time equivalent active employees in the 246 K-12 schools and ESDs that elected to limit participation in PEBB only to their retirees.

For fiscal year 2012, the estimated monthly cost for PEBB benefits for active employees (average across all plans and tiers) is as follows:

Required Premium ⁽³⁾	
Medical	\$880
Dental	83
Life	5
Long-term disability	2
Total	\$970
Employer contribution	\$852
Employee contribution	118
Total	\$970

⁽³⁾ Per 2012 Index Rate Model 3.60.

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 2011, the average weighted implicit subsidy was valued at \$301 per member per month, and in calendar year 2012, the average weighted implicit subsidy is projected to be \$326 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 2011, the explicit subsidy was \$183 per member per month, and in calendar year 2012, the explicit subsidy is \$150 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 2011. The retiree subsidy of life insurance was eliminated effective January 2012.

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 2012, the cost of the subsidies was approximately 6.5 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 2012, the amount contributed to the plan, and changes in the state's Net OPEB Obligation (NOO) (expressed in thousands):

Annual required contribution	\$ 320,991
Interest on Net OPEB Obligation	46,250
Amortization of Net OPEB Obligation	(36,954)
Annual OPEB cost (expense)	330,286
Contributions made	(78,673)
Increase in Net OPEB Obligation	251,613
Net OPEB Obligation - beginning of year	1,027,767
Net OPEB Obligation - end of year*	<u>\$1,279,381</u>
*estimated	

The state's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB Significant methods and assumptions were as follows:

obligation for fiscal years 2010, 2011 and 2012 were as follows (expressed in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$330,286	23.8%	\$1,279,381
6/30/11	328,568	23.9%	1,027,767
6/30/10	354,420	19.8%	777,872

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, the latest date for which information is available, was as follows (expressed in thousands):

Actuarial accrued liability (AAL)	\$3,491,970
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$3,491,970</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$5,937,061
UAAL as a percentage of covered payroll	58.8%

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.

Actuarial valuation date	January 1, 2011
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	4.0%
Health care inflation rate	7.0% initial rate, 5% ultimate rate in 2083
Inflation rate	3.5%

In addition to the assumptions above, several factors also significantly contributed to the actuarial results. The PEBB voted to permanently eliminate the subsidy paid for life insurance premiums beginning in January 2012. Also in January 2012, explicit subsidies for retirees enrolled in Medicare Parts A and B were reduced from \$183 per month to \$150 per month.

Note 13

Commitments and Contingencies

A. CONSTRUCTION AND OTHER COMMITMENTS

Capital Commitments

Outstanding commitments related to state infrastructure and facility construction, improvement, and/or renovation totaled \$5.04 billion at June 30, 2012.

Encumbrances

Encumbrances, which represent commitments related to unperformed contracts for goods or services, are included in restricted, committed or assigned fund balance, as appropriate. 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 the end of fiscal year 2012 are (in thousands):

General Fund	\$ 1,581
Higher Education Special Revenue Fund	169
Nonmajor Governmental Funds	21,223

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. In addition, at any given point, there may be numerous lawsuits involving the implementation, reduction, or elimination of specific state programs that could significantly impact expenditures, revenues, and potentially have future budgetary impact. This summary considers significant litigation not covered by tort insurance. Tort case liabilities are disclosed in Note 7E, Claims and Judgments, Risk Management.

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 basic education; inadequate funding for care of foster children, the disabled and elderly, and inadequate funding for the provision of, daily personal care, medical and mental health services to children, the elderly and the disabled. Collective claims in these programmatic and service cases exceed \$650 million exclusive of the basic education case, which could be substantial but is difficult to quantify at this juncture. In addition, adverse rulings in some of these cases could result in significant future costs.

The state is also a defendant in a number of cases contesting: the denial of health care benefits to seasonal and part-time state employees; the methodologies used to calculate reimbursement rates to certain health care providers, and the scope of covered care. Claims in this category exceed \$258 million.

The Department of Revenue routinely has claims for refunds in various stages of administrative and legal review. Cases involving claims for refunds currently total approximately \$95 million, though an adverse ruling could result in additional claims being brought

by similarly situated taxpayers. In addition, the state is defending cases challenging the constitutionality of certain taxes that fund discrete state programs.

The state is a defendant in a number of lawsuits related to: habitat restoration and environmental clean-up arising out of highway/roadway construction and maintenance and historic mining activity. While estimates are not available for all lawsuits, claims for damages equate to approximately \$254 million.

The state is a defendant in a number of lawsuits by employees and employee unions alleging various infractions of law or contract. These suits claim back pay, damages, or future entitlements in excess of \$760 million. Of the \$760 million, \$243 million is associated with a single case challenging the legislative repeal of the so-called gain-sharing benefit offered to members of certain state retirement plans. Pursuant to the legislative repeal, replacement benefits were offered in lieu of gain-sharing. It is estimated that if the gain-sharing benefit is restored and replacement benefits are retained, the biennial cost to the state would be approximately \$243 million for the 2013-15 biennium. A second retirement benefits case challenges the legislative discontinuation of annual cost of living increases for PERS and TRS Plan 1 retirees. The anticipated biennial cost-savings to the state associated with the challenged legislation is estimated to be approximately \$500 million for the 2013-15 biennium.

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 \$112.9 million in fiscal year 2012 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 2012 strategic contribution payment was approximately \$36.5 million.

In 2006, 2007, 2008, and 2009, determinations were made 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" in its share 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.

In addition, the states and the participating manufacturers have entered into an agreement under which the states will not contest that the disadvantages experienced by manufacturers as a result of participating in the MSA were a significant factor contributing to market share losses for the years 2007, 2008 and 2009, respectively. Washington faces a potential NPM adjustment of between \$0 and \$123 million for the year 2007, \$0 and \$173 million for the year 2008, and \$0 and \$176 million for the year 2009.

Washington and 37 other states each filed court actions seeking declarations that they had diligently enforced their escrow statutes – a defense to the adjustment claim. Thirty-six of the 37 states are participating in a single national arbitration of the NPM adjustment dispute.

The dispute is being presented to a three-member panel of retired judges. The panel is in place and some preliminary hearings have been held. The arbitration will comprise some presentations made by the states collectively and individually. The Washington specific hearing will begin in December 2012 and hearings will conclude in 2013. 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 2012, the state had guaranteed 212 school districts' voter-approved general obligation debt with 185 districts having a total outstanding principal of \$8.33

billion. The state estimates that the 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 and in the year 2000 for real estate. 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, 2012, outstanding certificates of participation notes totaled \$78 million for 188 local governments participating in LOCAL. The state estimates that the LOCAL program liability, if any, will be immaterial to its overall financial condition.

Note 14

Subsequent Events

A. BOND ISSUES

In July 2012, Western Washington University issued \$9.2 million in revenue bonds to refund a portion of the University's Housing and Dining System Revenue Bonds, Series 2003.

In August 2012, Washington State University issued \$27.4 million in general revenue bonds to partially fund construction of the Spokane Biomedical and Health Sciences Building.

In July 2012, the state issued:

- \$78.3 million in refunding taxable general obligation bonds.

In August 2012, the state issued:

- \$205.4 million in motor vehicle fuel tax general obligation bonds for various transportation projects.
- \$273.5 million in general obligation bonds for various capital projects.
- \$40.5 million in taxable general obligation bonds for various capital projects.

In September 2012, the state issued:

- \$352.2 million in various general obligation refunding bonds.

- \$380.4 million in motor vehicle fuel tax general obligation refunding bonds.

In November 2012, the University of Washington is planning to issue general revenue bonds of \$330.0 million. The bonds will provide partial funding for renovations to Husky Stadium, student residence halls and apartments, construction of a science building at the Bothell campus, and pay off \$50 million in commercial paper.

B. CERTIFICATES OF PARTICIPATION

In August 2012, the state issued \$81.2 million in Certificates of Participation.

C. GENERAL ELECTION

There were measures on the state's November 6, 2012, general election ballot that addressed state laws related to state revenues requiring legislative approval for increases to taxes and fees; authorizing charter schools; modifying the state debt limit calculation; investment of funds of certain four-year public institutions of higher education; and the regulation and taxation of marijuana production and distribution. These measures, if passed, could impact the state fiscally.

Election results are not final or official until certified. By law December 6, 2012, 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>.

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RSI
Required Supplementary Information

BUDGETARY COMPARISON SCHEDULE
General Fund

Budgetary Comparison Schedule General Fund For the Fiscal Year Ended June 30, 2012 <i>(expressed in thousands)</i>				
	Original Budget 2011-13 Biennium	Final Budget 2011-13 Biennium	Actual 2011-13 Biennium	Variance with Final Budget
Budgetary Fund Balance, July 1, as restated	\$ 62,736	\$ 62,736	\$ 62,736	\$ -
Resources				
Taxes	31,065,106	29,422,460	14,441,656	(14,980,804)
Licenses, permits, and fees	176,925	198,346	99,040	(99,306)
Other contracts and grants	523,672	540,521	222,561	(317,960)
Timber sales	7,280	6,090	4,504	(1,586)
Federal grants-in-aid	15,009,646	14,882,339	7,057,761	(7,824,578)
Charges for services	60,097	63,916	30,152	(33,764)
Investment income (loss)	3,563	(26,090)	(8,958)	17,132
Miscellaneous revenue	395,704	399,181	179,596	(219,585)
Unclaimed property	108,623	166,959	109,263	(57,696)
Transfers from other funds	1,897,780	1,958,035	1,150,752	(807,283)
Total Resources	49,311,132	47,674,493	23,349,063	(24,325,430)
Charges To Appropriations				
General government	3,550,365	3,541,324	1,687,817	1,853,507
Human services	24,280,399	23,470,006	11,470,787	11,999,219
Natural resources and recreation	639,392	628,298	283,560	344,738
Transportation	101,879	93,777	43,432	50,345
Education	18,765,529	18,504,331	9,175,482	9,328,849
Capital outlays	627,393	747,691	153,544	594,147
Transfers to other funds	939,890	930,859	687,956	242,903
Total Charges To Appropriations	48,904,847	47,916,286	23,502,578	24,413,708
Excess Available For Appropriation				
Over (Under) Charges To Appropriations	406,285	(241,793)	(153,515)	88,278
Reconciling Items				
Debt service	-	-	(26)	(26)
Bond sale proceeds	103,825	120,844	72,766	(48,078)
Issuance premiums	-	-	2,586	2,586
Refunding COPs issued	-	-	3,270	3,270
Pmts to escrow agents for refunded debt	-	-	(3,565)	(3,565)
Assumed reversions	-	120,000	-	(120,000)
Working capital adjustment	-	238,000	-	(238,000)
Changes in reserves (net)	-	-	(26,272)	(26,272)
Entity adjustments (net)	-	-	(71,182)	(71,182)
Total Reconciling Items	103,825	478,844	(22,423)	(501,267)
Budgetary Fund Balance, June 30	\$ 510,110	\$ 237,051	\$ (175,938)	\$ (412,989)

BUDGETARY COMPARISON SCHEDULE

Budget to GAAP Reconciliation

General Fund For the Fiscal Year Ended June 30, 2012 <i>(expressed in thousands)</i>	
	<u>General Fund</u>
Sources/Inflows of Resources	
Actual amounts (budgetary basis) "Total Resources" from the Budgetary Comparison Schedule	\$ 23,349,063
Differences - budget to GAAP:	
The following items are inflows of budgetary resources but are not revenue for financial reporting purposes:	
Transfers from other funds	(1,150,752)
Budgetary fund balance at the beginning of the biennium	(62,736)
Appropriated loan principal repayment	(1,598)
The following items are not inflows of budgetary resources but are revenue for financial reporting purposes:	
Noncash commodities and electronic food stamp benefits	1,761,673
Revenues collected for other governments	106,017
Unanticipated receipts	3,410
Noncash revenues	(28,517)
Other	6,060
Biennium total revenues	23,982,620
Nonappropriated activity	876
Total Revenues (GAAP Basis) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 23,983,496</u>
Uses/Outflows of Resources	
Actual amounts (budgetary basis) "Total Charges to Appropriations" from the Budgetary Comparison Schedule	\$ 23,502,578
Differences - budget to GAAP:	
The following items are outflows of budgetary resources but are not expenditures for financial reporting purposes:	
Appropriated transfers to other funds	(1,264,455)
Other transfers to other funds	(687,956)
Appropriated loan disbursements	(35)
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	1,761,673
Distributions to other governments	106,017
Certificates of participation and capital lease acquisitions	10,771
Expenditures related to unanticipated receipts	3,410
Interest on debt service	26
Other	6,060
Biennium total expenditures	23,438,089
Nonappropriated activity	289,548
Total expenditures (GAAP basis) as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 23,727,637</u>

BUDGETARY INFORMATION

Notes to Required Supplementary Information

GENERAL BUDGETARY POLICIES AND PROCEDURES

The Governor is required to submit a budget to the 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 schedule is 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 schedule 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 2011-13 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, 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. Because allotments are not the strict legal limit on expenditures/expenses, the accompanying budgetary schedule is 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.

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 restricted, committed or assigned 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 capital 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 generally includes the following as reported on the Governmental Funds Balance Sheet: restricted, committed, assigned, and unassigned fund balances. The negative General Fund Basic Account ending budgetary fund balance is offset by assigned fund balance for GAAP reporting purposes.

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Public Employees' Retirement System - Plan 1 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 8,883	\$ 9,293	\$ 9,776	\$ 9,853	\$ 9,715	\$ 9,591
Actuarial accrued liability	12,571	12,538	13,984	13,901	13,740	13,129
Unfunded actuarial liability	3,688	3,245	4,208	4,048	4,025	3,538
Percentage funded	71%	74%	70%	71%	71%	73%
Covered payroll	432	507	580	638	676	725
Unfunded actuarial liability as a percentage of covered payroll	854%	640%	726%	634%	595%	488%
<i>Source: Washington State Office of the State Actuary.</i>						

Schedule of Funding Progress Public Employees' Retirement System - Plan 2/3 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 20,997	\$ 19,474	\$ 18,260	\$ 16,693	\$ 14,888	N/A
Actuarial accrued liability	21,627	20,029	18,398	16,508	14,661	N/A
Unfunded actuarial liability	630	555	138	(185)	(227)	N/A
Percentage funded	97%	97%	99%	101%	102%	N/A
Covered payroll	8,148	8,206	8,132	7,869	7,157	N/A
Unfunded actuarial liability as a percentage of covered payroll	8%	7%	0%	0%	0%	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.						
<i>Source: Washington State Office of the State Actuary.</i>						

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Teachers' Retirement System - Plan 1 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 7,485	\$ 7,791	\$ 8,146	\$ 8,262	\$ 8,302	\$ 8,275
Actuarial accrued liability	9,232	9,201	10,820	10,754	10,826	10,359
Unfunded actuarial liability	1,747	1,410	2,674	2,492	2,524	2,084
Percentage funded	81%	85%	75%	77%	77%	80%
Covered payroll	284	344	389	432	426	478
Unfunded actuarial liability as a percentage of covered payroll	615%	410%	687%	577%	592%	436%
Source: Washington State Office of the State Actuary.						

Schedule of Funding Progress Teachers' Retirement System - Plan 2/3 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 7,141	\$ 6,593	\$ 6,160	\$ 5,681	\$ 5,277	N/A
Actuarial accrued liability	7,194	6,558	6,048	5,264	4,682	N/A
Unfunded (assets in excess of) actuarial liability	53	(36)	(112)	(417)	(595)	N/A
Percentage funded	99%	101%	102%	108%	113%	N/A
Covered payroll	4,085	3,966	3,957	3,621	3,318	N/A
Unfunded actuarial liability as a percentage of covered payroll	1%	0%	0%	0%	0%	N/A
TRIS 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.						

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress School Employees' Retirement System - Plan 2/3 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 2,872	\$ 2,664	\$ 2,503	\$ 2,303	\$ 2,133	N/A
Actuarial accrued liability	2,956	2,706	2,493	2,207	1,998	N/A
Unfunded (assets in excess of) actuarial liability	84	41	(10)	(96)	(135)	N/A
Percentage funded	97%	98%	100%	104%	107%	N/A
Covered payroll	1,490	1,475	1,467	1,379	1,283	N/A
Unfunded actuarial liability as a percentage of covered payroll	6%	3%	0%	0%	0%	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.						

Schedule of Funding Progress Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 1 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 5,565	\$ 5,561	\$ 5,612	\$ 5,592	\$ 5,298	\$ 5,018
Actuarial accrued liability	4,145	4,393	4,492	4,368	4,340	4,309
Unfunded (assets in excess of) actuarial liability	(1,420)	(1,168)	(1,120)	(1,224)	(958)	(709)
Percentage funded	134%	127%	125%	128%	122%	116%
Covered payroll	25	29	33	37	43	48
Unfunded actuarial liability as a percentage of covered payroll	0%	0%	0%	0%	0%	N/A
N/A indicates data not available. Source: Washington State Office of the State Actuary.						

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Law Enforcement Officers' and Fire Fighters' Retirement System - Plan 2 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 6,621	\$ 6,043	\$ 5,564	\$ 5,053	\$ 4,360	N/A
Actuarial accrued liability	5,941	5,164	4,641	3,998	3,626	N/A
Unfunded (assets in excess of)						
actuarial liability	(680)	(879)	(923)	(1,055)	(734)	N/A
Percentage funded	111%	117%	120%	126%	120%	N/A
Covered payroll	1,535	1,490	1,442	1,345	1,234	N/A
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	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.						

Schedule of Funding Progress Washington State Patrol Retirement System - Plan 1/2 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 949	\$ 920	\$ 900	\$ 870	\$ 800	N/A
Actuarial accrued liability	859	812	790	745	702	N/A
Unfunded (assets in excess of)						
actuarial liability	(90)	(108)	(110)	(125)	(98)	N/A
Percentage funded	110%	113%	114%	117%	114%	N/A
Covered payroll	82	83	83	79	72	N/A
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	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.						

PENSION PLAN INFORMATION
Schedules of Funding Progress

continued

Schedule of Funding Progress Public Safety Employees' Retirement System - Plan 2 Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	N/A
Actuarial value of plan assets	\$ 141	\$ 103	\$ 69	\$ 39	\$ 14	N/A
Actuarial accrued liability	127	94	64	37	19	N/A
Unfunded (assets in excess of)						
actuarial liability	(14)	(9)	(5)	(2)	6	N/A
Percentage funded	111%	109%	108%	106%	74%	N/A
Covered payroll	233	227	223	200	134	N/A
Unfunded actuarial liability as a						
percentage of covered payroll	0%	0%	0%	0%	0%	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.						

Schedule of Funding Progress Judicial Retirement System Valuation Years 2011 through 2006 <i>(dollars in millions)</i>						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 5.0	\$ 4.0	\$ 2.0	\$ 1.0	\$ 1.0	\$ 0.3
Actuarial accrued liability	109	84	89	92	85	88
Unfunded actuarial liability	104	80	87	91	84	88
Percentage funded	5%	5%	2%	1%	1%	0%
Covered payroll	0.5	0.7	0.9	1.3	1.3	1.4
Unfunded actuarial liability as a						
percentage of covered payroll	22574%	11565%	9667%	7000%	6462%	6286%
Source: Washington State Office of the State Actuary.						

PENSION PLAN INFORMATION
Schedules of Funding Progress

concluded

Schedule of Funding Progress Judges' Retirement Fund Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	9/30/2006
Actuarial value of plan assets	\$ 2.3	\$ 2.8	\$ 3.3	\$ 3.6	\$ 4.0	\$ 4.1
Actuarial accrued liability	3.9	3.2	3.4	3.5	3.9	4.0
Unfunded (assets in excess of)						
actuarial liability	1.6	0.4	0.1	(0.1)	(0.1)	(0.1)
Percentage funded	61%	87%	97%	103%	103%	103%
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.						

Schedule of Funding Progress Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund Valuation Years 2011 through 2006 (dollars in millions)						
	2011	2010	2009	2008	2007	2006
Actuarial valuation date	6/30/2011	6/30/2010	6/30/2009	6/30/2008	6/30/2007	12/31/2006
Actuarial value of plan assets***	\$ 168	\$ 166	\$ 166	\$ 161	\$ 151	\$ 140
Actuarial accrued liability*	168	166	163	153	141	142
Unfunded (assets in excess of)						
actuarial liability	-	-	(3)	(8)	(10)	2
Percentage funded	100%	100%	102%	105%	107%	99%
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.						
*** Board for Volunteer Fire Fighters adopted a new funding policy as of 2010 where assets above the accrued pension liability are allocated to fund relief benefits.						
N/A indicates data not available.						
Source: Washington State Office of the State Actuary.						

PENSION PLAN INFORMATION

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, 2012 through 2007 <i>(dollars in millions)</i>						
	2012	2011	2010	2009	2008	2007
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 508.0	\$ 439.3	\$ 627.8	\$ 620.2	\$ 453.1	\$ 397.3
Employers' actual contribution	257.2	145.6	154.0	325.2	221.8	118.7
Percentage contributed	51%	33%	25%	52%	49%	30%
PUBLIC EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 407.7	\$ 408.6	\$ 383.1	\$ 369.7	\$ 363.3	\$ 331.3
Employers' actual contribution	385.3	328.3	327.5	439.7	318.7	242.5
Percentage contributed	95%	80%	85%	119%	88%	73%
TEACHERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ 254.0	\$ 205.9	\$ 406.1	\$ 391.0	\$ 294.7	\$ 249.8
Employers' actual contribution	111.9	96.8	112.7	178.9	113.1	60.5
Percentage contributed	44%	47%	28%	46%	38%	24%
TEACHERS' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 232.2	\$ 232.3	\$ 221.1	\$ 186.9	\$ 208.9	\$ 167.7
Employers' actual contribution	213.9	168.3	165.0	160.8	109.5	102.2
Percentage contributed	92%	72%	75%	86%	52%	61%
SCHOOL EMPLOYEES' RETIREMENT SYSTEM - PLAN 2/3						
Employers' annual required contribution	\$ 85.2	\$ 88.6	\$ 82.3	\$ 71.5	\$ 75.8	\$ 71.5
Employers' actual contribution	74.6	62.3	62.1	63.5	52.1	45.9
Percentage contributed	88%	70%	75%	89%	69%	64%
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 experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods 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 ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).						
Source: Washington State Office of the State Actuary						

PENSION PLAN INFORMATION

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, 2012 through 2007						
(dollars in millions)						
	2012	2011	2010	2009	2008	2007
LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM - PLAN 1						
Employers' annual required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1
Employers' actual contribution	-	-	-	-	-	0.1
Percentage contributed	N/A	N/A	N/A	N/A	N/A	100%
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*	\$ 97.3	\$ 84.0	\$ 111.1	\$ 105.3	\$ 61.3	\$ 56.9
Employers' actual contribution	80.5	79.7	77.0	77.8	73.4	58.2
Percentage contributed	83%	95%	69%	74%	120%	102%
State annual required contribution*	\$ 38.2	\$ 33.6	\$ 44.4	\$ 42.1	\$ 40.8	\$ 38.0
State actual contribution	52.8	52.0	51.4	51.1	45.9	37.9
Percentage contributed	138%	155%	116%	121%	113%	100%
WASHINGTON STATE PATROL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 2.9	\$ 2.3	\$ 6.6	\$ 5.0	\$ 6.8	\$ 5.3
Employers' actual contribution	6.5	5.3	5.3	6.4	6.1	3.3
Percentage contributed	224%	230%	80%	128%	90%	62%
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 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 experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods 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 ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).						
Source: Washington State Office of the State Actuary						

PENSION PLAN INFORMATION

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, 2012 through 2007 <i>(dollars in millions)</i>						
	2012	2011	2010	2009	2008	2007
PUBLIC SAFETY EMPLOYEES' RETIREMENT PLAN SYSTEM - PLAN 2						
Employers' annual required contribution	\$ 14.7	\$ 14.7	\$ 14.8	\$ 14.3	\$ 12.4	\$ 7.1
Employers' actual contribution	15.3	15.6	15.2	14.5	11.7	6.6
Percentage contributed	104%	106%	103%	101%	94%	93%
JUDICIAL RETIREMENT SYSTEM						
Employers' annual required contribution	\$ 22.6	\$ 18.6	\$ 20.4	\$ 21.2	\$ 26.6	\$ 37.3
Employers' actual contribution	8.1	10.9	11.6	10.2	9.6	9.6
Percentage contributed	36%	59%	57%	48%	36%	26%
JUDGES' RETIREMENT FUND						
Employers' annual required contribution	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ -	\$ -
Employers' actual contribution	-	-	-	-	-	0.3
Percentage contributed	N/A	N/A	N/A	N/A	N/A	N/A
VOLUNTEER FIRE FIGHTERS' AND RESERVE OFFICERS' RELIEF AND PENSION FUND						
Employers' annual required contribution	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.0
Employers' actual contribution	1.0	1.1	1.0	1.0	1.0	1.0
Percentage contributed	100%	100%	100%	91%	100%	100%
State annual required contribution	\$ 3.7	\$ 4.2	\$ 1.8	\$ 1.4	\$ 0.9	\$ 2.0
State actual contribution	5.6	5.8	5.7	5.2	5.0	6.0
Percentage contributed	151%	138%	317%	371%	556%	300%
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 experience gains and losses. The methods used to derive the ARC for this reporting disclosure are different from the methods 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 ARCs. Starting in 2009, the ARC for PERS and TRS Plans 1 was calculated using the Entry Age Normal cost method with a rolling 10-year amortization (excluding the temporary rate ceilings). Starting in 2011, the calculation of the ARC reflects the underlying actuarial cost method (excluding minimum contribution rates).						
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 2011 through 2008 <i>(dollars in millions)</i>			
	2011	2009	2008
Actuarial valuation date	1/1/2011	1/1/2009	1/1/2008
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability (AAL)*	3,492	3,787	4,014
Unfunded actuarial accrued liability (UAAL)	3,492	3,787	4,014
Funded ratio	0%	0%	0%
Covered payroll	5,937	5,678	5,170
UAAL as a percentage of covered payroll	59%	67%	78%
* 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 of Washington reports certain networks of infrastructure assets under the modified approach of the Governmental Accounting Standards Board Statement No. 34. Expenditures to maintain and preserve these assets are budgeted, recorded and reported in lieu of depreciation expense. The state must meet the following requirements to report networks of assets under the modified approach:

- Maintain an up-to-date inventory of eligible infrastructure assets in an asset management system.
- Disclose the condition level established by administrative or executive policy, or by legislative action at which assets are to be preserved or maintained.

- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Document that assets are being preserved approximately at or above the disclosed condition level.
- Annually estimate the cost to maintain and preserve the assets at the established condition level.

Assets accounted for under the modified approach include the state's network of highway pavements, bridges and rest areas. In fiscal year 2012, the state was responsible to maintain and preserve 20,631 pavement lane miles, 3,245 bridges and tunnels, and 48 rest areas.

Beginning in fiscal year 2012, state managed airports are reported as land and land improvements. In prior years, they were reported as infrastructure using the modified approach.

PAVEMENT CONDITION

The Washington State Department of Transportation (WSDOT) performs highway pavement assessments each year utilizing three measurements to develop a scaled condition assessment: Pavement Structural Condition (PSC), International Roughness Index (IRI), and rutting.

The WSDOT uses the following rating scale for 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 – 79	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 – 59	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 – 39	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 – 19	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 IRI scale is measured in inches per mile. The WSDOT assesses pavements with a ride performance measure less than 221 inches per mile to be in fair or better condition.

Rutting is measured in inches with a measurement of 0.58 inches or less assessed at a condition of fair or better.

PSC, IRI, and rutting are combined to rate a section of pavement which is assigned the lowest condition of any of the three indices.

The WSDOT's policy is to maintain 90 percent of pavements at a condition level of fair or better. The following table shows the combined conditions and the ratings for pavement for each index:

Category	PSC	IRI	Rutting
Very Good	80 – 100	< 96	< 0.24
Good	60 – 79	96 – 170	0.24 – 0.41
Fair	40 – 59	171 – 220	0.42 – 0.58
Poor	20 – 39	221 – 320	0.59 – 0.74
Very Poor	0 – 19	> 320	> 0.74

The following table shows payment condition ratings for state highways:

Pavement Percentage in Fair or Better Condition Calendar Year		
<u>2011</u>	<u>2010</u>	<u>2009</u>
91.2%	92.7%	93.0%

The following table reflects the state's estimated and actual expenditures necessary to preserve state highways at the established condition level:

Pavement Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 148,811	\$ 122,203	\$ 168,204	\$ 144,897	\$ 137,215
Actual	\$ 148,366	\$ 117,811	\$ 159,441	\$ 128,449	\$ 147,369

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about pavements, refer to the WSDOT's website at:
<http://www.wsdot.wa.gov/Business/MaterialsLab/Pavements/default.htm>.

BRIDGE CONDITION

The WSDOT performs sample condition assessments on state owned bridges in excess of 20 feet in length each year with all bridges inspected over a two year cycle. Underwater bridge components are inspected at least once every five years in accordance with Federal Highway Administration (FHWA) requirements.

The WSDOT uses a performance measure which classifies a bridge as good, fair, or poor using the National Bridge Inspection Standards (NBIS) codes for bridge superstructure, substructure, and deck. The following categories for condition rating are based on the structural sufficiency standards established in FHWA's "Recording and Coding Guide for the Structural Inventory and Appraisal of the Nation's Bridges."

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.

The WSDOT's policy is to maintain 95 percent of bridges at a condition level of fair or better. The following table shows bridge condition ratings:

Bridges Percentage in Fair or Better Condition Calendar Year		
<u>2011</u>	<u>2009</u>	<u>2007</u>
95.4%	97.7%	97.2%

The following table reflects the state's estimated and actual expenditures necessary to preserve the bridges at the established condition level:

Bridges Preservation and Maintenance - Planned to Actual - Fiscal Year (expressed in thousands)					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 66,510	\$ 46,708	\$ 54,490	\$ 76,801	\$ 23,687
Actual	\$ 61,026	\$ 43,709	\$ 44,436	\$ 29,992	\$ 36,008

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about bridges, refer to the WSDOT's website at:
<http://www.wsdot.wa.gov/eesc/bridge/index.cfm>.

SAFETY REST AREA CONDITION

The WSDOT performs safety rest area condition assessments every two years. Sites are given a good to poor numerical rating for each of the following functional components: ADA compliance; proximity to the next rest area; traffic flow/access from/to the highway; security (fencing, visibility, and lighting); facility size (vehicle/pedestrian circulation, parking, potential facility expansion); drainage; landscaping maintenance; signage; water supply (rate flow, potable, hydrant system), and sanitation (municipal or on-site). A weighting multiplier is applied based on the criticality of each component.

The WSDOT's policy is to maintain 95 percent of safety rest areas in a condition of fair or better. The following table shows the safety rest area condition ratings:

Safety Rest Areas		
Percentage in Fair or Better Condition		
Calendar Year		
<u>2011</u>	<u>2009</u>	<u>2007</u>
100.0%	97.6%	95.2%

The following table reflects the state's estimated and actual expenditures necessary to preserve the safety rest areas at the established condition level:

Safety Rest Areas					
Preservation and Maintenance - Planned to Actual - Fiscal Year					
(expressed in thousands)					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Planned	\$ 6,278	\$ 6,259	\$ 5,815	\$ 6,007	\$ 5,667
Actual	\$ 6,467	\$ 6,514	\$ 5,925	\$ 5,824	\$ 5,855

Actual expenditures may vary from planned amounts for a variety of reasons which include, but are not limited to, management's decision to accelerate, defer, or reduce preservation or maintenance activity in response to economic forecasts and other factors.

For more information about safety rest areas, refer to WSDOT's website at: <http://www.wsdot.wa.gov/safety/restareas>.

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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**

November 15, 2012

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, 2012, which collectively comprise the State's basic financial statements and have issued our report thereon dated November 15, 2012. Our report includes a reference to other auditors. During the year ended June 30, 2012, the State implemented Governmental Accounting Standards Board Statement No. 64 - *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*.

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, 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, and the funds managed by the State Investment Board were not audited in accordance with *Government Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the State is responsible for establishing and maintaining effective 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 Audit Findings and Responses as Finding 12-01 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*.

This report is intended for the information and use of management, federal awarding agencies and pass-through entities. 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.

A handwritten signature in black ink, appearing to read "Brian Sonntag", is positioned above the printed name and title.

BRIAN SONNTAG, CGFM
STATE AUDITOR



Washington State Auditor Troy Kelley

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 18, 2013

The Honorable Jay Inslee
Governor, State of Washington

Dear Governor Inslee:

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, 2012. 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 12-05, 12-18, 12-19, 12-20, 12-21, and 12-57, in the accompanying Schedule of Findings and Questioned Costs, the State did not comply with requirements regarding Subrecipient Monitoring, Allowable Costs/Cost Principles, and Level of Effort that are applicable to the National Bioterrorism Hospital Preparedness, Public Health Emergency Preparedness, and School Improvement Grants Cluster programs. 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 paragraphs, 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, 2012. The results of our auditing procedures also 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 findings and questioned costs as Findings 12-2, 12-3, 12-4, 12-6, 12-7, 12-8, 12-10, 12-11, 12-12, 12-13, 12-14, 12-15, 12-16, 12-17, 12-22, 12-23, 12-24, 12-25, 12-26, 12-27, 12-28, 12-29, 12-30, 12-31, 12-32, 12-36, 12-37, 12-39, 12-40, 12-41, 12-45, 12-46, 12-53, 12-55, 12-58, 12-60, 12-61, 12-62, 12-63.

Internal Control Over Compliance

The management of the State is responsible for establishing and maintaining effective internal control over compliance with the 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 was not designed to identify all deficiencies in internal control over compliance 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 12-2, 12-3, 12-4, 12-9, 12-11, 12-12, 12-13, 12-18, 12-20, 12-21, 12-22, 12-23, 12-24, 12-28, 12-30, 12-32, 12-47, 12-58, 12-60, 12-61, 12-62, 12-63 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 12-5, 12-7, 12-8, 12-15, 12-16, 12-17, 12-25, 12-26, 12-31, 12-33, 12-34, 12-35, 12-37, 12-38, 12-39, 12-42, 12-43, 12-44, 12-45, 12-48, 12-49, 12-50, 12-51, 12-52, 12-53, 12-54, 12-56, 12-59 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, 2012, and have issued our report thereon dated November 15, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements 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.

A handwritten signature in black ink, reading "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR

March 18, 2013, except for the Schedule
of Expenditures of Federal Awards, as to
which the date is November 15, 2012

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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 deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *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, the Public Health Emergency Preparedness Programs, and the School Improvement Grants Cluster 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
10.551 10.561	<u>SNAP Cluster</u> Supplemental Nutrition Assistance Program (SNAP) State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.558	Child and Adult Care Food Program (CACFP)
11.436	Columbia River Fisheries Development Program
11.438	Pacific Coast Salmon Recovery – Pacific Salmon Treaty Program
14.239	Home Investment Partnerships Program
15.605 15.611	<u>Fish and Wildlife Cluster</u> Sport Fish Restoration Program Wildlife Restoration and Basic Hunter Education
17.225 17.225-ARRA	Unemployment Insurance Unemployment Insurance, American Recovery and Reinvestment Act (ARRA)
20.500 20.507	<u>Federal Transit Cluster</u> Federal Transit – Capital Investment Grants Federal Transit – Formula Grants (Urbanized Area Formula Program)
20.509 20.509-ARRA	Formula Grants for Other Than Urbanized Areas (Nonurbanized Area Formula Program) Formula Grants for Other Than Urbanized Areas (Nonurbanized Area Formula Program), American Recovery and Reinvestment Act (ARRA)
20.933	National Infrastructure Investments

66.458 66.458- ARRA	Capitalization Grants for Clean Water State Revolving Funds Capitalization Grants for Clean Water State Revolving Funds, American Recovery and Reinvestment Act (ARRA)
66.468 66.468-ARRA	Capitalization Grants for Drinking Water State Revolving Funds Capitalization Grants for Drinking Water State Revolving Funds, American Recovery and Reinvestment Act (ARRA)
84.126 84.390-ARRA	<u>Vocational Rehabilitation Services Cluster</u> Rehabilitation Services – Vocational Rehabilitation Grants to States Rehabilitation Services – Vocational Rehabilitation Grants to States, American Recovery and Reinvestment Act (ARRA)
84.377 84.388-ARRA	<u>School Improvement Grants Cluster</u> School Improvement Grants School Improvement Grants, American Recovery and Reinvestment Act (ARRA)
84.395-ARRA	State Fiscal Stabilization Fund (SFSF) Race-to-the-Top Incentive Grants, American Recovery and Reinvestment Act (ARRA)
93.069	Public Health Emergency Preparedness
93.145	AIDS Education and Training Centers
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)’s Exchanges
93.558	<u>Temporary Assistance for Needy Families Cluster</u> Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.575 93.596 93.713-ARRA	<u>Child Care and Development Cluster</u> Child Care and Development Block Grant Child Care Mandatory and Matching Funds of the Child Care and Development Fund Child Care and Development Block Grant – American Recovery and Reinvestment Act (ARRA)

93.600 93.708-ARRA 93.709-ARRA	<u>HeadStart Cluster</u> Head Start Head Start, American Recovery and Reinvestment Act (ARRA) Early Head Start, American Recovery and Reinvestment Act (ARRA)
93.659	Adoption Assistance – Title IV-E
93.720-ARRA 93.775 93.777 93.778 93.778-ARRA	<u>Medicaid Cluster</u> State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative, American Recovery and Reinvestment Act (ARRA) State Medicaid Fraud Control Units State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare Medical Assistance Program (Medicaid; Title XIX) Medical Assistance Program (Medicaid), American Recovery and Reinvestment Act (ARRA)
93.889	National Bioterrorism Hospital Preparedness Program
93.917	HIV Care Formula Grants
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program

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, one issue impacting federal awards came to our attention that was 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:

- Fraud Investigation Report No. 1007720
An employee of the Washington State Department of Social and Health Services, Frances Haddon Morgan Center, misappropriated Medicaid funds.

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012**

Summary of Financial Statement Findings

Finding Number	Finding
12-01	The State's internal controls over Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.

Summary of Federal Findings

Finding Number	Finding
12-02	The Department of Health did not obtain sub-award information or file reports required by the Federal Funding Accountability and Transparency Act for the Special Supplemental Nutrition Program for Women, Infants, and Children.
12-03	The Department of Health does not adequately monitor subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children.
12-04	The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Special Supplemental Nutrition Program for Women, Infants, and Children.
12-05	The Department of Health does not have sufficient internal controls to ensure all of its subrecipients receive audits when required.
12-06	The Recreation and Conservation Office did not file reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program.
12-07	The Department of Commerce does not adequately monitor subrecipients of the HOME Investment Partnership Program to ensure subrecipients use federal grant money for authorized purposes and in compliance with laws, regulations, and grant and contract provisions.
12-08	The Department of Commerce does not have internal controls to ensure the Department pays out HOME Investment Partnership program income before requesting federal cash draws and interest earned on federal cash advances is returned to the federal government.
12-09	The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.
12-10	The Employment Security Department did not attempt to collect \$440,925 overpaid to claimants for Federal Additional Compensation Unemployment Insurance.
12-11	The Employment Security Department does not have controls to ensure compliance with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments.
12-12	The Department of Transportation did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.
12-13	The Department of Health did not file reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water Program.
12-14	The Department of Services for the Blind did not determine eligibility for all Vocational Rehabilitation program applicants within the allowed period of time.
12-15	The Department of Services for the Blind did not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for its federal Vocational Rehabilitation program.
12-16	The Department of Services for the Blind did not comply with federal requirements for reporting Vocational Rehabilitation program expenditures.

12-17	The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.
12-18	The Office of Superintendent of Public Instruction's internal controls over subrecipient monitoring are not adequate to ensure only proper and allowable costs are charged to the School Improvement Grants program.
12-19	The Department of Health paid unreasonable indirect cost rates to a subrecipient of the Public Health Emergency Preparedness grant.
12-20	The Department of Health does not adequately monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
12-21	The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
12-22	The University of Washington does not have monitoring controls to ensure subrecipients receiving less than \$500,000 from the University obtain audits when required.
12-23	The Department of Social and Health Services does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Support Enforcement grant are filed.
12-24	The Department of Social and Health Services did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Child Support Enforcement grant.
12-25	The Department of Commerce does not have adequate controls to ensure it draws Low-Income Home Energy Assistance Program federal funds in accordance with the Cash Management Improvement Act Agreement.
12-26	The Department of Commerce does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed for the Low-Income Home Energy Assistance Program.
12-27	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Low-Income Home Energy Assistance program.
12-28	The Department of Early Learning does not have adequate internal controls over direct payments to child care providers.
12-29	The Department of Early Learning did not maintain federally required documentation for \$21,328.61 in payroll costs charged to the Child Care Development Fund.
12-30	The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund, resulting in the payment of child care services for ineligible clients.
12-31	Edmonds Community College did not comply with time and effort requirements for its Head Start Program.
12-32	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.
12-33	The Department of Health did not survey all hospitals and ambulatory surgical centers in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.
12-34	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed.
12-35	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure the accuracy of financial eligibility determinations for clients receiving home and community based services.
12-36	The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens, resulting in \$77,352.13 in questioned costs.
12-37	The Department of Social and Health Services does not have adequate internal controls to ensure daily rates paid to supported living providers for Medicaid clients are accurate and properly authorized.

12-38	The Department of Social and Health Services, Economic Services Administration, does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible.
12-39	The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to supported living providers are allowable and supported.
12-40	The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
12-41	The Department of Social and Health Services, Aging and Disability Services Administration, did not perform background checks for some in-home care individual providers in accordance with state law.
12-42	The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort.
12-43	The Health Care Authority does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.
12-44	The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and referred to the Medicaid Fraud Control Unit (MFCU), risking the loss of public resources.
12-45	The Health Care Authority's inadequate internal controls over claims from Federally Qualified Health Centers led to payments of more than \$1.4 million for charges improperly calculated and claimed.
12-46	The Health Care Authority improperly claimed \$48,365.31 in federal reimbursement for the Medicaid program.
12-47	The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate.
12-48	The Health Care Authority did not complete the required automatic data processing (ADP) risk analysis and system security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.
12-49	The Health Care Authority does not comply with the data-sharing requirements of 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.
12-50	The Health Care Authority did not adequately monitor subrecipients to ensure Medicaid Administrative Match expenditures are allowable and subrecipients obtained federal compliance audits.
12-51	The Health Care Authority does not perform the federally required retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse.
12-52	The Health Care Authority cannot be sure it is properly claiming Children's Health Insurance Program (CHIP) funds.
12-53	The Health Care Authority's inadequate internal controls over claims for dental services led to more than \$648,000 in overpayments to providers.
12-54	The Health Care Authority does not have adequate controls in place to verify services billed by providers with Medicaid beneficiaries in accordance with federal laws, risking the loss of Medicaid resources.
12-55	The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
12-56	The Health Care Authority did not have adequate controls to ensure the federal share of overpayments to Medicaid providers is refunded to the federal government in a timely manner.
12-57	The Department of Health did not maintain federally required documentation for \$140,468 in payroll costs charged to the National Bioterrorism Hospital Preparedness Program.
12-58	The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the HIV Care Formula Grant Program.
12-59	The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits for the Disaster Grants-Public Assistance program when required.

12-60	The Military Department did not file reports required by the Federal Funding Accountability and Transparency Act for the Disaster Grants-Public Assistance program.
12-61	The Military Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Homeland Security Grant Program.
12-62	The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits when required and that all subrecipients take timely and appropriate corrective actions for audit findings issued for the Homeland Security Grant Program.
12-63	The Military Department's internal controls over subrecipient monitoring are not working as designed and the Department does not adequately monitor sub-recipients of the Homeland Security Grant Program.

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2012

Summary of Questioned Costs

Federal Grantor	State Agency	CFDA No.	Federal Program	Questioned Costs	Finding No.
U.S. Department of Labor	Employment Security Department	17.225 17.225ARRA	Unemployment Insurance	\$ 440,925.00	12-10
U.S. Department of Education	Department of Services for the Blind	84.126	Vocational Rehabilitation Services Cluster	\$ 1,259,024.49	12-17
U.S. Department of Health and Human Services	Department of Health	93.069	Public Health Emergency Preparedness	\$ 9,156.27	12-19
U.S. Department of Health and Human Services	Department of Commerce	93.568	Low Income Home Energy Assistance Program	\$ 29,944.23	12-27
U.S. Department of Health and Human Services	Department of Early Learning	93.575 93.596 93.713ARRA	Child Care Development Cluster	\$ 21,328.61	12-29
U.S. Department of Health and Human Services	Department of Social and Health Services	93.575 93.596	Child Care Development Cluster	\$ 3,590.00	12-30
U.S. Department of Health and Human Services	Edmonds Community College	93.600 93.708ARRA 93.709ARRA	Head Start Cluster	\$ 596,035.20	12-31
U.S. Department of Health and Human Services	Department of Social and Health Services	93.659	Adoption Assistance	\$ 79,590.00	12-32
U.S. Department of Health and Human Services	Department of Social and Health Services	93.720ARRA 93.775 93.777 93.778 93.778ARRA	Medicaid Cluster	\$ 209,279.83	12-36 12-37 12-39 12-40 12-41
U.S. Department of Health and Human Service	Health Care Authority	93.720ARRA 93.775 93.777 93.778 93.778ARRA	Medicaid Cluster	\$ 1,161,559.54	12-45 12-46 12-53 12-55
U.S. Department of Health and Human Services	Department of Health	93.889	National Bioterrorism Hospital Preparedness	\$ 140,468.09	12-57
			Total	\$ 3,950,901.26	

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Financial Findings Reported Under Government Auditing Standards

12-01 The State's internal controls over Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.

Background

On January 1, 2012, the state transferred administration of the Medicaid program, including responsibility for payments, from the Department of Social and Health Services (DSHS) to the Health Care Authority (HCA). The transfer shifted significant accounting responsibilities from DSHS to HCA.

The state is responsible for designing and following internal controls to ensure Medicaid payments are properly processed and recorded into its accounting and financial reporting system. DSHS contracted with a vendor, which uses a system known as ProviderOne, to process approximately 57 million transactions totaling \$5.4 billion each year for the state. These transactions represent a material portion or 41 percent of the \$13.2 billion in human services expenditures reported in the state's general fund.

As discussed below, we identified weaknesses in internal controls that represent a significant deficiency in the state's controls and adversely affect its ability to ensure payments through the ProviderOne system are properly processed and recorded. A significant deficiency is a weakness in internal controls that could lead to inaccurate or unreliable accounting data.

Description of Condition

Our audit identified the following weaknesses in internal controls which, when taken together, we consider to be a significant deficiency:

- The HCA did not have an adequate process in place to verify that all ProviderOne transactions were transmitted to the state's accounting system from January 1 to June 30, 2012.
- The HCA did not adequately monitor the ProviderOne system. Specifically, the contract with the vendor does not require it to obtain a review of the ProviderOne system's internal controls to determine whether they are properly designed and operate as intended in the processing and recording of these payments.

Cause of Condition

DSHS, HCA and the vendor did not adequately address responsibilities, controls and requirements for monitoring in the contract. Some HCA personnel did not learn of their responsibilities to ensure vendor payment information was accurately transferred into the state accounting system until our audit. Additionally, neither state agency understood the full extent of their monitoring responsibilities for ProviderOne.

Effect of Condition

The failure to monitor transaction information processed by the ProviderOne system could lead to inaccurate financial reporting in the state's general fund. Additionally, the lack of monitoring creates an environment in which the state cannot be sure the vendor maintains proper internal controls to prevent:

- Misuse, loss or misappropriation of public funds.
- Inaccurate payments.

- Unauthorized access to confidential, health-related information held by the vendor.
- Unauthorized software changes to the ProviderOne system.

To compensate for the internal control deficiencies we were required to perform additional audit procedures to verify the human services expenditures reported in the state's general fund.

We will be issuing additional findings related to ProviderOne:

- A noncompliance finding in our Single Audit of the State of Washington, which examines compliance with federal grant requirements and internal controls over the expenditure of grant money.
- Findings in a report on our information technology systems review of ProviderOne, which is a more detailed assessment of the ProviderOne application and general controls over its operations.

Recommendations

We recommend the State establish internal controls to ensure:

- Reconciliation procedures are in place to ensure ProviderOne transactions are accurately transferred to the state's accounting and financial reporting system.
- Adequate monitoring and oversight of the ProviderOne system to verify internal controls are in place and effective in ensuring the accuracy, integrity and privacy of the information.

State's Response

The State recognizes the significance and the priority of internal controls and takes them very seriously. HCA recognizes that a complete and adequate control process requires duplicate business validations of the transfer of transactions from ProviderOne to AFRS. While the two-step validation was lacking, HCA did perform daily validations and had controls in place to ensure the accuracy of the ProviderOne to AFRS interface.

- In January 2012, the ProviderOne system was enhanced to produce two AFRS interface files; one for DSHS transactions and one for HCA transactions. This enhancement was necessitated by the merger of DSHS/Medicaid with HCA. At the time of the system change, DSHS continued their established accounting process that validated the DSHS transactional data ProviderOne to AFRS interface. However, HCA Finance was not aware of this requirement and therefore did not institute a similar process for the HCA transactional data ProviderOne to AFRS interface.
- While the accounting validation step was missing, HCA continued to validate the daily interface at the technical/system level so controls were in place to assure the accuracy of the interface.
- Once HCA realized that the second accounting validation step was not in place, and that SAO did not consider the technical validation processes to be adequate, HCA immediately instituted the accounting validation step, including the completion of daily reconciliations from January 1 to present. The results of that reconciliation confirmed the results of the technical process above, and verified that all ProviderOne transactions had been properly accounted for in AFRS.

The State does not fully agree with the general statement that the HCA did not adequately monitor the ProviderOne system. However, HCA recognizes the importance of internal controls and has taken steps to enhance its ability to monitor the accuracy, integrity and privacy of the system and related functions.

- HCA believes that the Certification process conducted by the federal Centers for Medicare and Medicaid Services (CMS) documented that sufficient internal controls are in place. ProviderOne was implemented in May 2010 and was successfully certified by the federal Centers for Medicare and Medicaid Services (CMS) in August 2010, with no weaknesses cited. The CMS Certification Review is a comprehensive review of system criteria that includes over 600 Review Criteria, including a review of financial and internal security components. In addition to state-prepared documentation for each of the Review Criteria, a team of 7 CMS reviewers with expertise on specific system components were on-site for a week to conduct the review. The On-site Certification Team reviewed prepared documentation prior to their arrival, interviewed staff,

and performed additional verification by actual system interaction and testing. The federal certification process is very comprehensive in nature, using proven, standardized testing methodologies that allow the federal government to validate their 90% funding of the development and implementation of the system and 75% of operational funding. Washington's ProviderOne certification was the first in the country to achieve federal certification without a single finding from the federal certification team.

HCA recognizes the value of adding a requirement to the ProviderOne vendor contract for an independent audit of internal system controls. While neither expected nor required by the federal government for any Medicaid payment system, to strengthen HCA's ability to monitor vendor controls, Washington State has now added a requirement for external audit.

Auditor's Concluding Remarks

We thank the State for their diligence in addressing the internal control issues discussed. These actions will enhance the fiscal accountability and financial reporting of the State's financial activity. The implementation of reconciliation procedures by HCA demonstrates the commitment to correct internal control weaknesses.

The HCA did not adequately monitor the ProviderOne system. ProviderOne system controls consist of general controls and application controls:

- General controls are intended to ensure the integrity and availability of the data as well as enforce management's control over the access to the data and programs.
- Application controls are specific to an application and provide assurance only authorized data is accepted, data entry and processing are complete and accurate and reports are reliable.

The CMS review was performed on site-in Olympia and did not include testing program change procedures or system controls at the vendor's location. Unauthorized program changes made by the vendor could cause the ProviderOne application controls to be ineffective. For example, a programmer could have the application bypass all edits or other application controls when certain transactions are processed.

Effective general controls form the foundation of effective application controls. The Authority's monitoring of ProviderOne did not include procedures to test whether general controls at the vendor were adequate. We reaffirm our finding and will evaluate the state's corrective action during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2007 Revision – Section 5.11 provides that auditors should report material weaknesses and significant deficiencies in internal control.

The American Institute of Certified Public Accountants, Statement on Auditing Standards No. 115 defines significant deficiencies and material weaknesses as follows:

- a. 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.
- b. 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.

Washington State Office of Financial Management, State Administrative & Accounting Manual

Chapter 20 - Internal Control and Auditing,
Section: 20.10.20, July 1, 2008

The Budget and Accounting Act is found in Chapter 43.88 RCW. Section 43.88.160 (4) requires that the director of the Office of Financial Management (OFM), as an agent of the governor:

"Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by the classes of agencies, depending on the level of resources at risk. Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the Institute of Internal Auditors..."

Section: 20.15.50.a - Annual assurance

A risk assessment and internal control review process provides management with reasonable assurance that controls are operating as expected. In addition, the process should be used to determine if internal control modifications are needed by considering events that have occurred, processes or procedures that have changed, new projects or programs that are being planned or implemented, and other changes within the agency that may have additional risks. If the review uncovers internal control weaknesses or if prior weaknesses still exist, they should be documented and addressed.

Periodically, an agency should conduct a comprehensive review of the internal control structure to determine if it is adequately addressing agency risks. This can be done agency-wide at one time or by sections of the agency over a period of time. Agencies must maintain adequate written documentation of activities conducted in connection with risk assessments, review of internal control activities and follow-up actions. This documentation includes any checklists and methods used to complete these activities. Refer to Subsection 20.25.50 for required documentation. For sample checklists and procedures, refer to the OFM Administrative and Accounting Resources website at: <http://www.ofm.wa.gov/resources/default.asp>.

Agencies have the flexibility to assign appropriate staff to complete the risk assessments and review of internal control activities required by this policy. The internal control officer is the person appointed by the agency head who is assigned responsibility for coordinating and scheduling the agency-wide effort of evaluating and reporting on reviews and improving control activities. The internal control officer also provides assurance to the agency head that the agency has performed the required risk assessments and the necessary evaluative processes. This communication may be ongoing and informal, but at least once per year, this assurance must be made in writing to the agency head.

The internal control officer is responsible for ensuring that the required documentation is maintained and available for review by agency management, the State Auditor's Office (SAO), and OFM.

Federal Findings and Questioned Costs

12-02 The Department of Health did not obtain sub-award information or file reports required by the Federal Funding Accountability and Transparency Act for the Special Supplemental Nutrition Program for Women, Infants, and Children.

Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	None
CFDA Number and Title:	10.557 Special Supplemental Nutrition Program For Women, Infants and Children
Federal Award Number:	7WA700WA7; 7WA700WA1; 7WA700WA2
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The State Department of Health administers the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This program provides funding for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

The Department distributes grant money to county health districts, non-profits, and tribes to administer the program and provide service. The Department spent \$150,886,709 million in WIC funds in fiscal year 2012; of this, it passed through \$34,930,232 to subrecipients for client services.

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. This must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to hold the government accountable for each spending decision and to reduce wasteful spending.

The Department's Grants Management Division is responsible for ensuring compliance with this requirement.

Description of Condition

The Department did not follow its process to collect and submit Accountability Act-required data from subrecipients. Based on information in the contract file, the Department filed a report for only one of 56 subrecipients during fiscal year 2012.

Cause of Condition

When we asked Department management why they did not follow established policies and procedures for collecting and submitting required data, they stated they did not monitor reporting activity to ensure compliance.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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 follow established policies and procedures over FFATA reporting and submit all required reports for each sub-award of \$25,000 or more by the applicable deadline.

Department's Response

We concur with the finding that the Department did not obtain sub-award information and file reports required by the Federal Funding Accountability and Transparency Act. We have revised our procedures, effective October 1, 2012, and have put forth new communications within the agency to comply with this reporting requirement.

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.

2 CFR170.330 Total compensation. APPENDIX A TO PART 170—AWARD TERM

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

- 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-03 The Department of Health does not adequately monitor subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children.

Federal Awarding Agency: U.S. Department of Agriculture
Pass-Through Entity: None
CFDA Number and Title: 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children
Federal Award Number: 7WA700WA7; 7WA700WA1; 7WA700WA2
Applicable Compliance Component: Subrecipient Monitoring
Questioned Cost Amount: None

Background

The State Department of Health administers the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This program provides funding for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

The Department distributes grant money to county health districts, non-profits, and tribes to administer the program and provide service. The Department spent \$146,556,215 in WIC funds during fiscal year 2012; of this, it passed through \$35,909,157 to subrecipients.

Subrecipient Monitoring

Pass-through entities are responsible for monitoring the subrecipients' use of federal awards to ensure they comply with federal law and grant agreements. The Department does two types of monitoring for the WIC program: fiscal monitoring and programmatic.

Fiscal monitoring includes collecting supporting documentation for expenditures paid and performing on-site reviews of expenditures and accounting functions.

Programmatic monitoring is done to observe how the subrecipients administer the program, and to verify eligibility of clients and ensure all regulations are being followed. WIC program staff oversee both processes. We identified no issues with programmatic monitoring.

Subrecipients are not allowed to make a profit from federal grant funds, only to receive reimbursement of actual costs incurred. Therefore, the pass-through entity must ensure all reimbursements to subrecipients are based on actual expenditures.

Description of Condition

The Department lacks internal controls related to monitoring the compliance of its subrecipients in these areas:

Collection of grant activity information from subrecipients:

The Department did not collect documentation supporting the majority of its subrecipient reimbursement requests during the fiscal year. For the period from July 1 to December 31, 2011, it collected no supporting information. Beginning January 1, 2012, the Department started collecting supporting documentation for its county health district subrecipients. However, it did not collect supporting documentation for non-profits and tribe subrecipients during the fiscal year. Of the \$35.9 million paid to subrecipients, \$21.7 million was paid to non-profits and tribes.

Subrecipient fiscal monitoring through on-site visits:

The Department contracted with a certified public accountant for on-site fiscal monitoring of subrecipients. Each subrecipient is scheduled to receive on-site monitoring once during a defined two-year period. During fiscal year 2012, 61 subrecipients received WIC funds. The Department stopped performing on-site monitoring as of August 5, 2011; consequently, only five of the 61 subrecipients received an on-site visit during the year.

We reviewed the reports of on-site monitoring performed and determined the certified public accountant only reviewed expenditures from May and June 2011, even though the two year monitoring period was from January 1, 2011 through December 31, 2012. We determined this monitoring is not adequate in scope or frequency to ensure expenditures of federal funds are supported or allowable.

Cause of Condition

Although Department management designed new processes for subrecipient monitoring, they were not fully operational prior to the end of the audit period. County health districts were told to submit additional supporting documentation with reimbursement requests, but no additional requirements were put in place for non-profits or tribes. The Department paid these reimbursements without collecting documentation and stated the increased documentation requirement was not fully implemented by the end of the fiscal year.

In response to the previous findings issued for other federal grant programs also monitored by the certified public accountant, the Department redesigned the on-site monitoring reports to provide more detailed and meaningful information. It also decided to cease current monitoring while this redesign occurred and did not perform onsite monitoring for almost 11 months of the audit period.

The Department has no written policies and procedures to ensure:

- Staff understands how to comply with all federal compliance and monitoring requirements for subrecipients.
- Subrecipients are monitored to ensure they are paid only for actual costs.

Effect of Condition

The Department cannot be sure it is reimbursing only allowable and actual costs.

Recommendation

We recommend the Department establish appropriate internal controls over subrecipient monitoring to ensure it reimburses subrecipients only for actual costs that are supported by documentation in accordance with federal requirements. We also recommend the Department develop policies and procedures over the monitoring and payment of subrecipients.

Department's Response

Collection of grant activity information from subrecipients.

The Department concurs with the State Auditor's Office finding. Effective January 2012, the Department of Health required local health jurisdictions to provide summary level expenditure data by object to accompany the monthly invoices to which the local health jurisdictions complied. Beginning October 2012, the Department clarified the requirement that the summary level data must be accompanied by system generated reports. The Department will develop a corrective action plan regarding the collection of supporting documentation for all its subrecipients including non-profits and tribes.

We will work closely with the Office of Financial Management to develop and institute a successful corrective action plan for the finding above.

Subrecipient fiscal monitoring through on-site visits.

The Department concurs with the State Auditor's Office finding. The certified public accountant's contract with the Department of Health ended on December 31, 2011. The next fiscal monitoring cycle would have started on January 1, 2012. However, the Department was delayed in selecting a contracted certified public accountant for reviewing fiscal year 2012, and the Department did not contract with the certified public accountant until September 2012. Consequently the fiscal monitoring visits began in September 2012. All subrecipients are monitored using the same fiscal monitoring standards and processes.

The fiscal monitoring process has three distinct elements:

- 1. The certified public accountant employs a risk-based monitoring process consistent with OMB A-133 standards and reviews a minimum of three invoices and purchases over \$150. More invoices are reviewed if necessary. The certified public accountant then summarizes the outcome of the fiscal monitoring visit in a report to the Department.*
- 2. Department staff reviews the fiscal monitoring report and determines the corrective action necessary, if any. In some cases, staff may require additional fiscal information before determining what action to take. The organization receives a copy of the report, along with a letter from the Department outlining issues requiring corrective action and the date by which a response is required.*
- 3. The Department staff conducts follow up to ensure that appropriate actions are taken to correct deficiencies noted in the fiscal monitoring report.*

Additionally, Department staff has taken other steps to increase fiscal oversight of subrecipients, including increasing the number of site visits to the local health jurisdictions. In June 2012, the Department hired a Financial Examiner who will follow up on issues identified in the fiscal monitoring report that may require additional technical assistance.

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 Compliance Supplement Subpart C—Auditees

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.
- (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:

- (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.
- (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.

United States Department of Agriculture regulations at 7 CFR 246.19(b) state the following:

(b) *State agency responsibilities.*

- (1) The State agency shall establish an ongoing management evaluation system which includes at least the monitoring of local agency operations, the review of local agency financial and participation reports, the development of corrective action plans to resolve Program deficiencies, the monitoring of the implementation of corrective action plans, and on-site visits. The results of such actions shall be documented.
- (2) Monitoring of local agencies must encompass evaluation of management, certification, nutrition education, breastfeeding promotion and support, participant services, civil rights compliance, accountability, financial management systems, and food delivery systems. If the State agency delegates the signing of vendor agreements, vendor training, or vendor monitoring to a local agency, it must evaluate the local agency's effectiveness in carrying out these responsibilities.
- (3) The State agency shall conduct monitoring reviews of each local agency at least once every two years. Such reviews shall include on-site reviews of a minimum of 20 percent of the clinics in each local agency or one clinic, whichever is greater. The State agency may conduct such additional on-site reviews as the State agency determines to be necessary in the interest of the efficiency and effectiveness of the program.

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 for 2012*, Part 3, states in part:

Section M. Subrecipient Monitoring:

Compliance Requirements

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.

12-04 The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Special Supplemental Nutrition Program for Women, Infants, and Children.

Federal Awarding Agency:	U.S. Department of Agriculture
Pass-Through Entity:	None
CFDA Number and Title:	10.557 Special Supplemental Nutrition Program For Women, Infants and Children
Federal Award Number:	7WA700WA7; 7WA700WA1; 7WA700WA2
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The State Department of Health administers the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). This program provides funding for supplemental foods, health care referrals and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

The Department distributes grant money to county health districts, non-profits, and tribes to administer the program and provide services. The Department spent \$150,886,709 in WIC funds in fiscal year 2012; of this it passed through \$34,930,232 to subrecipients for client services.

Federal law requires state agencies to obtain a Data Universal Numbering System (DUNS) number from a subrecipient before making a sub-award. DUNS numbers are used to identify organizations that are receiving funding under grants and cooperative agreements and to provide consistent name and address data for electronic grant application systems.

The Department's program staff are responsible for ensuring compliance with this requirement.

Description of Condition

The Department did not obtain DUNS numbers from any of its 55 WIC subrecipients prior to awarding federal funds.

Cause of Condition

Department management did not follow their own policies and procedures for obtaining DUNS numbers. It did not give subrecipients the form it uses to collect DUNS numbers as part of their contracts or inform them of the requirement to provide a DUNS number.

Effect of Condition

By not obtaining DUNS numbers from subrecipients prior to awarding federal funds, the Department cannot ensure public transparency for the money it provides.

Recommendation

We recommend the Department develop internal controls to ensure adherence to established policies and procedures for obtaining DUNS numbers from subrecipients.

Department's Response

We concur with the finding that the Department did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars. We have revised our procedures, effective October 1, 2012, and have put forth new communications within the agency to comply with this reporting requirement.

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.

2 CFR 25.200: Requirements for program announcements, regulations, and application instructions says in part.

- (a) Each agency that awards types of Federal financial assistance included in the definition of "award" in §25.305 must include the requirements described in paragraph (b) of this section in each program announcement, regulation, or other issuance containing instructions for applicants that either:
 - (1) Is issued on or after the effective date of this part; or
 - (2) Has application or plan due dates after October 1, 2010.
- (b) The program announcement, regulation, or other issuance must require each entity that applies and does not have an exemption under §25.110 to:
 - (3) Provide its DUNS number in each application or plan it submits to the agency.
- (c) For purposes of this policy:
 - (1) The applicant is the entity that meets the agency's or program's eligibility criteria and has the legal authority to apply and to receive the award. For example, if a consortium applies for an award to be made to the consortium as the recipient, the consortium must have a DUNS number. If a consortium is eligible to receive funding under an agency program but the agency's policy is to make the award to a lead entity for the consortium, the DUNS number of the lead entity will be used.
 - (2) A "program announcement" is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a "program announcement," "notice of funding availability," "broad agency announcement," "research announcement," "solicitation," or some other term.

12-05 The Department of Health does not have sufficient internal controls to ensure all of its subrecipients receive audits when required.

Federal Awarding Agencies: U.S. Department of Agriculture;
U.S. Department of Health and Human Services

Pass-Through Entity: None

CFDA Number and Title: 10.557 Special Supplemental Nutrition Program For Women, Infants and Children
93.069 Public Health Emergency Preparedness
93.889 National Bioterrorism Hospital Preparedness Program
93.917 HIV Care Formula Grants

Federal Award Number: 7WA700WA7; 7WA700WA1; 7WA700WA2; 1H75TP000369-01;
2U90TP017010-10; 3U90TP017010; U3REP090228; X07HA00083;
X08HA16845; X09HA20267.

Applicable Compliance Component: Subrecipient Monitoring

Questioned Cost Amount: None

Background

Federal regulations require the Department of Health to monitor the grant-funded activities of subrecipients. This includes ensuring the organizations that spend \$500,000 or more in federal grant money during a fiscal year receive an audit of expenditures and internal controls over that money, in accordance with the federal Office of Management and Budget Circular A-133. This requirement is designed to ensure grant money is used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements. Grant recipients must submit the results of these audits to a federal clearinghouse within nine months of their fiscal year end.

The Department uses a database to track audits of subrecipients. It sends a postcard to all subrecipients asking them whether they were required to have a Circular A-133 audit in their most recent fiscal year. The subrecipient is to return the postcard and supply a copy of the audit if one was performed. If the subrecipient indicates they did not need an audit, or does not return the postcard, Department staff access the federal audit clearinghouse to see if an audit was reported. This monitoring is performed centrally for all Departmental subrecipients and all responses and audit issues are recorded in the Department's database.

Description of Condition

The Department lacks the necessary internal controls to ensure all subrecipients receive an audit in accordance with federal regulations. The Department checks the federal audit clearinghouse records when subrecipients do not return the postcard. This detects subrecipients who received an audit and filed it with the clearinghouse. However, this process alone does not allow the Department to identify:

- Subrecipients who were required to have an audit, but did not have one performed.
- Subrecipients who had an audit, but did not file it with the federal audit clearinghouse.

Without further contact with these subrecipients, the Department does not know whether they met audit requirements.

We reported similar issues during the fiscal year 2011 audit.

Cause of Condition

The Department requires subrecipients to report whether they need an audit. However, staff responsible for ensuring compliance with federal audit requirements do not follow up with subrecipients who do not respond to the Department's requests for information. While the Department has policies and procedures regarding this requirement, they do not address how to follow up with non-responsive subrecipients.

Effect of Condition

The Department is not certain whether all of its subrecipients comply with federal grant requirements.

Recommendation

We recommend the Department improve internal controls to ensure it determines the federal audit status of all subrecipients.

Department's Response

We concur with the finding that the Department did not further contact subrecipients who did not either return the postcard or file an audit with the federal audit clearinghouse. We will revise our procedures and make repeated contact with non-responsive subrecipients. The agency's goal will be to achieve 100% determination of all subrecipients' audit requirements.

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*, states:

Section 300

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 400(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*, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:

Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

12-06 The Recreation and Conservation Office did not file reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program.

Federal Awarding Agency:	U.S. Department of Commerce
Pass-Through Entity:	None
CFDA Number and Title:	11.438 Pacific Coast Salmon Recovery
Federal Award Number:	NA06NMF4380091, NA07NMF4380301 NA08NMF4380608, NA09NMF4380363 NA10NMF4380435, NA10NMF4380357 NA11NMF4380267
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Recreation and Conservation Office is the state agency that manages grants that pay for outdoor recreation opportunities, protect the state's wildlife habitat and farmland, and help restore salmon habitat. The Recreation and Conservation Office, through the Recreation and Conservation Funding Board, administers the federal Pacific Coast Salmon Recovery program.

In fiscal year 2012, the Office spent \$29.4 million in federal program funds.

Under the Federal Funding Accountability and Transparency Act (Accountability Act), the Office is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to empower citizens with the ability to hold the government accountable for spending decisions and, as a result, reduce wasteful spending in the government.

Description of Condition

During fiscal year 2012, the Office made 85 sub-awards for the program totaling \$21,927,689.

During our review, we found the Office did not have internal controls in place to ensure the fiscal year 2012 Accountability Act reports were filed.

The Office stated the federal electronic reporting system would not allow them to file all of the required reports. They also stated they had attempted to contact the federal grantor regarding this issue to get it corrected. However, the Office was unable to provide any documentation to show that it attempted to submit the reports or of communication with the federal grantor during the audit period.

Cause of Condition

Office management did not monitor reporting activity to ensure compliance. Management was not aware of the monthly reporting requirement.

Effect of Condition

We randomly selected and tested nine of the 85 subawards to determine whether the Recreation and Conservation Office was in compliance with the federal Accountability Act reporting requirements. Our testing determined that four subawards were not entered into the federal reporting system. Five of the nine were not entered timely by the end of the month following the month in which the subaward was made. Four of the five were entered more than one year after the subaward.

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. Grant conditions allow the grantor to penalize the Office for noncompliance by suspending or terminating the award and/or withholding future awards.

Recommendation

We recommend the Office establish adequate policies and procedures for reporting and submit all required reports for each sub-award of \$25,000 or more by the applicable deadline.

Office's Response

We agree with the auditors' finding. The following actions will be taken to address the finding. Monthly we will complete the Accountability Act reports.

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

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.

2 CFR170 APPENDIX A TO PART 170—AWARD TERM

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

- 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-07 The Department of Commerce does not adequately monitor subrecipients of the HOME Investment Partnership Program to ensure subrecipients use federal grant money for authorized purposes and in compliance with laws, regulations, and grant and contract provisions.

Federal Awarding Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	None
CFDA Number and Title:	14.239 HOME Investment Partnership
Federal Award Number:	M09-SG-53-0100, M10-SG-53-0100, M11-SG-53-0100
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The HOME Investment Partnership (HOME) program is designed to provide decent and affordable housing for low-income households. The Department of Commerce administers the HOME program. The Department uses HOME funds for two major programs: HOME General Purpose program and HOME Tenants Based Rental Assistance program. The General Purpose program supports the construction, acquisition or rehabilitation of affordable housing units and creates rental and homeownership opportunities for low-income households. The Tenant Based program provides homeless and low-income households with rental assistance.

In fiscal year 2012, the Department spent approximately \$1 million for the General Purpose program. The Department passed through approximately \$3.6 million to subrecipients such as non-profits, local governments and housing authorities for the Tenant Based program. These subrecipients determine households who are eligible for the Tenant Based program, provide rental assistance and perform housing quality standard inspections.

Federal regulations require the Department to monitor the grant-funded activities of subrecipients. This includes performing site visits at the subrecipients to review financial and programmatic records and observe operations. This requirement is fundamental to adequate subrecipient monitoring and helps ensure federal awards are used for authorized purposes and are in compliance with laws, regulations, and grant and contract provisions.

Description of Condition

During our review, we found that the Department does not have a specific on-site monitoring frequency guideline for the Tenant Based program. The Department selects subrecipients for on-site monitoring based on one consolidated risk assessment for its housing programs. However, since all housing programs are considered during the risk assessment and the Department has no specific on-site monitoring frequency guideline for each program, Tenant Based subrecipients are not always selected for on-site monitoring. We found that the Department did not perform any on-site monitoring of Tenant Based subrecipients in fiscal year 2012. Further, we randomly selected six out of 19 subrecipients and found that the Department did not perform any on-site monitoring for any of the six in the last three years.

Cause of Condition

The Department considered the consolidated risk-based assessment selection approach to be adequate for subrecipient monitoring.

Effect of Condition

For the Tenant Based program, subrecipients determine which households are eligible for the program. The subrecipients also perform housing quality standard inspections required by federal regulation. When the Department does not perform on-site monitoring of subrecipient records, it cannot ensure that:

- Only eligible individuals or households receive Tenant Based Rental Assistance.

- The program meets the earmarking requirement that at least 90 percent of households receiving assistance are families whose annual income does not exceed 60 percent of the median family income.
- Housing quality standards inspections are properly conducted on all Tenant Based rental housing projects.

Recommendations

We recommend the Department:

- Develop an on-site monitoring frequency guideline that provides reasonable assurance all subrecipients are in compliance with grant requirements.
- Review subrecipient records in accordance with the frequency guideline to ensure HOME grant funds are used for tenant rental assistance for eligible households in accordance with the earmarking requirements and inspections are performed annually as required.

Department's Response

We concur with the finding and have taken corrective action including entering client income information into the federal Integrated Disbursement and Information System (IDIS) to ensure compliance with the earmarking requirement. We are also judgmentally selecting grantees for review. From these TBRA grantees we are requesting copies of participant income verification and Housing Quality Standards (HQS) inspection reports.

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*, states:

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Section .400, states in part:

- (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 2012, Part 4-Department of Housing and Urban Development (HUD), CFDA 14.239 Home Investment Partnership Program, G. Matching, Level of Effort, Earmarking, states in part:

3. Earmarking

- a. Each participating jurisdiction must invest HOME funds made available during a fiscal year so that, with respect to tenant-based rental assistance and rental units not less than 90 percent of (1) the families receiving assistance are families whose annual income do not exceed 60 percent of the median family income for the area, as determined and made available by HUD, with adjustments for smaller and larger families at the time of occupancy or at the time funds are invested, whichever is later, or (2) the dwelling units assisted with such funds are occupied by families having such incomes (24 CFR section 92.216).

Title 24, Code of Federal Regulations, Subtitle A, Part 92, Subpart E, 92.216 - Income targeting: Tenant based rental assistance and rental units, states in part:

Each participating jurisdiction must invest HOME funds made available during a fiscal year so that, with respect to tenant-based rental assistance and rental units:

- (a) Not less than 90 percent of:
 - (1) The families receiving such rental assistance are families whose annual incomes do not exceed 60 percent of the median family income for the area, as determined and made available by HUD with adjustments for smaller and larger families (except that HUD may establish income ceilings higher or lower than 60 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction cost or fair market rent, or unusually high or low family income) at the time of occupancy or at the time funds are invested, whichever is later; or
 - (2) The dwelling units assisted with such funds are occupied by families having such incomes;
- (b) The remainder of:
 - (1) The families receiving such rental assistance are households that qualify as low-income families (other than families described in paragraph (a)(1) of this section) at the time of occupancy or at the time funds are invested, whichever is later; or
 - (2) The dwelling units assisted with such funds are occupied by such households.

U.S. Office of Management and Budget Circular A-133 Compliance Supplement 2012, Part 4 (March 2011)-Department of Housing and Urban Development (HUD), CFDA 14.239 Home Investment Partnership Program, N. Special Tests and Provisions, 3. Housing Quality Standards, states in part:

The participating jurisdiction must perform on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards (24 CFR sections 92.251, 92.252, and 92.504(b)).

Title 24, Code of Federal Regulations, Subtitle A, Part 92, Subpart K, 92.504 - Participating jurisdiction responsibilities; written agreements; on-site inspection, states in part:

(d) On site inspections:

- (2) Tenant-based rental assistance. The participating jurisdiction must perform annual on-site inspections of rental housing occupied by tenants receiving HOME-assisted TBRA to determine compliance with the property standards of § 92.251.

12-08 The Department of Commerce does not have internal controls to ensure the Department pays out HOME Investment Partnership program income before requesting federal cash draws and interest earned on federal cash advances is returned to the federal government.

Federal Awarding Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	None
CFDA Number and Title:	14.239 HOME Investment Partnership
Federal Award Number:	M09-SG-53-0100, M10-SG-53-0100, M11-SG-53-0100
Applicable Compliance Component:	Program Income and Cash Management
Questioned Cost Amount:	None

Background

The HOME Investment Partnership program is designed to provide decent and affordable housing for low-income households. The Department of Commerce administers the HOME program. The Department uses HOME funds for two major programs: HOME General Purpose program and HOME Tenants Based Rental Assistance program. The General Program supports the construction, acquisition or rehabilitation of affordable housing units and creates rental and homeownership opportunities statewide for low-income households. The Tenants Based program provides homeless and low-income households with rental assistance.

For the General Purpose program, the Department provides the HOME loans to local governments, housing authorities or nonprofits to finance construction of multi-family rental housing units. The Department receives program income through payments of principal and interest on the loans. Federal regulations require the Department pay out the program income before requesting additional federal cash draws.

In fiscal year 2012, the Department requested more than \$4 million of HOME funds. The program generated approximately \$860,000 in income.

Description of Condition

During our review, we found the Department does not have controls in place to ensure HOME program income is paid before requesting federal HOME funds. In fiscal year 2012, the average program income balance at the time of federal cash draws was approximately \$900,000. The Department did not first use the available program income for loans before requesting federal funds. We also found that the Department does not have controls to ensure any interest earned on program income in excess of \$100 is returned to the grantor.

Cause of Condition

The Department stated that paying HOME program income requires manual adjustments of federal draw amounts and additional administrative work. The Department stated it rarely disbursed the HOME program income due to the complexity of the manual adjustments and additional administrative work required.

Additionally, the Department was not aware that it may owe interest to the federal government when it had unspent program income on hand.

Effect of Condition

As a result of this condition, the Department requested and received excess federal cash totaling \$900,000 during fiscal year 2012. Further, the Department may be required to submit interest earned on this money to the federal government, if the interest earnings exceeded \$100.

Recommendation

We recommend the Department:

- Develop policies and procedures necessary to disburse HOME program income before requesting additional federal cash draws.
- Consult with its grantor and the state Office of Financial Management to determine if any interest earnings are owed to the federal government.

Department's Response

The Department concurs with this audit finding. The Department has reviewed its processes and updated its procedures so that program income is used prior to federal funding sources.

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.

Circular A-102 Common Rule for the administration of grants and cooperative agreements to state and local governments, 24 C.F.R. § 85____.21 Payment, states in part:

- (f) Effect of program income, refunds, and audit recoveries on payment.
 - (1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.
 - (2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

U.S. Office of Management and Budget Circular A-102, *Grants And Cooperative Agreements With State and Local Governments*, states in part:

e. Program Income

- (2) Federal agencies shall instruct grantees to deduct program income from total program costs as specified in the grants management common rule at paragraph ____25 (g)(1), unless agency regulations or the terms of the grant award state otherwise. Authorization for recipients to follow the other alternatives in paragraph ____25 (g) (2) and (3) shall be granted sparingly.

U.S. Office of Management and Budget Circular A-133 Compliance Supplement 2012, Part 3-Compliance Requirements, C. Cash Management, states in part:

. . . interest earned by local government and Indian tribal government grantees and subgrantees on advances is required to be submitted promptly, but at least quarterly, to the Federal agency. Up to \$100 per year may be kept for administrative expenses.

Title 24, Code of Federal Regulations, part 92, section 502 - Program disbursement and information system, states in part:

- (c) Disbursement of HOME funds.

- (1) After complete project set-up information is entered into the disbursement and information system, HOME funds for the project may be drawn down from the United States Treasury account by the participating jurisdiction by electronic funds transfer. The funds will be deposited in the local account of the HOME Investment Trust Fund of the participating jurisdiction within 48 to 72 hours of the disbursement request. Any drawdown of HOME funds from the United States Treasury account is conditioned upon the provision of satisfactory information by the participating jurisdiction about the project or tenant-based rental assistance and compliance with other procedures, as specified by HUD.
- (2) HOME funds drawn from the United States Treasury account must be expended for eligible costs within 15 days. Any interest earned within the 15 day period may be retained by the participating jurisdiction as HOME funds. Any funds that are drawn down and not expended for eligible costs within 15 days of the disbursement must be returned to HUD for deposit in the participating jurisdiction's United States Treasury account of the HOME Investment Trust Fund. Interest earned after 15 days belongs to the United States and must be remitted promptly, but at least quarterly, to HUD, except that a local participating jurisdiction may retain interest amounts up to \$100 per year for administrative expenses and States are subject to the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.).
- (3) HOME funds in the local account of the HOME Investment Trust Fund must be disbursed before requests are made for HOME funds in the United States Treasury account.

12-09 The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.

Federal Awarding Agency: U.S. Department of Housing and Urban Development
Environmental Protection Agency
Department of Energy
Department of Health and Human Services

Pass-Through Entity: None

CFDA Number and Title: 14.239 HOME Investment Partnerships
66.468 Capitalization Grants for Drinking Water
66.468A Capitalization Grants for Drinking Water- American Recovery and Reinvestment ACT (ARRA)
81.042 Weatherization Assistance for Low Income Persons
93.568 Low Income Home Energy Assistance Program
93.569 Community Services Block Grant

Federal Award Number: 2012G992201; 2012G99BX11; 2011G992201; 2011G992212; 2010G992201; 2010G992212; 2010G992204; M11-SG-53-0100; M10-SG-53-0100; M09-SG-53-0100; DE-EE0004207; DE-EE0000086; FS-99083910-0; FS-99083909-0; FS-99083908-1; FS-99083907-1; FS-99083906-0; 08B1WACOSR; 09B1WACOSR; 10B1WACOSR; 0901WACOS2

Applicable Compliance Component: Subrecipient Monitoring

Questioned Cost Amount: None

Background

Federal regulations require the Department of Commerce to monitor the grant-funded activities of subrecipients. This includes ensuring the organizations that spend \$500,000 or more in federal grant money during a fiscal year receive an audit of expenditures and internal controls over that money, in accordance with the federal Office of Management and Budget Circular A-133. This requirement is designed to ensure grant money is used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements. Grant recipients must submit the results of these audits to a federal clearinghouse within nine months of their fiscal year end.

The Department and its subrecipients sign an agreement that includes standard terms and conditions, including the A-133 audit requirement. It also notifies the subrecipients that they must provide the Department with a copy of the audit report no later than nine months after the subrecipient's fiscal year end. The Department also has a written policy and procedures aimed at ensuring all subrecipient audits are received, reviewed, and entered into the central database. The policy and procedures specify that the individual programs are responsible for receiving and tracking audits required for their program.

Once the audit reports have been received, they are to be forwarded on to the internal auditor to be input in the Department's central database. The internal auditor is to review the audit report and notify any programs that have federal dollars at risk. If any findings were reported, the program manager is responsible for requesting corrective action from the subrecipient and for ensuring the corrective actions are performed.

Description of Condition

The Department does not follow its internal policies and procedures to ensure all subrecipients receive the required audit, if needed.

Further, the Department does not have a process to ensure its subrecipients submit audit reports. Instead, the program managers wait for audit reports from the subrecipients. There is not a sufficient tracking mechanism at the program level or the central level to ensure each subrecipient meeting the dollar threshold is receiving a required

audit. Audits received centrally are recorded in the central database; however, this process alone does not allow the Department to identify:

- Subrecipients who were required to have an audit, but did not have one performed.

Without further contact with these subrecipients, the Department does not know whether they met audit requirements.

We reported similar issues during the fiscal year 2011 audit.

Cause of Condition

The Department has a policy and procedures that would ensure compliance with federal requirements, but failed to completely follow them. Audits are recorded in the central database when received by the Department; however, tracking was not being done at the program level. The program managers believed the monitoring process was the responsibility of the internal auditor, although the internal auditor and the written procedures said otherwise. This miscommunication of who had responsibility for tracking reports led to over-reliance on the central system and a breakdown of the controls.

Effect of Condition

We judgmentally selected 24 of the Department's subrecipients across the five programs. The Department did not have audit reports for three of the 24 subrecipients as required by OMB Circular A-133.

The Department cannot be certain whether all of its subrecipients comply with federal grant requirements, and, therefore, cannot ensure that it has met the monitoring requirement of its federal grantor.

Recommendation

We recommend the Department follow its existing policy and procedures, or design new ones that will ensure it determines the federal audit status of all subrecipients.

Department's Response

Partially concur. In response to a similar audit finding in the SWSA report issued in March 2012, Commerce enhanced its Contract Management System (CMS) with an audit tracking module. Functionality includes the ability to store audit reports from SAO, CPA firms, and Federal sources; search by contract or vendor number for audit reports; record audit receipt dates; and track requests for management decision letters. Additionally, staff can generate CMS reports to identify contractors with federal expenditures of \$500,000 or greater to help identify subrecipients. Other reports provide lists of audit due dates and lists of audit findings. Commerce implemented enhancements in October 2012.

Commerce will refine the process of monitoring audits and provide updated written guidance on roles and responsibilities that apply throughout the agency. Training on use of the audit function in CMS is underway.

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*, states:

Section 300

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:

- (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 for 2012*, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:

Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

12-10 The Employment Security Department did not attempt to collect \$440,925 overpaid to claimants for Federal Additional Compensation Unemployment Insurance.

Federal Awarding Agency: U.S. Department of Labor
Pass-Through Entity: None
CFDA Number and Title: 17.225 Unemployment Insurance
17.225A Unemployment Insurance – American Recovery and Reinvestment Act (ARRA)
Federal Award Number: UI-22347-12-55-A-53; UI-21133-11-55-A-53; UI-19616-10-55-A-53;
Applicable Compliance Component: Special Tests and Provisions
Questioned Cost Amount: \$440,925 ARRA

Background

The Employment Security Department administers the Unemployment Insurance program that provides benefits to workers during periods of involuntary unemployment. The federal government and employers in Washington State primarily fund the program. In fiscal year 2012, Employment Security paid approximately \$2.8 billion in benefits, \$1.5 billion of which was paid with money from the federal government.

As part of the American Recovery and Reinvestment Act legislation, states were allowed to issue an extra \$25 per benefit week in Temporary Federal Additional Compensation to eligible claimants. This \$25 was added to the regular weekly benefit for each claimant. In Washington State, these payments were made for benefit weeks between February 28, 2009 and December 11, 2010. The Department issued approximately \$479 million in these payments during that time.

When the Department determines a benefit payment was improper, an overpayment is assessed and an overpayment notice letter is sent to claimants informing them of the amount they owe. The notice letters for overpayments that included the Federal Additional Compensation money contained the following statement: *“Since you are at fault for causing the overpayment, you are also at fault for the Federal Additional Compensation (FAC) payments in the amount of \$____. We will bill you for this at a later date.”*

Once an overpayment notice letter is sent to a claimant, the Department has three years in which to initiate collection action. State law does not allow proceedings to collect such overpayments to begin after the three years have elapsed.

Description of Condition

The Department has established collection methods for benefit overpayments that begin shortly after the overpayment notice letter is sent. The Department did not use these methods to collect any Federal Additional Compensation overpayments during fiscal year 2012. Prior to June 30, 2009, \$440,925 in Federal Additional Compensation overpayments were assessed. The Department had three years to begin collection of these overpayments before they become uncollectible under state law. All of these overpayments are now uncollectible.

Cause of Condition

The Department relies on software systems to record and track overpayments. Beginning in fiscal year 2009, and continuing through fiscal year 2012, the federal and state governments have passed legislation that made significant changes to the Unemployment Insurance program. Each change required the Department to reprogram its software systems. Due to the complexity of programming changes and limitations on staff able to perform them, the Department was not able to make all changes immediately, but instead had to prioritize each change as it occurred. The Federal Additional Compensation overpayments were not incorporated into the software system and were not included in the Department’s collections.

Management stated so far they have been unable to come up with a solution for Federal Additional Compensation overpayments that will meet state and federal legal and accounting requirements. They also did not use an alternative method to ensure collection efforts began prior to expiration of the three-year period.

Effect of Condition

As of June 30, 2012, \$440,925 in Federal Additional Compensation overpayments became uncollectible because the Department had not initiated collection by the deadline for doing so. We are questioning these costs since the Department found them to be overpayments and did not attempt to collect them.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support an expenditure.

Recommendation

We recommend the Department establish and follow procedures to ensure collection of Federal Additional Compensation overpayments. We further recommend the Department begin collection on Federal Additional Compensation overpayments before they become uncollectible.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

On September 7, 2012, we completed the necessary computer programming to bill, collect, and account for FAC overpayments. We have mailed billing statements to claimants who had an outstanding FAC overpayment balance. As of November 13, 2012, we have successfully collected \$1,978,761.66 in FAC overpayments. Our collection efforts will continue as permitted by state and federal law so that we ensure we are appropriately collecting outstanding balances from claimants required to repay these overpayments.

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.

Assistance for Unemployed Workers and Struggling Families Act- Section 2002, Agreement Between the State of Washington and the Secretary of Labor, U.S. Department of Labor, states in part:

- VIII. The Agency will take such action as reasonably may be necessary to recover for the account of the United States all benefit amounts erroneously paid and restore any lost or misapplied funds paid to the state for benefits or the administration of this agreement.

Revised Code of Washington 50.24.190, Limitation of actions, states:

The commissioner shall commence action for the collection of contributions, interest, penalties, and benefit overpayments imposed by this title by assessment or suit within three years after a return is filed or notice of benefit overpayment is served. No proceedings for the collection of such amounts shall be begun after the expiration of such period.

12-11 The Employment Security Department does not have controls to ensure compliance with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments.

Federal Awarding Agency: U.S. Department of Labor
Pass-Through Entity: None
CFDA Number and Title: 17.225 Unemployment Insurance
17.225A Unemployment Insurance – American Recovery and Reinvestment Act (ARRA)
Federal Award Number: UI-22347-12-55-A-53; UI-21133-11-55-A-53; UI-19616-10-55-A-53;
Applicable Compliance Component: Special Tests – U.I. Benefit Payments
Questioned Cost Amount: None

Background

The Employment Security Department administers the Unemployment Insurance program that provides benefits to workers during periods of involuntary unemployment. The federal government and employers in Washington State primarily fund the program. In fiscal year 2012, Employment Security paid approximately \$2.8 billion in benefits, \$1.5 billion of which was paid with money from the federal government.

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 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.

Federal guidelines for the BAM program state: “Regardless of the method used, it is intended that states obtain the information needed to complete their BAM cases. States must attempt to obtain the information required for investigations using any and all of the following methods: in-person, telephone, FAX, mail or e-mail. States have the option of using any of these methods that it determines to be the most efficient and effective based on the circumstances of each case. States are to document all attempts made in procuring needed information in each case’s summary. Within this framework, it is important to note that the audit process differs substantially from normal Unemployment Insurance operations in terms of cost, time, and effort. **BAM investigators must exhaust all avenues in obtaining information.**” The Department, as required by federal regulation, has created a BAM Procedures Manual that establishes written procedures to ensure federal guidelines are met.

Employment Security’s procedures manual directs investigators to document at least four attempts to contact claimants. At least two of the attempts must be done by mail. If unsuccessful, the investigator is to document the attempts and may close the investigation. The Department provides minimum requirements for investigations, but gives investigators wide latitude to pursue the investigation beyond the minimum.

Investigators are 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.” Because federal guidelines also require at least 70 percent of cases to be closed within 60 days, and 95 percent within 90 days, the state procedures manual allows investigators to cease attempting to make contact with employers if they have documented a minimum of six attempts to contact employers for data, at least two by mail or fax.

Federal guidelines require the Department to examine 480 paid claims and 450 denied claims each year. According to the U.S. Department of Labor, for the three-year period ending June 30, 2011, Washington had an average improper payment error rate of 13.5 percent. This improper payment rate is based on the percentage of payments determined to be improper by the BAM program.

We reported a finding for the fiscal year 2009, 2010 and 2011 audits, noting the Department did not comply with U.S. Department of Labor requirements for the BAM program. Specifically, Employment Security investigators did not obtain all information needed to complete their cases and did not use all required methods to do so. The U.S. Labor Department requires states to try to collect information using any and all of the following methods: in-person, telephone, facsimile, mail, and e-mail. Employment Security does not require investigators to collect information from a claimant if he or she cannot be contacted or chooses not to respond. However, through September of 2012, if a claimant did not respond, the case was to be forwarded to a local employment center for a job search review to be scheduled which could result in benefit denial. Beginning in October of 2011 claimants selected for a BAM audit are advised that failure to return the completed questionnaire within 10 days will result in a denial of future benefits until they satisfy the request.

Description of Condition

Based on our review we determined the Department still did not have sufficient internal controls to ensure compliance with federal regulations. We found:

- Parts of the BAM manual that serve as the policy and procedures for the Department did not comply with federal requirements.
- Investigators were not always following the parts of the BAM manual that were compliant.
- While BAM supervisory reviews were occurring, they were not adequately detecting noncompliance with federal regulations and the noncompliance rate of reviewed investigations was slightly higher than those without a review.

During the audit period the Department adopted new procedures that included increasing supervisory case review and oversight, revising investigation documentation to include more details on what work was performed, and creating a new procedure for denial of claims when a claimant fails to respond to inquiries. While we acknowledge that procedures were changed, we found 11 percent of the investigations were noncompliant with federal regulations.

Cause of Condition

Management asked investigators not to use portions of the BAM manual beginning November 1, 2011. Since portions of the BAM manual were not in effect, the Department was non-compliant with federal regulations requiring written procedures. Investigators were also given informal guidance by email to decrease the number of attempts to collect certain information. Supervisors were unaware this guidance was in direct conflict with federal requirements.

Investigators were not consistently following the parts of the BAM manual left in place during the audit period. We also determined the BAM supervisory reviews were not detecting inadequate investigations. Management stated no policy or procedure was in place to specify how extensive the supervisory reviews should be.

Effect of Condition

The Department may not be identifying potential issues with benefit claim approvals and denials. The Department could be paying invalid claims or denying valid claims.

In addition, the Department still is not complying with Labor Department requirements for the BAM Program. For this audit we randomly selected 80 claims the Department had investigated: 41 paid claims and 39 denied claims, and found:

- In two cases, the investigator did not verify wage or other data with prior employers or third parties.

- In four cases from the 41 paid claims, the investigator did not verify reported job searches.
- Files for three of the cases did not document enough attempts to contact the claimant.

In September of 2011 the U.S. Department of Labor designated Washington State as an improper payment “High Priority” state for fiscal year 2012. The designation was based on improper payment rates as reported by the BAM unit during the last three years. This will require Employment Security to commit significant resources to address the U.S. Department of Labor’s concerns.

Recommendation

We again recommend Employment Security ensure:

- Written procedures cover all investigative and administrative functions of the BAM unit and adhere to federal guidelines as required.
- Investigators properly identify and address all issues by following the properly updated written procedures.
- Supervisors properly review completed cases to ensure procedures were followed.

Department’s Response

Proposed response to the State Auditor's Office (SAO) Single Audit Report regarding the Benefit Accuracy Measurement unit (BAM)

As noted by the auditor, the Employment Security Department (ESD) made significant improvements in the compliance rate for BAM investigations. The rate of non-compliant BAM investigations decreased as a result of multiple improvements implemented by the department. ESD anticipates this positive trend will continue in the current fiscal year due to ongoing process improvement efforts by investigative, supervisory and management staff.

Transition and Orientation Period

The BAM unit was impacted by organizational restructuring and a reduction-in-force during the last fiscal year. Both the manager and supervisor were replaced with individuals with management and program experience; however, neither had prior knowledge in BAM. Both stepped up to the challenge of learning the intricacies of BAM and related UI laws and policies.

During the audit period recommendations from the previous audit were prioritized and most were implemented immediately. The exceptions of the 2012 audit finding focused primarily upon inadequate contact attempts, inadequacy of existing policies and procedures and supervisory review of completed cases. Actions taken or planned by the department to address the auditor’s concerns include the following:

Outdated BAM Procedures Manual. *The BAM Procedures Manual was updated as of July 2012. Although ESD completed a revision of the manual, U.S. Department of Labor (USDOL) Region 6 regularly provides additional policies and guidance to assist in revising BAM methods and procedures. These tools will greatly assist the BAM supervisor in evaluating and updating the content of the current manual.*

Contact attempts for claimants and employers. *One of the biggest challenges for BAM units across the country is the lack of clear guidance from USDOL concerning the required number of contact attempts for claimants, employers and for work search verifications. USDOL provided email clarification to Washington on the acceptable number of attempts for each situation. USDOL released a draft Unemployment Insurance Program Letter (UIPL) in late May 2012 regarding the number of contact attempts for claimants which is now the basis of Washington's current standard. ESD is adhering to these revised standards.*

Work search verification. *BAM investigators followed a directive from their former supervisor to make one attempt to contact employers for work search verification. This process was not determined inadequate in the supervisory review because, at the time, it was the standard set forth by the supervisor. The standard has since been changed to require two contact attempts to verify a work search contact. ESD is adhering to this revised standard.*

Following is a list of additional improvements implemented or planned for ensuring fully compliant BAM investigations:

Personnel and Training

- Position descriptions for investigators were updated to include more rigorous requirements to improve the recruitment and retention of experienced and knowledgeable investigators.
- All investigators have completed investigator training provided by the state of Washington. In addition, one investigator attended a week-long investigator training offered by USDOL. Two investigators attended additional adjudicator training. Additional adjudicator training is planned for 2013 for investigative staff.
- Holding regular unit meetings to discuss topics such as case coding, unusual or particularly challenging cases, identifying and resolving barriers to completing a successful investigation, best practices and improving communications with other department units.
- Communication and cooperation with other units within ESD has increased, resulting in quicker resolution of issues. An intra-agency work group including BAM and the Claims Centers began in April 2012 to develop an Operational Level Agreement. The group established a process to share improper claims during the Key Week with the Claims Center staff.
- Increased development of support staff to better understand and anticipate the needs of investigators. BAM's program assistant supports the team by assisting with Sun investigative system administration, maintenance of National Directory of New Hire reports for investigators, assisting with the monitoring of case assignments for the year, maintenance of case files, tracking improper claims and all weeks reviews, and tracking and disseminating documents scanned into the department's imaging system.

Forms and Manuals

- Creation of a detailed contact log form showing time/date/method of contact and fact finding notes. Since September 2012, investigators are required to document all contact attempts to claimants and employers on the contact log to comply with the auditing standard.
- More emphasis is placed on the narrative summaries that detail the complexities of the case, identification and resolution of potential issues, unusual coding or other unusual circumstances. In 2013, the team will revise the case summary form and develop standardized language, when applicable, for ease in writing summaries.
- BAM forms were updated and implemented in June 2012 to improve accuracy, effectiveness and response rate.
- A new toll-free number was implemented in June 2012 to increase claimant and employer response rates. The BAM unit had challenges with incoming faxes not reaching the investigators. We identified a capacity issue with the equipment and have since implemented a process where incoming faxes are imaged and routed to an electronic folder for easy access.
- Increased use of all available reference resources within ESD and with USDOL. A new USDOL website was established in May 2012 to facilitate communication between USDOL and BAM units across the country.
- Obtained security access and training for investigative staff on two additional state agency databases increasing the potential to get accurate, up-to-date contact information for employers.

Procedures

- Creation of internal tracking folders on a shared drive to capture unusual investigative issues and recommended procedures to increase consistency and accuracy in coding. This practice is included in the BAM Procedures Manual so that it contains all BAM resources in one comprehensive electronic tool.

- *In October 2011, an open-ended denial of benefits was implemented for those claimants failing to respond to requests for information. The response rate of claimant questionnaires for paid claims improved since the change in policy. The challenge to gather information still exists with denied claimants as there is less incentive to respond.*
- *Increased Supervisory Review has begun. Currently a supervisory review is conducted on 35-40% of the cases. In 2013, a checklist will be created for investigators so that they can review their own work prior to supervisory review. The unit is also developing a process and checklist for supervisory review with the intent of providing investigators with feedback on coding errors and/or deficiencies in their investigations or case summaries. This data will be used as a basis for ongoing performance evaluations and continuous improvement.*

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 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 UC 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) . . .

ET Handbook No. 395, 5th Edition; Benefit Accuracy Measurement State Operations Handbook, states in part:

The following general requirements must also be adhered to during the course of BAM investigations:

- a. Investigative Method. Investigations are comprised of reviews of SWA records and interviews of claimants, employers, and third parties. Initially all BAM investigation interviews were conducted in person. In 1993, alternative methodologies were implemented which allowed states the option to substitute telephone, FAX, e-mail and standard mail for in-person verification of contacts with employers, third parties and on some work search verifications.

Regardless of the method used, it is intended that states obtain the information needed to complete their BAM cases. States must attempt to obtain the information required for investigations using any and all of the following methods: in-person, telephone, FAX, mail or e-mail. States have the option of using any of these methods that it determines to be the most efficient and effective based on the circumstances of each case. States are to document all attempts made in procuring needed information in each case's summary. Within this framework, it is important to note that the audit process differs substantially from normal UI operations in terms of cost, time, and effort. **BAM investigators must exhaust all avenues in obtaining information.** This contrasts to UI operations, which are held to a reasonable attempts standard.

12-12 The Department of Transportation did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.

Federal Awarding Agency:	Federal Transit Administration
Pass-Through Entity:	None
CFDA Number and Title:	20.500 Federal Transit-Capital Investment Grants
	20.507 Federal Transit-Formula Grants (Urbanized Area Formula Program)
	20.509 Formula Grants for Other Than Urbanized Areas
	20.509A Formula Grants of Other Than Urbanized Areas – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	WA-18-X039, WA-18-X043, WA-18-X048, WA-18-X049, WA-85-X001, WA-85-X002, WA-85-X003, WA-86-X001, WA-03-0152, WA-04-0027, WA-04-0028, WA-04-0036, WA-04-0045, WA-04-0071, WA-04-0072
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Public Transportation Division of the Washington State Department of Transportation administers the formula rural general public transportation funds (Formula Grants for Other Than Urbanized Areas) and discretionary bus and bus facility funds (Federal transit – Capital Investment Grants) that are awarded to rural recipients. Funds under the formulized program are used to sustain or expand general public transportation services, purchase capital equipment, on rare occasion fund construction projects and administration costs. Funds under discretionary bus and bus facility program are used to purchase capital equipment and on rare occasion fund construction projects.

In fiscal year 2012, the Division spent \$10,544,637 under the Formula Grants for Other than Urbanized Areas program; approximately 94% of this amount was passed through to subrecipients who needed the funding for public transportation projects that serve non-urbanized areas. The Division also reimbursed \$2,091,412 under the Federal Transit – Capital Investment Grants as pass through grants to subrecipients whose discretionary bus and bus facilities program projects have already been approved and apportioned by Congress.

Under the Federal Funding Accountability and Transparency Act, the Division is required to collect and report information on each sub-award of federal funds in the amount of \$25,000 or more in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to empower citizens with the ability to hold the federal government accountable for spending decisions and, as a result, reduce wasteful spending in the government.

Description of Condition

During fiscal year 2012 the Division executed agreement amounts of \$11,518,522 to subrecipients under the Other than Urbanized Areas program and \$530,400 under the Federal Transit – Capital Investment Grants. During our review, we found the Division did not have the necessary internal controls in place to ensure the required Accountability Act reports were filed for any of its sub-awards.

The Division attempted to file these sub-awards in early fiscal year 2012 but encountered technical difficulties with the system and was not able to complete the filing. The Division did not continue its effort during the remaining part of fiscal year 2012 and did not file any reports. Since our field work, the Division has contacted the Federal Transit Administration for filing assistance; however, the Division has not filed any reports yet.

Cause of Condition

The Division did not have sufficient internal processes in place to monitor the filing status of the required reports, continue the effort to submit them or consult with the federal grantor on filing alternatives.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. Grant conditions allow the grantor to penalize the Division for noncompliance by suspending or terminating the award, or withholding future awards.

Recommendation

We recommend the Department:

- Create policies, procedures and other internal controls sufficient to ensure it submits the reports for each sub-award of \$25,000 or more by the applicable deadline.
- Provide the necessary training for all employees who oversee reporting and who document the accuracy and completion of the reports.
- Monitor reporting of this information to ensure compliance with the requirement.

Department's Response

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.

The Department appreciates the State Auditor's work regarding the Statewide Single Audit (SWSA). The "technical difficulties" encountered in filing the required Federal Funding Accountability and Transparency Act (FFATA) reports resulted when the Department made its initial attempts to file the FFATA reports in Fiscal Year 2012 and discovered that the grantor, the Federal Transit Administration (FTA), had not yet entered the award information in its computer system to allow the Department to enter sub-award data and file the reports. The FTA recently input grant award information into the computer system; however, to prevent entering data twice or losing data in the event the FTA did not input all award data into the FTA system, the Department has contacted them to determine if WDOT can now safely input sub-award data and file the required FFATA reports. The Department also made several other attempts to contact the FTA during and after fiscal year 2012 for guidance and to determine when the system would be available for filing reports. As a result of the audit, the Department is seeking written clarification with the FTA on system availability and use for filing reports. The Department will strengthen internal controls and will continue to work with the FTA until the required FFATA sub-award data can be input and the reports can be filed.

Recommendation:

- *Create policies, procedures and other internal controls sufficient to ensure it submits the report for each sub-award of \$25,000 or more by the applicable deadline.*

The Public Transportation Division is implementing new procedures to ensure FFATA reporting is filed timely.

- *Provide the necessary training for all employees who oversee reporting and who document the accuracy and completion of the reports.*

Procedures will include appropriate training for employees

- *Monitor reporting of this information to ensure compliance with the requirement.*

The new procedure includes assigning the FFATA reporting to one individual, with review and monitoring by another staff member and management.

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 2, Code of Federal Regulations, Section 170 states in part:

APPENDIX A TO PART 170—AWARD TERM

- I. Reporting Subawards and Executive Compensation.
 - b. Reporting of first-tier subawards.
 - 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
 - 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
 - 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-13 The Department of Health did not file reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water 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
	66.468A Capitalization Grants for Drinking Water State Revolving Fund – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	FS-99083911
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The State Department of Health administers the Drinking Water State Revolving Fund Program, which provides loans and other financial assistance to publicly- or privately-owned community water systems and non-profit non-community water systems for eligible drinking water infrastructure projects.

In fiscal year 2012, the Department spent \$20.9 million in federal program funds, approximately \$1.4 million of which was provided by the American Recovery and Reinvestment Act.

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to hold the government accountable for spending decisions and to reduce wasteful spending.

Description of Condition

During fiscal year 2012, the Department made 12 sub-awards for the program totaling \$11,723,224. It did not file the required Accountability Act reports for any of the awards.

Cause of Condition

Department management stated they did not monitor reporting activity to ensure compliance.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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 follow established policies and procedures over reporting and submit all required reports for each sub-award of \$25,000 or more by the applicable deadline.

Department's Response

We concur with the finding that the Department did not obtain sub-award information and file reports required by the Federal Funding Accountability and Transparency Act. We have revised our procedures, effective October 1, 2012, and have put forth new communications within the agency to comply with this reporting requirement.

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.

2 CFR170.330 Total compensation. APPENDIX A TO PART 170—AWARD TERM

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

- 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-14 The Department of Services for the Blind did not determine eligibility for all Vocational Rehabilitation program applicants within the allowed period of time.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants to States
Federal Award Number:	H126A110072; H126A120072
Applicable Compliance Component:	Client Eligibility
Questioned Cost Amount:	None

Background

The Vocational Rehabilitation program is designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities. The Department of Services for the Blind administers the federal Vocational Rehabilitation program for visually impaired individuals. The Department received approximately 15 percent (\$7.8 million) of the total federal Vocational Rehabilitation funding received by the state during fiscal year 2012.

Only eligible individuals may receive services from the Vocational Rehabilitation program. An eligible individual has a physical or mental impairment that results in a substantial impediment to employment; could obtain employment as a benefit of vocational rehabilitation; and requires vocational rehabilitation to prepare for, secure, retain or regain employment. The Department's counselors must determine whether or not an individual meets these criteria within 60 days after an individual applies for services. Federal guidelines allow the counselors to make an exception to this requirement due to unforeseen circumstances, such as an applicant not being able to make an appointment or a need for additional evidence to ensure the individual is eligible or will benefit from the services. When these exceptions are used the Department and the individual must agree to a specific extension of time.

Description of Condition

During fiscal year 2012, the Department found 325 individuals eligible for vocational rehabilitation services. Our audit found that for 51 of these individuals, eligibility determinations were made from 61 to 274 days after application. We reviewed documentation related to those 51 cases to determine whether the delay was the responsibility of the Department and if the client agreed to an extension. We determined:

- The Department could have prevented delays in 18 cases where counselors did not perform eligibility determination steps efficiently.
- The Department did not have documentation that it communicated the delay to the client in 22 cases.
- The Department did not record a specific extension in 48 cases.

Cause of Condition

The Department stated its current eligibility system does not effectively identify deadlines to its counselors. The Department designed controls to compensate for this in January 2012. These controls identified only cases that had gone beyond the deadline and not those approaching it.

Effect of Condition

Applicants eligible for Vocational Rehabilitation services did not start receiving assistance in a timely manner.

Recommendation

The Department should improve its internal controls to ensure counselors:

- Understand approval criteria and complete eligibility determinations in a timely manner.

- Communicate with applicants to determine a specific extension of time and effectively document reasons for delays.

Agency's Response

The Department acknowledges the finding. While individual situations may create need to delay an eligibility past the 60-day timeline, case file documentation should be clear about the reason for a delay, and that the customer is in agreement for the delay.

Training was provided at the Vocational Rehabilitation Counselor meeting on October 10, 2012, and at subsequent regional team meetings, to ensure that the awareness of the timeline, the need to meet the timeline, and the need to clearly document reasons for delay of eligibility beyond the 60-day timeline is understood by counselors and supported by their team members.

A system for monthly review of timelines to eligibility is in place. Team leaders review overdue eligibility cases to ensure documentations are in place that describe clearly reasons for delay. A method for checking status of eligibilities before they are overdue exists in the system, and training for accessing that tool has been provided VR counselors on October 10, 2012. The tool requires multiple steps for a staff to access; in a future planned upgrade of the case management system this tool will be in a more prominent "dashboard" feature, allowing a more streamlined, easy access to the data.

Auditor's 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.

OMB Circular A-133 Compliance Supplement 2012, Part 4 – Department of Education, Vocational Rehabilitation Cluster, III.E.1., states in part:

The State VR Agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless (Section 102(a)(6) of the Act (29 USC 722(a)(6)):

- a. Exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time; or
- b. The State VR Agency is exploring an individual's abilities, capabilities, and capacity to perform in work situations through trial work experiences in order to determine the eligibility of the individual or the existence of clear and convincing evidence that the individual is incapable of benefiting in terms of an employment outcome from VR services.

12-15 The Department of Services for the Blind did not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for its 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
Federal Award Number:	H126A110072; H126A120072
Applicable Compliance Component:	Suspension and Debarment
Questioned Cost Amount:	None

Background

The Vocational Rehabilitation program is designed to assess, plan, develop and provide services for individuals with disabilities. The Department of Services for the Blind administers the federal Vocational Rehabilitation program for visually impaired individuals. The Department received approximately 15 percent (\$7.8 million) of total federal vocational rehabilitation funding received by the state during fiscal year 2012.

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:

- Checking the federal Excluded Parties List System
- Collecting a certification from the vendor or subrecipient.
- Adding a clause or condition to the covered transaction with the vendor or subrecipient.

Description of Condition

The Department contracts with vendors to provide services allowed under the program. In May 2012, the Department began including a debarment certification in all new contracts. The Department had no controls over this area in place prior to May 2012.

For fiscal year 2012, we found 17 vendors paid during the audit period that would be subject to suspension and debarment requirements. We found the Department did not verify that 16 of the 17 vendors were not suspended or debarred. The vendor that was verified had a contract start date of June 2012.

Cause of Condition

During fiscal year 2012, the Department was made aware of the requirement that it ensure all vendors receiving more than \$25,000 in Vocational Rehabilitation grant funds are not suspended or debarred. However, the Department was unable to fully establish controls in order to be in compliance by fiscal year end.

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 17 vendors receiving more than \$25,000 in the Excluded Parties List System and found none were debarred or suspended. Therefore, we will not question any costs related to these vendors.

Recommendation

We recommend the Department establish internal controls to 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. We recommend the Department provide adequate training to ensure all staff responsible for contracting with vendors understand federal suspension and debarment requirements.

Agency's Response

The Department agrees with the finding. As a corrective action, the Department developed a revised contract general terms and conditions in April of 2012 that includes appropriate certification language for contractor signatures. Additionally, the Department initiated a monthly process effective August of 2012 to review expenditures and identify any vendor that has been paid in excess of \$25,000 over the prior 12 months. These vendors are checked against the Excluded Parties List System to verify that the vendor has not been suspended or debarred.

Auditor's 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:

- (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, 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.

12-16 The Department of Services for the Blind did not comply with federal requirements for reporting Vocational Rehabilitation program expenditures.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants to States
Federal Award Number:	H126A100072; H126A110072; H126A120072
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Vocational Rehabilitation program is designed to assess, plan, develop and provide services for individuals with disabilities. The Department of Services for the Blind administers the program for visually impaired individuals. It received approximately 15 percent (\$7.8 million) of total program funding received by the state during fiscal year 2012.

The federal government requires grant recipients to report program expenditures to grantors. For the Vocational Rehabilitation program, the Department must submit the Federal Financial Report and the Program Cost Report to the Rehabilitation Services Administration within the Department of Education. The Federal Financial Report, submitted semi-annually and after a grant closes, details program expenditures related to a specific grant. The Program Cost Report, submitted annually, details all program spending for the prior federal fiscal year. The Department must ensure the completeness and accuracy of reports before submitting to Rehabilitation Services.

Description of Condition

Reporting controls

We found the Department did not have sufficient review processes for reports submitted to Rehabilitation Services. The review of the Federal Financial reports occurs after submission. Only one individual prepares and reviews the Program Cost reports. No one at the Department does an independent review of the reports before submission.

Reporting errors

We reviewed the four Federal Financial Reports submitted during fiscal year 2012, which related to federal fiscal year 2010, 2011, and 2012 awards. The Department did not base indirect expenses listed on each report on an approved payment rate. Without an approved rate by the grantor, agencies cannot request reimbursement for indirect expenses and should not report them. (See finding 12-17 regarding the questioned costs associated with the identified indirect expenses.) Additionally, the Department incorrectly calculated the federal share of indirect expenses on the 2011 award reports. The federal grantor only covers a portion of program costs (78.7 percent), and the remainder must be covered with state dollars. The Department recorded the state amount of 21.3 percent, when it should have recorded the federal amount. We also found the Department submitted the reports from eight to more than 100 days after the due date.

We also reviewed the annual Program Cost report submitted for expenditures during fiscal year 2011. We found the Department incorrectly recorded what it spent on Innovation and Expansion Activities, or those costs associated with developing new ways to better serve the program's customers. The amount recorded was \$409,891, but supporting documentation showed it to be \$509,891. We also found the Department incorrectly classified amounts paid for services provided to Vocational Rehabilitation customers, which make up about 36 percent of total program expenditures. Grantees must designate costs as "Assessment, Counseling, Guidance, and Placement" or "Other Services." It listed costs for services provided by Department staff as "Other Services" and costs for services from other providers as "Assessment, Counseling, Guidance, and Placement." Actual costs for services fall under both categories.

Cause of Condition

The Department did not consider the importance of having an appropriate review process when designing internal controls over reporting program information. This lack of monitoring allowed some errors to go unchecked. Additionally, the Department did not have a complete understanding of grant and reporting requirements.

Effect of Condition

Federal 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 financial status and effectiveness of the program.

Recommendation

The Department should establish and implement internal controls to ensure reports are complete and accurate prior to submittal to the federal grantor.

The Department should provide training on reporting requirements to all staff preparing and reviewing financial reports to ensure they have a full understanding of how to complete the reports.

Agency's Response

The Department agrees with the audit finding and is now current on VR federal cost reports.

- The Department has been in contact with the Department of Education/Rehabilitation Services Administration (RSA) staff to correct prior SF-425 reports. The corrections will include separation of indirect costs from direct allocated expenditures and to correctly reflect the federal portion of the indirect costs. The rates used for indirect costs will be addressed by the Department in the agency response to finding 12-17.*
- The Department has developed an internal checklist for steps in preparation and review of the federal cost reports. The checklist requires interaction from three separate staff member to ensure proper reviews of submitted cost information.*
- The Department will take advantage of any training opportunities made available through RSA and the Region 10 Technical Assistance & Continuing Education (TACE) center. TACE has started to include fiscal staff in their quarterly meetings which the Department has participated in.*
- The Department will self report to RSA By November 15, 2012 for RSA actions in response to the audit findings for reporting errors on the FY11 RSA-2. The FY11 RSA-2 has been published, so it will be their decision to reopen the report.*

Auditor's 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:

- (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.

Code of Federal Regulations, Title 34 – Education, Part 80.41, states in part:

- (a) *General.* (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:
 - 3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decision making purposes.
- (b) *Financial Status Report—*(1) *Form.* Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with § 80.41(e)(2)(iii).
- (4) *Due date.* When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

Code of Federal Regulation, Title 34 – Education, Subtitle B: Regulations of the Offices of the Department of Education (Continued), Chapter iii: Office of Special Education and Rehabilitative Services, Department of Education, part 361: State Vocational Rehabilitation Services Program,

Subpart B: State Plan and Other Requirements for Vocational Rehabilitation Services, Administration
361.40 - Reports.

- (a) The State plan must assure that the designated State agency will submit reports, including reports required under sections 13, 14, and 101(a)(10) of the Act-
 - (1) In the form and level of detail and at the time required by the Secretary regarding applicants for and eligible individuals receiving services under this part; and
 - (2) In a manner that provides a complete count (other than the information obtained through sampling consistent with section 101(a)(10)(E) of the Act) of the applicants and eligible individuals to-
 - (i) Permit the greatest possible cross-classification of data; and
 - (ii) Protect the confidentiality of the identity of each individual.
- (b) The designated State agency must comply with any requirements necessary to ensure the accuracy and verification of those reports.

12-17 The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.

Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Number and Title:	84.126 Vocational Rehabilitation Grants to States
Federal Award Number:	H156A110072; H126A120072
Applicable Compliance Component:	Allowable Costs/ Cost Principles
Questioned Cost Amount:	\$1,259,024.49

Background

The Vocational Rehabilitation program is designed to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities. The Department of Services for the Blind administers the federal Vocational Rehabilitation program for visually impaired individuals. The Department received approximately 15 percent (\$7.8 million) of total federal Vocational Rehabilitation funding received by the state during fiscal year 2012.

When designing federal programs, states typically have both direct and indirect costs associated with the program. Direct costs are those that are directly related to the goals of the program, and can be charged directly to the grant. Indirect costs are those incurred for a common purpose and that benefit multiple programs. These costs must be split and charged to each benefitting program. In order to charge indirect costs to a federal award, grantees must have an approved cost allocation plan or indirect cost rate in place. States may be granted temporary rates to use during the fiscal year, and then a final rate will be determined after the fiscal year.

Description of Condition

The Department did not have controls in place to appropriately charge indirect costs to the Vocational Rehabilitation program. It charged them to the grant using a rate not approved by the federal grantor. This is not allowable.

Cause of Condition

The Department was not aware it needed to have approval for its temporary rate used during the fiscal year. The Department planned to request approval for a final rate after the close of the fiscal year.

Effect of Condition and Questioned Costs

We identified \$1,259,024.49 in indirect expenditures charged to the federal grant during fiscal year 2012. Without an approved indirect cost rate, the federal grantor cannot ensure indirect costs charged to the grant are allowable or appropriate. We are questioning the indirect costs charged to the federal grant of \$1,259,024.49.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Department establish internal controls to ensure an indirect cost proposal is submitted to the grantor for approval and update it annually. The Department should have controls in place to ensure the approved correct rate is being applied to the program's indirect costs. The Department should consult with its grantor to determine if any questioned costs should be repaid.

Department's Response

The Department agrees with the audit finding. Staff did not fully understand the indirect cost recovery rules for the Department of Education. The Department will submit indirect rate cost proposals for FFY12 and FFY13 to the Department of Education and negotiate a settlement for any costs determined to be unallowable.

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.

Code of Federal Regulations, Title 34 – Education, Part 76.560, states:

- (a) The differences between direct and indirect costs and the principles for determining the general indirect cost rate that a grantee may use for grants under most programs are specified in the cost principles for—
 - (1) Institutions of higher education, at 34 CFR 74.27;
 - (2) Hospitals, at 34 CFR 74.27;
 - (3) Other nonprofit organizations, at 34 CFR 74.27;
 - (4) Commercial (for-profit) organizations, at 34 CFR 74.27; and
 - (5) State and local governments and federally-recognized Indian tribal organizations, at 34 CFR 80.22.
- (b) A grantee must have a current indirect cost rate agreement to charge indirect costs to a grant. To obtain an indirect cost rate, a grantee must submit an indirect cost proposal to its cognizant agency and negotiate an indirect cost rate agreement.
- (c) The Secretary may establish a temporary indirect cost rate for a grantee that does not have an indirect cost rate agreement with its cognizant agency.
- (d) The Secretary accepts an indirect cost rate negotiated by a grantee's cognizant agency, but may establish a restricted indirect cost rate for a grantee to satisfy the statutory requirements of certain programs administered by the Department.

12-18 The Office of Superintendent of Public Instruction's internal controls over subrecipient monitoring are not adequate to ensure only proper and allowable costs are charged to the School Improvement Grants program.

Federal Awarding Agency: U.S. Department of Education
Pass-Through Entity: None
CFDA Number and Title: 84.377 School Improvement Grants
84.388 School Improvement Grants, American Recovery and Reinvestment Act (ARRA)
Federal Award Number: S377A090048A; S377A100048; S388A090048A
Applicable Compliance Component: Subrecipient Monitoring
Questioned Cost Amount: None

Background

The Office of Superintendent of Public Instructions (Office) administers the School Improvement Grants program. The program is intended to dramatically improve the academic achievement of students in the State's lowest-achieving five percent of Title 1 or Title 1 eligible schools.

The Office spent \$22.5 million in School Improvement funds in fiscal year 2012, \$16 million of which was paid from American Recovery and Reinvestment Act funds. Subrecipients received \$21.3 million of total grant expenditures.

Federal regulations require the Office to monitor subgrant-supported activity to assure compliance with applicable Federal requirements and that performance goals are being achieved.

Prior to allowing a subrecipient school district to receive grant funds, the Office provides guidance regarding how federal funds are allowed to be spent. They also establish budgets for the districts that specify how much can be spent within specific categories of expenses such as salaries, supplies or travel. School districts claim School Improvement Grant funds electronically and are not required to submit supporting documentation at the time of the requests. Therefore, it is critical that the Office have monitoring processes in place to assure that the districts are spending grant funds for allowable purposes and complying with federal regulations.

Description of Condition

We determined that while the Office is monitoring its subrecipients' progress toward performance measures, it is not performing sufficient fiscal monitoring to ensure grant funds are being spent only for allowable purposes. During fiscal year 2012, the Office used contractors to perform subrecipient monitoring consisting of onsite visits of the districts. These contractors met with district and school staff quarterly and created monitoring reports for each quarter. These reports document monitoring of subrecipients' progress toward meeting performance measures related to the grant program, but do not include any fiscal monitoring.

The Office does have a consolidated program review process that they use to monitor fiscal activity for many of their federal grant programs. While the Office stated they are going to include the School Improvement Grants in this process for fiscal year 2013, it was not included during fiscal year 2012.

Cause of Condition

The Office's program staff believed the monitoring performed by the contractors was sufficient to meet federal requirements for subrecipient monitoring.

Effect of Condition

Because the Office is not performing sufficient fiscal monitoring, the risk of reimbursing school districts for costs that are unallowable is increased.

Recommendation

We recommend the Office create and perform internal controls that ensure fiscal monitoring of subrecipients. We also recommend this monitoring be sufficient to ensure subrecipients are reimbursed only for proper and allowable costs for the School Improvement Grants program.

Department's Response

Through our own review of agency processes involving federal funds, we also recognized the need for increasing our fiscal monitoring related to this program. Therefore, last summer, staff developed a fiscal monitoring checklist and incorporated their subrecipient monitoring to align with our comprehensive consolidated program review process (CPR).

The CPR process is the basis for monitoring all but one of our other Department of Education grant funds received by this agency. The CPR process is recognized as a model by the Department of Education and shared with other states that are struggling to meet compliance with this requirement. The SIG program has formally been a member of the CPR team since last fall and has been performing on-site reviews since January, 2013, with a significant focus on compliance with fiscal requirements.

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*, states:

Section 300

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:...

- (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 34, Code of Federal Regulations, Section 80.40 - Monitoring and reporting program performance.

- (a) *Monitoring by grantees.* Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

12-19 The Department of Health paid unreasonable indirect cost rates to a subrecipient of the Public Health Emergency Preparedness grant.

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
Federal Award Number:	1H75TP000369-01 2U90TP017010-10; 3U90TP017010.
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	\$9,156.27
Likely Questioned Cost:	\$42,965.08

Background

The State Department of Health administers the Public Health Emergency Preparedness Program. This federal grant is designed to assist public health departments prepare for public health emergencies.

The Department spent \$12.6 million in these grant funds in fiscal year 2012. Approximately \$7.5 million was distributed to reimburse su-recipients, primarily county health districts and tribes, to oversee training, meetings, purchases of supplies and equipment, and create and update emergency response plans.

Reimbursement requests often include an amount for indirect costs such as general supplies or administrative staff salaries. These are billed as a percentage rate of their direct costs, such as staff salaries. The Department's grants management division maintains a list of approved indirect rates for subrecipients. When a reimbursement request comes in, the staff member reviewing the reimbursement request is to use the list to determine whether the indirect rate is allowable. If no approved indirect rate is on file, the reviewer uses his or her judgment to determine whether the submitted rate is reasonable.

The Department is required to comply with federal regulations on allowable costs by type of expenditure.

Description of Condition

The Department did not adequately review the supporting documentation received before paying subrecipients. We determined one subrecipient was paid an average indirect cost rate of 98 percent for three reimbursement requests. This rate is unreasonably high for an indirect cost rate and the amounts paid total \$9,156.27. An average indirect rate is 10 percent to 20 percent. The U.S. Health and Human Services default rate is 10 percent of direct costs. We found documentation supporting 11 other payments to the same subrecipient was insufficient to determine what indirect rate was charged. Because subrecipients usually bill a consistent indirect rate each month, we determined it is likely this subrecipient charged a similar indirect rate for these payments as well.

Cause of Condition

While the payment review process includes multiple staff members, none did a review to ensure the indirect rate was reasonable. The Department's list of approved indirect rates for subrecipients is incomplete. Eighty-six percent of the subrecipients on the list, including the one noted above, do not have an approved indirect rate posted for the reviewers to reference.

Effect of Condition and Questioned Costs

We identified costs of \$9,156.27 that were not adequately supported and appear to be unallowable based on federal cost principles. We are questioning these costs. We identified an additional \$42,965.08 in likely unallowable costs. The federal grantor could disallow these charges and require the Department to repay the money.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support its expenditures.

Recommendation

We recommend the Department ensure the list of approved indirect rates for subrecipients is complete and that reviewers of payments to subrecipients ensure only allowed indirect rates are reimbursed. 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 concerning the excess indirect rate charged by a subrecipient and agree that Department of Health needs to ensure that amounts billed for administrative costs are reasonable and not excessive, and are consistent with an approved rate or cost allocation plan. We will review our procedures for checking the administrative component of these invoices.

As of January 2012, the Department initiated a requirement that all invoices for reimbursement of expenditures by Local Health Jurisdictions (LHJs) will include supporting documentation. Subsequently, we have clarified this requirement to ensure that supporting documentation must be sourced directly from the entity's accounting system. In addition, we are performing tests of indirect expenditures as a part of our on-going subrecipient monitoring of LHJs.

We will work closely with the Office of Financial Management to develop a corrective action plan. We thank the 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:

- (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, Appendix A, C1-3), *Cost Principles for State, Local and Indian Tribal Governments*, states in part:
Attachment A:

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 this Circular.
 - 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 this Circular, 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.
- 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.
- 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.
 - b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.
 - c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Circular may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
 - d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Attachments C, D, and E.

12-20 The Department of Health does not adequately monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital 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 Program
Federal Award Number: 1H75TP000369-01; 2U90TP017010-10; 3U90TP017010;
U3REP090228
Applicable Compliance Component: Subrecipient Monitoring
Questioned Cost Amount: None

Background

The State Department of Health administers the Public Health Emergency Preparedness Program and the National Bioterrorism Hospital Preparedness Program. These programs are designed to 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 health care partners. These entities oversee training, meetings, purchasing of supplies and equipment, and generate reports on the program.

The Department spent \$12.6 million in Public Health Emergency Preparedness funds and \$6.6 million in Hospital Preparedness Program funds in fiscal year 2012.

Subrecipient Monitoring

Pass-through entities are responsible for monitoring subrecipients' use of federal awards to ensure they comply with federal law and grant agreements. Subrecipients are not allowed to make a profit from federal grant funds, only to receive reimbursement of actual costs. The Department is responsible for notifying subrecipients of federal requirements.

We reported findings for fiscal year 2010 and 2011 stating the Department did not adequately monitor subrecipients or collect or review supporting documentation for expenditures reimbursed to subrecipients for either program.

Description of Condition

The Department lacks internal controls related to monitoring the compliance of its subrecipients in the following areas:

Collection of grant activity information from subrecipients:

The Department did not collect documentation supporting most subrecipient reimbursement requests for either program during the fiscal year. It requested the subrecipients receiving the majority of the program funds submit more supporting documentation with reimbursement requests beginning January 1, 2012. We determined, however, that many subrecipients did not comply and still were reimbursed.

Subrecipient monitoring through on-site visits:

The Department contracts with a certified public accountant for on-site fiscal monitoring of subrecipients. Each subrecipient is scheduled for on-site monitoring once during a defined, two-year period. During fiscal year 2012, 78 subrecipients received funds for Hospital Preparedness and/or Public Health Emergency Preparedness. The Department stopped on-site monitoring as of August 6, 2011 during a redesign of reports generated by the certified public accountant, and consequently only six of the 78 subrecipients received an on-site visit.

We reviewed the available on-site monitoring reports and determined the public accountant reviewed only recent expenditures even though the monitoring period was from January 1, 2011 through December 31, 2012.

We determined the on-site monitoring was not adequate to ensure expenditures of federal funds are supported and allowable.

Follow up of inappropriate amounts charged to the grant by subrecipients:

The Department does not adequately address subrecipient noncompliance. It also does not recover questioned costs reported by fiscal monitoring reports in a timely manner. We noted that three of the six monitoring reports identified some instances of subrecipient non-compliance, including unallowable expenditures, questioned costs, and unsupported billing rates for time and effort. Department management stated no follow up was performed with two of the subrecipients. Follow up was begun with the third subrecipient and the Department identified a large amount of potentially unallowable costs. The follow up was not complete by the end of the fiscal year and therefore no overpayment amount had been finalized, even though the on-site monitoring visit was 11 months earlier.

Required subrecipient notification of federal grant information:

We reviewed the contract files for 16 subrecipients and determined the Department did not notify any of the selected subrecipients of the Catalog of Federal Domestic Assistance title, award name or award number in the contract language

Cause of Condition

Although Department management designed new processes for subrecipient monitoring, they were not fully operational prior to the end of the audit period. Subrecipients were told to submit increased support with reimbursement requests however, many were not submitting the documentation or were submitting incomplete documentation. The Department still paid these reimbursements and stated the increased documentation requirement was not fully in place by the end of the fiscal year.

In response to the previous findings the Department decided to redesign the on-site monitoring reports to provide more detailed and meaningful information. It also decided to cease current monitoring while this redesign occurred and did not perform onsite monitoring for almost 11 months of the audit period.

The Department has no written policies and procedures to ensure:

- Staff understands how to comply with all federal compliance and monitoring requirements for subrecipients.
- Required grant information is included in subrecipient contracts.
- That it obtains reimbursements for amounts determined to be inappropriately charged to the grant.

New policies and procedures were being created during the fiscal year but were not completed by year end.

Effect of Condition

The Department cannot be sure it is reimbursing only allowable and actual costs and that its subrecipients are not profiting from federal dollars. By not adequately addressing identified noncompliance by subrecipients it is not requiring prompt reimbursement of federal funds.

The Department is not adequately informing subrecipients of all federal grant information. This could lead to improper use of federal funds by subrecipients.

Recommendation

We recommend the Department establish appropriate internal controls to:

- Ensure it pays subrecipients only for actual costs, supported by documentation in accordance with federal requirements.
- Ensure that on-site monitoring visits are frequent and thorough enough to provide adequate monitoring.
- Ensure it collects and returns all improper payments to the federal government
- Ensure it informs subrecipients of all required federal information when entering into an agreement with a subrecipient.

Department's Response

Collection of grant activity information from subrecipients:

The Department of Health partially concurs with the State Auditor's Office finding. Effective January 2012, the Department of Health required local health jurisdictions to provide summary level expenditure data by object to accompany the monthly invoices to which the local health jurisdictions complied. Beginning October 2012, the Department clarified the requirement that the summary level data must be accompanied by system generated reports. The contract language was amended to reflect this requirement. As of October 2012, the Department of Health is currently receiving this clarified requirement for all local health jurisdictions.

We will work closely with the Office of Financial Management to develop and institute a successful corrective action plan for the finding above.

Subrecipient monitoring through on-site visits:

The Department concurs with the State Auditor's Office finding. The certified public accountants contract with the Department of Health ended on December 31, 2011. The next fiscal monitoring cycle would have started on January 1, 2012. However, the Department was delayed in selecting a contracted certified public accountant for reviewing fiscal year 2012, and the Department did not contract with the certified public accountant until September 2012. Consequently the fiscal monitoring visits began in September 2012. All subrecipients are monitored using the same fiscal monitoring standards and processes.

The fiscal monitoring process has three distinct elements:

- 1. The certified public accountant employs a risk-based monitoring process consistent with OMB A-133 standards and reviews a minimum of three invoices and purchases over \$150. More invoices are reviewed if necessary. The certified public accountant then summarizes the outcome of the fiscal monitoring visit in a report to the Department.*
- 2. Department staff reviews the fiscal monitoring report and determine the corrective action necessary, if any. In some cases, staff may require additional fiscal information before determining what action to take. The organization receives a copy of the report, along with a letter from the Department outlining issues requiring corrective action and the date by which a response is required.*
- 3. The Department staff conducts follow up to ensure that appropriate actions are taken to correct deficiencies noted in the fiscal monitoring report.*

Additionally, Department staff has taken other steps to increase fiscal oversight of subrecipients, including increasing the number of site visits to the local health jurisdictions. In June 2012, the Department hired a Financial Examiner who will follow up on issues identified in the fiscal monitoring report that may require additional technical assistance.

We will work closely with the Office of Financial Management to develop and institute a successful corrective action plan for the finding above.

Follow up of inappropriate amounts charged to the grant by subrecipients:

The Department concurs with the State Auditor's Office finding. Cost recovery is part of the process described in the DOH Response to the previous finding. Once the issues, including ineligible costs, have been identified in the fiscal monitoring report, the organization is notified. The Department staff then conducts follow up to ensure that both monetary and nonmonetary issues are resolved. In addition the Department of Health is drafting a fiscal monitoring policy that will detail the procedures for initiating corrective action regarding issues noted on fiscal monitoring reports. It is estimated that this policy will be approved by June 2013.

We will work closely with the Office of Financial Management to develop and institute a successful corrective action plan for the finding above.

Required subrecipient notification of federal grant information:

The Department of Health concurs with the State Auditor's Office finding. As of October 1, 2012 for nonconsolidated contracts and November 15th, 2012 for consolidated contracts, the contract has been updated to include this information. The Department is in compliance with this federal requirement.

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 Compliance Supplement Subpart C—Auditees

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.
- (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:

- (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-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*, Part 3 – Compliance Requirements, states:

Section M. Subrecipient Monitoring:
Compliance Requirements

A pass-through entity is responsible for:

- *Award Identification* – At the time of the subaward, identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable 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.

The Department of Health and Human Services Grants Policy Statement, page II-29, states:

Subrecipients and contractors under grants are subject to the requirements of the cost principles otherwise applicable to their type of organization and to any requirements placed on them by the recipient to be able to comply with the terms and conditions of the award.

The cost principles do not address profit or fee. HHS policy allows the payment of fee on SBIR/STTR grants, but HHS will not provide profit or fee to any other type of recipient under any other grant program. A fee may not be paid by a recipient to a subrecipient/consortium participant, including a for-profit organization. However, a fee (profit) may be paid to a contractor providing routine goods or services under a grant in accordance with normal commercial practice.

12-21 The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital 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 Program
Federal Award Number:	2U90TP017010-10; 3U90TP017010; U3REP090228
Applicable Compliance Component:	Level of Effort
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 public health emergencies.

The Department distributes money to hospitals, outpatient facilities, tribes, health centers, poison control centers, emergency management services and others. These entities oversee training, meetings, purchasing of supplies and equipment, and generate reports on the program. The Department spent \$12.6 million in Public Health Emergency Preparedness funds and \$6.6 million in Hospital Preparedness Program funds in fiscal year 2012.

Under the Public Health Emergency Preparedness grant, the Department is required to maintain state-funded public health security spending at a level that is at least equal to the average of the previous two years spending. The Department is also required to maintain state-funded healthcare preparedness spending at a level that is at least equal to the average of the previous two years spending for the National Bioterrorism Hospital Preparedness grant.

We reported a finding in our fiscal year 2011 audit, noting the Department did not have sufficient internal controls to ensure compliance with matching and level of effort requirements for either grant program.

Description of Condition

In fiscal year 2012 the Department put in place internal controls to ensure it met matching requirements for both grants. We consider the matching portion of last year's finding resolved.

However, the Department still does not have internal controls to ensure compliance with federal level of effort requirements. Although the Department spends a significant amount of state funding on these two programs, it reported to the grantor that it spent \$0 for its level of effort requirement.

Cause of Condition

The Department was not tracking level of effort spending because management previously determined the required expenditures under the federal level of effort requirement to be \$0. While the Department now concurs this position was incorrect and that controls must be implemented to ensure it meets level of effort requirements, it was unable to do so prior to the end of the fiscal year.

Effect of Condition

By not properly tracking, documenting and reporting that the level of effort requirements are being met, the Department was not in compliance with this requirement and is at risk of having to return grant funds. This also could jeopardize future federal funding to the state.

Recommendation

The Department should create and implement policies, procedures and other internal controls sufficient to ensure the tracking, documenting and reporting of all state preparedness dollars is performed accurately and completely. The Department should also actively monitor state-funded preparedness spending to ensure it spends at least the minimum required amount each year for both grants.

Department's Response

The Department does not agree that the expenditures identified by the auditor are subject to maintenance of effort requirements. We will confer with our federal grantors on this matter to get a clear understanding and resolve this issue. We thank the Auditor's office for the professional work by their staff.

Auditor's Concluding Remarks

We thank the Department for its response. We re-affirm our finding but agree that seeking clarification and resolution through the federal grantor would be beneficial.

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 Compliance Supplement Subpart C--Auditees§____.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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

FY11 Hospital Preparedness Program Notice of Grant Award

7. Maintenance of Funding

Sec. 319C-2(h) (1) of the Public Health Service Act, as amended by the Pandemic and All-Hazards Preparedness Act (PAHPA) (P.L. 109-417), requires the awardee maintain expenditures at a level that is not less than the average level of the preceding two years.

Public Health Emergency Preparedness Budget Period 10 Extension Guidance, Component 2:

B. Budget Requirements....

4) Maintaining State Funding (MSF)

Awardees are required to document MSF as part of their BP10 Extension funding applications. MSF is defined as ensuring that awardee expenditures for public health security are maintained at a level not less than the average of such expenditures for the previous two years. This definition includes:

- Appropriations specifically designed to support public health emergency preparedness as expended by the entity receiving the award; and
- Funds not specifically appropriated for public health emergency preparedness activities but which support public health emergency preparedness activities, such as personnel assigned to public health emergency preparedness responsibilities or supplies or equipment purchased for public health emergency preparedness from general funds or other lines within the operating budget of the entity receiving the award.

Appendix 4: Maintaining State Funding Guidance (MSF)

Background: Section 319C-1(i)(2) of the Public Health Service Act, as amended by PAHPA (P.L. 109-417)
Maintaining State Funding

- (A) In General. – An entity that receives an award under this section shall maintain expenditures for public health security at a level that is not less than the average level of such expenditures maintained by the entity for the preceding two-year period.

Administrative Requirement

MSF represents an applicant's historical level of contributions related to federal programmatic activities which have been made prior to the receipt of federal funds "expenditures (money spent)." The MSF is used as an indicator of nonfederal support for public health security before the infusion of federal funds. These expenditures are calculated by the awardee without reference to any federal funding that also may have contributed to such programmatic activities in the past. Awardees must stipulate the total dollar amount in their cooperative agreement applications. *Awardees must be able to account for MSF separate from accounting for federal funds and separate from accounting for any matching funds requirements; this accounting is subject to ongoing monitoring, oversight, and audit. MSF may not include any matching funds requirement.* (emphasis in original)

12-22 The University of Washington does not have monitoring controls to ensure subrecipients receiving less than \$500,000 from the University obtain audits when required.

Federal Awarding Agencies:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.145 AIDS Education and Training Centers 93.600 Head Start
Federal Award Number:	90HC0002 U91HA06801
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

Federal regulations require the University of Washington to monitor the grant-funded activities of domestic and foreign subrecipients. This includes ensuring organizations that spend \$500,000 or more in federal grant money during a fiscal year receive an audit of expenditures and internal controls over that money, in accordance with the federal Office of Management and Budget Circular A-133 for domestic subrecipients. If the subrecipient is a foreign organization that is funded by the Department of Health and Human Services (DHHS), the DHHS requires the University of Washington to monitor the grant-funded activities of its foreign subrecipients. This includes ensuring the foreign organizations obtain a financial related audit or an audit that meets the requirements of OMB Circular A-133, in accordance with the DHHS Grant Policy Statement and the Code of Federal Regulations.

These requirements are designed to ensure grant money is used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements. Domestic grant recipients must submit the results of these audits to the federal clearinghouse within nine months of their fiscal year end and foreign recipients must submit the results to the University.

Description of Condition

The University of Washington does not have monitoring controls to ensure domestic and foreign subrecipients receiving less than \$500,000 from the University obtain audits when required. We found the University ensures subrecipients awarded more than \$500,000 from the University receive an audit each year. However, the University is not ensuring that subrecipients who receive less than \$500,000 from the University, but whose total expenditures of federal awards exceed \$500,000 annually, obtain the required audit. Further, the University does not include the requirement to obtain an audit in the subcontract language with foreign subrecipients.

Cause of Condition

The University does not monitor subrecipient's compliance with federal audit requirements when the subrecipient's total award from the University is less than \$500,000. Rather, for domestic subrecipients, it relies on the subrecipient to adhere to the subcontract language, which requires the subrecipient to submit an A-133 report when their total spend exceeds \$500,000. Additionally, for foreign subrecipients the University has not included language related to A-133 requirements as A-133 is not applicable to foreign entities, however, the University has maintained a practice of obtaining other audit documentation from the foreign entities with subcontracts awarded exceeding \$500,000.

Effect of Condition

The University is not certain whether all of its subrecipients complied with federal grant requirements. The University is unable to determine whether:

- Subrecipients who spend \$500,000 or more in total federal grant money, from all sources, submitted an audit report.

- Subrecipients received findings that would impact the University's award and that timely corrective action is taken.

Recommendation

We recommend the University improve monitoring controls to track the federal audit status of all subrecipients regardless of the amount the University awards.

University's Response

The University will work to enhance its existing controls to ensure all of its subrecipients receive audits when required including entities who receive less than \$500,000 from the University but whose total expenditures may exceed more than \$500,000 annually.

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*, states:

Section 300

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:

- (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 2012*, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:

Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

12-23 The Department of Social and Health Services does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Support Enforcement grant are filed.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.563 Child Support Enforcement
Federal Award Number:	1104WA4004; 1204WA4005
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Department of Social and Health Services administers the Child Support Enforcement grant. This grant is used to collect support obligations owed by absent parents to their children, to locate absent parents, to establish paternity and to obtain child, spousal and medical support.

The Department distributes grant money to county commissioners, clerks, and prosecutors to administer in a way that supports enforcement services. The Department spent \$85,419,369 in Child Support Enforcement funds in fiscal year 2012; of this it passed through \$27,402,691 to subrecipients.

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to hold the government accountable for spending decisions and to reduce wasteful spending.

Description of Condition

During our review, we found the Department did not have controls in place to file the Accountability Act reports for 72 sub-awards it made that exceeded the \$25,000 reporting requirement. These sub-awards totaled \$38,595,000.

Cause of Condition

Department management stated they were not aware of the reporting requirement for the Child Support Enforcement grant.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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:

- Create policies, procedures and other internal controls sufficient to ensure it submits the reports for each sub-award of \$25,000 or more by the applicable deadline.
- Provide the necessary training for all employees who oversee reporting and document its accuracy and completion.
- Monitor reporting of this information to ensure compliance with the requirement.

Department's Response

The Department concurs with this finding. While the Department was aware of the FFATA reporting requirements effective October 1, 2010, the initial guidance from the Administration for Children and Families (ACF) was that the requirements did not apply to state child support programs. The Department received official notification from ACF in November 2012 that state child support programs were required to report.

The following procedures were implemented to ensure compliance with FFATA reporting:

- *The Division of Child Support (DCS) has completed the reporting requirements for sub recipients meeting the \$25, 000 thresholds for SFY12 and SFY13.*
- *The DCS has updated the desk manual to reflect the reporting requirements and time frames for future reporting.*

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.

2 CFR170.330 Total compensation. APPENDIX A TO PART 170—AWARD TERM

I. Reporting Subawards and Executive Compensation.

b. Reporting of first-tier subawards.

1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-24 The Department of Social and Health Services did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Child Support Enforcement grant.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.563 Child Support Enforcement
Federal Award Number:	1104WA4004; 1204WA4005
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Department of Social and Health Services administers the Child Support Enforcement grant to obtain the support obligations owed by absent parents to their children, to locate absent parents, to establish paternity and to obtain child, spousal and medical support.

The Department distributes grant money to county commissioners, clerks and prosecutors to administer the grant and to provide support enforcement services. The Department spent \$85,419,369 in Child Support Enforcement funds in fiscal year 2012; of this it passed through \$27,402,691 to 97 subrecipients.

Federal law requires state agencies to obtain a Data Universal Numbering System (DUNS) number from a subrecipient before making a sub-award. DUNS numbers are used to identify organizations that are receiving funding under grants and cooperative agreements and to provide consistent name and address data for electronic grant application systems.

The Department's Grants Management and Contracting divisions are responsible for ensuring compliance with this requirement.

Description of Condition

The Department does not have internal controls in place to obtain DUNS numbers from its Child Support Enforcement subrecipients prior to awarding federal funds.

Cause of Condition

Department management was not aware of the requirement.

Effect of Condition

The Department has not complied with the requirement. By not obtaining DUNS numbers from subrecipients prior to awarding federal funds, the Department cannot ensure public transparency for the money it provides.

Recommendation

We recommend the Department:

- Create policies, procedures and other internal controls sufficient to ensure it obtains DUNS numbers from its subrecipients.
- Provide the necessary training for all employees who are responsible for the collection and documentation of DUNS numbers.
- Monitor the collection of this information to ensure compliance with the requirement.

Department's Response

The Department concurs with this finding. While the Department was aware of the FFATA reporting requirements effective October 1, 2010, the initial guidance from the Administration for Children and Families (ACF) was that the requirements did not apply to state child support programs. The Department received official notification from ACF in November 2012 that state child support programs were required to report.

As of December 1, 2012, the Department has obtained DUNS numbers from all sub recipients and has completed the reporting requirements for SFY12 and SFY13.

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.

2 CFR 25.200: Requirements for program announcements, regulations, and application instructions says in part.

- (c) Each agency that awards types of Federal financial assistance included in the definition of "award" in §25.305 must include the requirements described in paragraph (b) of this section in each program announcement, regulation, or other issuance containing instructions for applicants that either:
 - (1) Is issued on or after the effective date of this part; or
 - (2) Has application or plan due dates after October 1, 2010.
- (b) The program announcement, regulation, or other issuance must require each entity that applies and does not have an exemption under §25.110 to:
 - (3) Provide its DUNS number in each application or plan it submits to the agency.
- (c) For purposes of this policy:
 - (1) The applicant is the entity that meets the agency's or program's eligibility criteria and has the legal authority to apply and to receive the award. For example, if a consortium applies for an award to be made to the consortium as the recipient, the consortium must have a DUNS number. If a consortium is eligible to receive funding under an agency program but the agency's policy is to make the award to a lead entity for the consortium, the DUNS number of the lead entity will be used.
 - (2) A "program announcement" is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a "program announcement," "notice of funding availability," "broad agency announcement," "research announcement," "solicitation," or some other term.

12-25 The Department of Commerce does not have adequate controls to ensure it draws Low-Income Home Energy Assistance Program federal funds in accordance with the Cash Management Improvement Act Agreement.

Federal Awarding Agency: U.S. Department of Health and Human Services
Pass-Through Entity: None
CFDA Number and Title: 93.568 Low-Income Home Energy Assistance
Federal Award Number: 12B1WALIEA
Applicable Compliance Component: Cash Management
Questioned Cost Amount: None

Background

The primary purpose of the Cash Management Improvement Act agreement is to ensure states request federal funds exactly when they are needed and that no interest is gained or lost by either federal or state governments. The agreement specifies the funding technique to be used by the Department of Commerce when requesting federal funds. For the Low-Income Home Energy Assistance Program (LIHEAP), the agreement states that the Department shall draw funds at least semi-monthly for the program administrative costs and benefit payments.

During our audit period, the Department drew down more than \$63 million in federal funds for the program's benefit payments and administrative costs.

Description of Condition

During our review, we found that the Department does not have adequate controls to ensure it draws program federal funds in accordance with the draw frequency specified in the cash management agreement. When the Department draws federal funds, it focuses on ensuring draw amounts are correct based on actual payments. However, the Department did not monitor the federal drawdown frequency to ensure it was in accordance with the cash management agreement.

Cause of Condition

From October 2011 to February 2012 the person responsible for processing draws was reassigned to another position. While Department management believed it was drawing down LIHEAP funds in accordance with the cash management agreement, it was not aware it had to draw the funds according to a specific schedule.

Effect of Condition

The Department did not draw down the program federal funds in accordance with the draw frequency specified in the cash management agreement. We selected 10 LIHEAP federal cash draws out of a total of 33 for review to determine whether the cash draws were processed within 15 days since the last draw date. We found that four draws out of the 10 were not processed within 15 days from the last draw.

The table below summarizes what we found.

Exceptions	Draw amount	Number of days from previous draw date
1	\$ 3,094,650.86	51
2	\$ 823,806.40	145
3	\$ 224,540.61	29
4	\$ 150,190.96	26

Delaying legitimate federal drawdown requests results in state funds being advanced longer than necessary and lost interest revenue.

Recommendation

We recommend the Department establish procedures to monitor the frequency of draws of federal program funds in accordance with the cash management agreement.

Department's Response

The Department concurs with this audit finding. The Department has reviewed its procedures and corrected the timing of the LIHEAP federal draws to coincide with CMIA Agreement.

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:

- (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.

Circular A-102, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Tribal Governments*, adopted by the U.S. Department of Health and Human Services in Title 45, Code of Federal Regulations, section 92.21, states in part:

- (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.
- (d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

Cash Management Improvement Act Agreement between the State of Washington and the Secretary of the Treasury, United States Department of the Treasury, states in part:

- 93.568 Low Income Home Energy Assistance
- Recipient: 103-Department of Commerce
- Technique: Modified Payment Schedule - (ACH Semi-Monthly Drawdown-COM)-The state shall request funds at least semi-monthly for administrative costs and program benefit payments to the subrecipients since the last draw.

12-26 The Department of Commerce does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed for the Low-Income Home Energy Assistance Program.

Federal Awarding Agency:	U. S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.568 Low-Income Home Energy Assistance Program
Federal Award Number:	12B1WALIEA
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The State Department of Commerce administers the Low-Income Home Energy Assistance Program, which provides assistance to low income households to meet their home energy needs. The assistance is provided to households through local community based organization sub-awards. In fiscal year 2012, the Department spent approximately \$77 million in federal program funds.

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to empower citizens with the ability to hold the federal government accountable for spending decisions and, as a result, to reduce wasteful spending in the government.

Description of Condition

During our review, we found the Department did not have controls in place to ensure Accountability Act reports were filed for 51 sub-awards for the program totaling \$66,026,230. It did not file the required Accountability Act reports for any of the sub-awards.

Cause of Condition

Department management believed the Low-Income Home Energy Assistance Program was exempt from the Accountability Act reporting requirement.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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 establish policies and procedures over reporting in accordance with the Accountability Act and submit all required reports for each sub-award of \$25,000 or more by the applicable deadline.

Department's Response

The Department concurs with this audit finding. The Department operated with the understanding that Health and Human Services did not require LIHEAP to report under FFATA. When the FFATA reporting requirements were first introduced in 2010, the Department performed a thorough review of all federally funded programs and identified the programs affected by the new requirements. At that time, the Department contacted HHS who

provided written assurance that LIHEAP was not required to report under FFATA. January 31, 2013, the Department received clarification from HHS that 2012 awards were included in this requirement.

The Department trained the appropriate LIHEAP staff on the FFATA requirements and the use of the FSRS database to submit LIHEAP data. The Department is finalizing procedures to ensure FFATA data is entered into the FSRS database, and that LIHEAP complies with reporting requirements. The Department will complete these actions by March 29, 2013.

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 2, Code of Federal Regulations, Section 170 states in part:

APPENDIX A TO PART 170—AWARD TERM

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

- 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-27 The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Low-Income Home Energy Assistance program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.568 Low-Income Home Energy Assistance Program
Federal Award Number:	G-10B1WALIEA; G-11B1WALIEA
Applicable Compliance Component:	Period of Availability
Questioned Cost Amount:	\$29,944.23

Background

The Low-Income Home Energy Assistance program (LIHEAP) assists organizations in providing programs and services to low-income people to meet the costs of home energy, increase their energy self-sufficiency, and reduce their vulnerability resulting from energy needs. Program funds can be also be used for home weatherization services under the Weatherization Assistance Program. In Washington State, the organizations that received LIHEAP weatherization funds include 19 non-profits and six local government agencies.

In fiscal year 2012, the Department spent \$77 million in federal program funds. Approximately \$10.9 million of this amount was spent on weatherization services.

Only costs resulting from expenditures incurred during the funding period may be charged to the grant. This includes the amounts of orders placed, contracts and sub-grants awarded, goods and services received, and similar transactions during a given period that will require payment by the Department during that same period.

Description of Condition

We tested a random sample of expenditures charged to the federal fiscal year 2011 grant and found three expenditures totaling \$29,944.23 that were incurred during federal fiscal year 2010. These expenditures had originally been charged to the 2010 grant, but were transferred to the 2011 grant. The transfer took place during our scope of state fiscal year 2012.

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.

Effect of Condition and Questioned Costs

We are questioning \$29,944.23 that was charged to the 2011 grant before the grant's period of availability began. This transaction occurred during state fiscal year 2012. 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.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support an expenditure.

Recommendation

We recommend the Department ensure only expenditures made during the proper period of availability are charged to grants.

The Department should work with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

The Department concurs with the finding. The Department will review the federal criteria regarding period of availability with fiscal staff. The focus of this review and training will be to ensure staff understand that when expenditures are made or are moved from one fiscal year to another, staff must match the period of service to the award's period of availability. Commerce will work with the granting agency to determine the treatment of the questioned 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 (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.

2 CFR Section 215.28 - Period of availability of funds.

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

12-28 The Department of Early Learning does 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:	G1101WACCDF; G1201WACCDF
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 grant to assist eligible working families in paying for child care. In fiscal year 2012, DEL paid approximately \$75.9 million to child care centers and providers through the Working Connections Child Care Program.

The Department of Social and Health Services (DSHS) determines client eligibility and pays child care providers under an agreement with DEL. In previous years, DSHS was responsible for reconciling child care payments to providers with attendance records.

In January 2012, DEL and DSHS began taking steps to improve controls over child care payments, and DEL took over the reconciliation process. DEL also hired staff to perform monthly reconciliations of attendance records and child care payments for fiscal year 2012.

In October 2012, our office issued a report, “Audit of State Payments to Child Care Provider,” report number 1008493, covering the period from July 1, 2010 to June 30, 2011. Using a statistical sample of 153 providers, the audit identified actual overpayments of \$1.6 million and total estimated overpayments of \$73.9 million. The audit also identified payments of \$2.9 million as having questionable documentation, with total estimated payments with this same issue of \$34.9 million. The payments involved in the audit included a mix of federal and state funding.

The Departments are aware providers have claimed more than authorized and that overpayments have been made.

Description of Condition

Since fiscal year 2005, our audits have reported the Departments did not adequately monitor payments to child care providers. During fiscal years 2010 and 2011 we found DSHS did not perform reconciliations between attendance records and child care payments.

In fiscal year 2012, DEL only reconciled one month of child care payments to attendance records.

Cause of Condition

During fiscal year 2012, DEL was still revising its internal controls over provider payments and was not able to put a monthly reconciliation of child care payments to provider attendance records completely into operation.

Effect of Condition

Because DEL has not fully reconciled payments to source documentation, it remains at risk for not identifying or recovering overpayments to providers.

Our current audit was for the purpose of determining compliance with federal laws and grant requirements, and did not examine the provider payments in the same manner as our other audit. Therefore, we did not review payments for compliance in that way and questioned costs are not included with this finding.

Recommendation

We recommend the Department continue to follow detailed monitoring procedures for provider payments that include reconciliations of provider attendance records to payments.

The Department should also follow the recommendations provided by our office in the “Audit of State Payments to Child Care Providers” report.

Departments’ Response

*The Department of Early Learning was in the process of completing expanded audits (two additional months of auditing) at the end of FY12, resulting in **overpayments of \$401,028 and \$4,329 in underpayments** being identified. The agency is in the process of hiring five additional audit staff for the reconciliations of provider attendance records to payments. If the amount is determined to be an overpayment or underpayment, DEL audit staff generate the appropriate process with the Office of Financial Recovery. The provider can ask for an administrative hearing if they believe the amount determined by the audit is incorrect.*

The Department is continuing to work on an electronic time and attendance system which will reduce the potential errors in payment. DEL performs the Improper Payment Act audit as federally required every three years, with the next report due June 30, 2014.

As reported in the agency response, several of the recommendations provided by the SAO have been implemented or are in the process of implementation.

Auditor’s Concluding Remarks

We thank the Departments for their cooperation and assistance throughout the audit. We will review the status of the Departments’ 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-87, *Cost Principles for State, Local and Indian Tribal Governments*.

Attachment A, Section C, Basic Guidelines, 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) Paper and electronic attendance records and invoices for state subsidized children must be kept on the premises for at least five years after the child leaves the licensee's care as provided in WAC 170-295-7031.

Washington Administrative Code 170-296A-2125 states in part:

The licensee must also keep records of:

1. Daily attendance for each child counted in capacity that includes the:
 - (a) Child's dates of attendance;

Washington Administrative Code 170-296A-2000 states in part:

The licensee must keep all records required in this chapter for a minimum of five years:

- (1) Current records, including records from the previous twelve months, must be kept in the licensed space as defined in WAC 170-296A-0010 and be available for the department's review.

Washington Administrative Code 170-290-0034 states in part:

Child care providers who accept child care subsidies must do the following:

- (3) Keep complete and accurate daily attendance records for children in their care, and allow access to DEL to inspect attendance records during all hours in which authorized child care is provided as follows:
 - (a) Current attendance records (including records from the previous twelve months) must be available immediately for review upon request by DEL.
 - (b) Attendance records older than twelve months to five years old must be provided to DSHS or DEL within two weeks of the date of a written request from either department.
 - (c) Failure to make available attendance records as provided in this subsection may:
 - (i) Result in the immediate suspension of the provider's subsidy payments; and
 - (ii) Establish a provider overpayment as provided in WAC 170-290-0268;

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."

12-29 The Department of Early Learning did not maintain federally required documentation for \$21,328.61 in payroll costs charged to the Child Care Development Fund.

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 Development Fund 93.713 Child Care and Development Block Grant – American Recovery and Reinvestment Act
Federal Award Number:	G1101WACCDF; G1201WACCDF
Applicable Compliance Component:	Allowable Costs / Cost Principles
Questioned Cost Amount:	\$21,328.61

Background

The Washington State Department of Early Learning administers the Child Care Development grant. This federal grant gives the state funding to develop child care programs and provide financial assistance to low-income families. It also assists the state in establishing health, safety, licensing and registration standards for child care required by state law.

Recipients may use grant money only for costs that are allowable and related to the grant's purpose. Federal regulations specify the documentation they must keep 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. In contrast, payroll costs of employees who work on multiple programs or cost objectives must be supported by personnel activity reports such as timesheets. These reports must:

- Reflect how much time the employee worked on each program or cost objective.
- 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 may be based on an estimate of time worked, so long as the estimate is reconciled to actual work activity at least quarterly.

Description of Condition

Between July 2011 and January 2012, the Department had certifications on file for an employee who did not work 100 percent of the time on the Child Care Development grant. The employee worked 50 percent on the Child Care Development grant and 50 percent on administrative duties. Because a certification had been completed, the employee did not maintain time records or other personnel activity reports as required.

Cause of Condition

Department management did not compare the actual duties of, and work performed by, this employee to the payroll certification for the grant.

Effect of Condition and Questioned Costs

We identified \$21,328.61 in direct payroll and benefits incorrectly charged to the Child Care Development grant 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.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendations

We recommend the Department ensure all employee salaries and benefits charged to a federal grant meet the documentation requirements of federal regulations. We also recommend that Department management thoroughly review time sheets and certifications prior to approval to ensure charges to the grant are accurate and supported.

The Department should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

A previous audit performed in February 2012 had already identified an issue with the recording of payroll certifications to support grant costs. The department implemented a more formal, closely reviewed process at that time for collecting payroll certifications. The incident cited in this audit occurred prior to these changes. The payroll costs charged to CCDF were valid, as the employee was working half-time on CCDF-related activities during this time period. However, the certifications were not completed accurately. The department is confident the new payroll certification process will ensure that all employee salaries and benefits are accurate and supported with the proper documentation.

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 (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.

12-30 The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund, resulting in the payment of child care services for ineligible clients.

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 Development Fund 93.713 Child Care and Development Block Grant – American Recovery and Reinvestment Act
Federal Award Number:	G1101WACCDF; G1201WACCDF
Applicable Compliance Component:	Cost Principles/Eligibility
Known Questioned Cost Amount:	\$ 3,590
Likely Questioned Cost Amount:	\$18,591,983

Background

The state Department of Early Learning (DEL) administers the federal Child Care and Development grant to assist eligible working families in paying for child care. In fiscal year 2012, DEL paid approximately \$75.9 million to child care centers and providers through the Working Connections Child Care Program.

The Department of Social and Health Services (DSHS) determines client eligibility and pays child care providers under an agreement with DEL. DEL then reimburses DSHS with federal grant funds.

In order for a family to be eligible for child care assistance, children receiving care must be under age 13 (or up to age 19 if incapable of self care or under court supervision); must reside with parents who are working or attending job-training or education programs; or need to receive protective services and reside with a parent or parents and have a family income not exceeding 85 percent of the state's median income for a family of the same size.

Client eligibility serves as the basis for determining whether a payment is allowable; if an ineligible client receives assistance, the payment made to the child care provider cannot be considered allowable under the program.

Description of Condition

The Department has not established internal controls designed to ensure it correctly determines and documents eligibility prior to services being provided and payment being issued. We found the following weaknesses:

- In most cases, a DSHS caseworker processes client eligibility information and authorizes services without any secondary review or approval.
- Caseworkers can authorize services in the eligibility system without verifying client household income or employment activity.
- Caseworkers have the system access that is needed to directly alter payment information in the payment system.
- DSHS audits child care payments monthly, but reviews only 1 percent of open authorizations. This does not provide enough coverage to address the internal control weaknesses to ensure payments are not made to ineligible clients.

Cause of Condition

DSHS is aware of weaknesses in controls over eligibility determination, but has not taken action to address them.

Effect of Condition and Questioned Costs

The Department of Early Learning paid for child care services for ineligible clients.

We examined eligibility for 133 clients who received child care services. These clients were selected by a random sampling method from a population of all child care payments made during our scope. We determined 10 of these clients were ineligible or their eligibility was not fully supported:

- One client's income exceeded the threshold.
- Two clients' households had a parent living at home who was not working or attending job training or education programs. There was no documentation to establish that these parents were incapable of providing care for the child.
- Four clients did not provide verification of wages or work schedules for all working members of the household. Further review of one of these clients showed income exceeded the threshold.
- Three clients did not report all members of the household, based on documentation in their case files and inquiry from DSHS staff. Therefore, their incomes were not included when eligibility was determined. Further review of one of these clients showed continued noncompliance with requests from DSHS for household member verification and proof of residency, but they continued to receive services.

We identified \$3,590 in Child Care and Development grant costs paid to ineligible clients. We are questioning those costs as unallowable. We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures. The federal grantor could disallow these charges and require the Department to repay the money.

Based on our sampling method that allows us to project our results to the entire population of clients, we estimate potential unallowable costs paid to ineligible clients to be \$18,591,983.

Recommendations

We recommend the DSHS and DEL work together to develop internal controls that will ensure eligibility is established and supported prior to authorizing child care services to clients. We also recommend that DSHS and DEL improve the current review process to cover a larger population of authorized payments and ensure eligibility was determined correctly.

DEL should consult with its grantor to determine what, if any, of the questioned costs should be repaid.

Department's Response

SAO finding - In most cases, a DSHS caseworker processes client eligibility information and authorizes services without any secondary review or approval.

The Department partially concurs with the finding. Current childcare program policy supports approval for benefits and authorization for payment by the same worker. However, DSHS employs the following controls to ensure workers are not misusing their authority:

- *A supervisory review is required for payment requests that exceed certain parameters. The supervisor reviews the need for the additional payment and either approves the payment by submitting the authorization to SSPS or denies the payment if the consumer is not eligible. All special authorizations require supervisor review for approval.*
- *New workers have 100% of their work audited by Leadworkers. Due to the high volume of work and the number of new employees, these audits may be conducted as either pre or post-authorization.*

SAO finding - Caseworkers can authorize services in the eligibility system without verifying client household income or employment activity.

The Department partially concurs with this finding. WAC 170-290-0012 requires a consumer to provide verification of employment or employment activity including income, hours of work and work schedule to receive childcare subsidy payments. WAC and processing guidelines require workers to request verification if not provided by the consumer. Childcare program training supports and reinforces these requirements.

SAO finding - *Caseworkers have the system access that is needed to directly alter payment information in the payment system.*

The Department partially concurs with this finding. While it is true that caseworkers have access to alter payment information, it is important to note the Department has implemented consistent monitoring protocols to maintain payment integrity including:

- Within the Childcare Contact Center environment, it is rare for a case to have the same staff member authorize four or more payments in a 15 month period without authorization activity from other staff members. A monthly Integrity Report containing cases that meet this criteria is reviewed by regional staff. To date, the report has not identified any cases resulting in a finding of improper authorization activities. A monthly integrity report of all exception payments is reviewed by regional staff as a secondary post-authorization audit. The audit is intended as a quality assurance measure and validation of internal controls.*
- The Department has instituted a separation of duties protocol that does not allow a staff member who activates a license-exempt provider to make any authorization changes for that provider.*
- When a license-exempt provider has a provider number created by SSPS or has had no payment authorizations for the previous 90 days, they must have their file activated prior to having payments submitted to SSPS.*

SAO finding - *DSHS audits child care payments monthly, but reviews only 1 percent of open authorizations. This does not provide enough coverage to address the internal control weaknesses to ensure payments are not made to ineligible clients.*

The Department partially concurs with this finding. Working with monthly data provided by the Health Care Authority, the Department audits additional childcare eligibility activity to identify error prone cases and areas where policy clarification, training or systems support can increase accuracy. DSHS also performs 100% of a combination of pre/post audits of all new childcare workers. From January to December of 2012, the child care unit hired 24 new line staff, 2 leadworkers, and one non-permanent supervisor. As described earlier, exception authorizations must be reviewed and approved by a supervisor before payment can be made. In addition to DSHS audits, DEL performs audits focusing on provider billing.

DEL RESPONSE:

DEL is in the process of working with DSHS on several issues around eligibility as identified in the 2012 Subsidy Study report. This includes supporting the training needs of eligibility workers, and how to help them to be accurate in their determinations.

Auditor's Concluding Remarks

We thank the Departments for their cooperation and assistance throughout the audit. We will review the status of the Departments' 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. Department of Health and Human Services regulations at 45 CFR 98.20 state in part:

Subpart C—Eligibility for Services

§ 98.20 A child's eligibility for child care services.

(a) In order to be eligible for services under § 98.50, a child shall:

- (1) (i) Be under 13 years of age; or,
- (ii) At the option of the Lead Agency, be under age 19 and physically or mentally incapable of caring for himself or herself, or under court supervision;
- (2) Reside with a family whose income does not exceed 85 percent of the State's median income for a family of the same size; and
- (3) (i) Reside with a parent or parents (as defined in § 98.2) who are working or attending a job training or educational program; or
- (ii) Receive, or need to receive, protective services and reside with a parent or parents (as defined in § 98.2) other than the parent(s) described in paragraph (a)(3)(i) of this section.
 - (A) At grantee option, the requirements in paragraph (a)(2) of this section and in § 98.42 may be waived for families eligible for child care pursuant to this paragraph, if determined to be necessary on a case-by-case basis by, or in consultation with, an appropriate protective services worker.
 - (B) At grantee option, the provisions in (A) apply to children in foster care when defined in the Plan, pursuant to § 98.16(f)(7).

(b) Pursuant to § 98.16(g)(5), a grantee or other administering agency may establish eligibility conditions or priority rules in addition to those specified in this section and § 98.44 so long as they do not:

- (1) Discriminate against children on the basis of race, national origin, ethnic background, sex, religious affiliation, or disability;
- (2) Limit parental rights provided under Subpart D; or
- (3) Violate the provisions of this section, § 98.44, or the Plan. In particular, such conditions or priority rules may not be based on a parent's preference for a category of care or type of provider. In addition, such additional conditions or rules may not be based on a parent's choice of a child care certificate.

OMB Circular A-133, part 4 information for the Child Care and Development Fund (CCDF) Cluster states in part:

E. Eligibility

1. Eligibility for Individuals

Lead Agencies must have in place procedures for documenting and verifying eligibility in accordance with the following Federal requirements, as well as the specific eligibility requirements selected by each State/Territory/Tribe in its approved Plan.

- a. Children must be under age 13 (or up to age 19, if incapable of self care or under court supervision), who reside with a family whose income does not exceed 85 percent of State/territorial/tribal median income for a family of the same size, and reside with a parent (or parents) who is working or attending a job-training or education program; or are in need of, or are receiving, protective services. Tribes may elect to use State or tribal median income (42 USC 9858n(4); 45 CFR sections 98.20(a) and 98.80(f)).

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.

12-31 Edmonds Community College did not comply with time and effort requirements for its Head Start Program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.600 Head Start
Federal Award Number:	10CH0107/28, 10CH0107/29
Applicable Compliance Component:	Allowable Costs / Cost Principles
Questioned Cost Amount:	\$596,035.20

Background

Edmonds Community College administers the Head Start Program to promote the school readiness of low-income preschool children (ages 3 to 5) and infants and toddlers (birth through age 3) by enhancing their cognitive social and emotional development in learning environments that support their growth in language, literacy, mathematics, science, social and emotional functioning, creative art, physical skills, and approaches to learning.

In fiscal year 2012, the College spent \$5.49 million in federal funds on the program, approximately 78 percent of which were payroll expenses.

Grants may only be used to pay for costs that are allowable and related to the grant's purpose. Federal regulations specify the documentation that must be kept to support employee payroll charged to federal grants. Such documents must:

- Reflect only the activity for which the employee is compensated by the institution.
- Reflect activity applicable to each sponsored agreement and to each category needed to identify Facilities and Administrative costs and the functions to which they are allocable.
- Be signed by the employee or responsible official(s) at least annually using suitable means of verification that the work was performed.

The College prepares a budget for each fiscal year specifying how much each employee in the program will be compensated. To confirm time charged to the program, the College requires hourly employees to fill out timesheets and classified employees to enter time in a tracking system. However, the College does not require time and effort reporting such as certifications or timesheets for exempt employees.

Description of Condition

There were a total of 12 exempt employees who charged all of their salaries to the program during fiscal year 2012. The College did not have time and effort documentation for any of the 12 exempt employees.

Cause of Condition

When we asked the College why they did not obtain time certifications as required, the College stated its budgeting process was adequate support for the exempt staff.

Effect of Condition

We identified \$596,035.20 in direct payroll charges to the Head Start program that did not have the required time and effort documentation. We are questioning those costs as unallowable charges.

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 question costs when we find an entity has not complied with grant regulations and/or when it does not have adequate documentation to support its expenditures.

Recommendation

We recommend the College establish a process to certify the work exempt employees performed for the program at least annually.

The College should consult with its grantor to determine how much, if any, of the questioned costs should be repaid.

Department's Response

Edmonds CC is requesting that the time and effort finding be dropped due to the following:

Unlike OMB Circular A-87 there is no requirement in A-21 for a certification for an employee that is charged 100% to a federal grant. The finding refers to OMB Circular A-21, J.10.c, but is silent about J.10.b.1.(b) which references only employees that are charged to more than one agreement or other funds.

b. Payroll distribution.

(1) General Principles,

(b) The apportionment of employees' salaries and wages which are chargeable to more than one sponsored agreement or other cost objective will be accomplished by methods which will –

All through J.10 it speaks to multiple agreements; not once is 100% funding by one agreement mentioned as is specifically mentioned in A-87. J.10 is only in reference to employees that are funded by more than one agreement or funds.

Every three years DHHS/Administration for Children and Family (ACF) conducts a comprehensive on-site accounting and service monitoring review of all Headstart contracts. The Federal Review Team is composed of 10 or more ACF professional consultants each an expert in a designated service area including accounting, fiscal, and federal grant management. An after-the-fact certification of exempt employees working in a single federal agreement has never been brought to our attention by the ACF Federal Review Teams, never reported as a finding or as a management letter concern.

Although we still maintain that the certifications are not required for exempt employees working in a single federal agreement, we felt that it was in the best interest of our county-wide Head Start program and future federal funding, that we manually reconstruct the written certifications of time and effort for the 12 exempt employees in question. They confirm the verbal assurances given during the audit and have been signed by the employees, supervisors and director. We have forwarded those to the auditors office. Since these employees were:

- Hired solely for Head Start positions*
- Assigned only to Head Start locations*
- Specifically listed by name, title, salary and % of time in the 11/12 federal application materials and*
- Have completed the Head Start tasks assigned to them,*

we feel that these certifications are as credible now as they would have been if created at the end of the 11/12 fiscal year and we respectfully request that they be included in the SAO Head Start audit paperwork and evidence.

Auditor's Concluding Remarks

We thank the Department for its response and cooperation and assistance throughout the audit. We re-affirm that an after the fact reconciliation or confirmation of payroll hours charged to the Head Start program must be made. We will review the status of the Departments' corrective action during our next audit.

Applicable Laws and Regulations

OMB Circular A-133 Compliance Supplement Subpart C—Auditees

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.
- (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-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions*, Section J-General Provisions for Selected Items of Cost,

Subsection 10.b. states in part:

b. Payroll Distribution

(2) Criteria for Acceptable Methods.

- (a) The payroll distribution system will
 - (i) be incorporated into the official records of the institution;
 - (ii) reasonably reflect the activity for which the employee is compensated by the institution; and
 - (iii) encompass both sponsored and all other activities on an integrated basis, but may include the use of subsidiary records. (Compensation for incidental work described in subsection a need not be included.)
- (b) The method must recognize the principle of after the fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and F&A cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Confirmation by the employee is not a requirement for either direct or F&A cost activities if other responsible persons make appropriate confirmations.
- (c) The payroll distribution system will allow confirmation of activity allocable to each sponsored agreement and each of the categories of activity needed to identify F&A costs and the functions to which they are allocable. The activities chargeable to F&A cost categories or the major functions of the institution for employees whose salaries must be apportioned (see subsection b.(1)b)), if not initially identified as separate categories, may be subsequently distributed by any reasonable method mutually agreed to, including, but not limited to, suitably conducted surveys, statistical sampling procedures, or the application of negotiated fixed rates.
- (d) Practices vary among institutions and within institutions as to the activity constituting a full workload. Therefore, the payroll distribution system may reflect categories of activities expressed as a percentage distribution of total activities.
- (e) Direct and F&A charges may be made initially to sponsored agreements on the basis of estimates made before services are performed. When such estimates are used, significant changes in the corresponding work activity must be identified and entered into the payroll distribution system. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period.
- (f) The system will provide for independent internal evaluations to ensure the system's effectiveness and compliance with the above standards.
- (g) For systems which meet these standards, the institution will not be required to provide additional support or documentation for the effort actually performed.

Subsection 10.C states in part:

a. Examples of Acceptable Methods for Payroll Distribution:

- (1) Plan Confirmation: Under this method, the distribution of salaries and wages of professorial and professional staff applicable to sponsored agreements is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. A plan confirmation system used for salaries and wages charged directly or indirectly to sponsored agreements will meet the following standards:
 - (a) A system of budgeted, planned, or assigned work activity will be incorporated into the official records of the institution and encompass both sponsored and all other activities on an integrated basis. The system may include the use of subsidiary records.
 - (b) The system will reasonably reflect only the activity for which the employee is compensated by the institution (compensation for incidental work described in subsection a need not be included). Practices vary among institutions and within institutions as to the activity constituting a full workload. Hence, the system will reflect categories of activities expressed as a percentage distribution of total activities. (See Section H for treatment of F&A costs under the simplified method for small institutions.)
 - (c) The system will reflect activity applicable to each sponsored agreement and to each category needed to identify F&A costs and the functions to which they are allocable. The system may treat F&A cost activities initially within a residual category and subsequently determine them by alternate methods as discussed in subsection b.(2)(c).
 - (d) The system will provide for modification of an individual's salary or salary distribution commensurate with a significant change in the employee's work activity. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period. Whenever it is apparent that a significant change in work activity that is directly or indirectly charged to sponsored agreements will occur or has occurred, the change will be documented over the signature of a responsible official and entered into the system.
 - (e) At least annually a statement will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost or other categories are reasonable in relation to work performed.
 - (f) The system will provide for independent internal evaluation to ensure the system's integrity and compliance with the above standards.
 - (g) In the use of this method, an institution shall not be required to provide additional support or documentation for the effort actually performed.

12-32 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
Federal Award Number:	Unknown
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	\$ 79,590
Projected Cost Amount:	\$1,762,637

Background

The Children's Administration of the Department of Social and Health Services administers the Adoption Assistance Program. The Department paid approximately \$49 million in federal dollars for adoption assistance in fiscal year 2012, for support of almost 12,000 children.

The federal Adoption Assistance program provides money to states for parents who adopt children with special needs by providing ongoing financial and medical benefits to qualified children. To qualify for federal funding in this program, a child must be determined eligible. Once a child is determined to be eligible to receive adoption assistance, he or she remains eligible until: 1) the age of 18 and the parents are no longer responsible for the support of the child; 2) death of the child's adoptive parents; or 3) death of the child.

State law allows a child who is at least 18, but less than 21 years old, to continue receiving adoption assistance benefits if it is confirmed the child 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). Under no circumstances may benefits extend beyond the adoptive child's 21st birthday.

During the last three audits (fiscal years 2009, 2010 and 2011) we reported the Department was not following controls 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. In response to the audit 2011 finding, the Department stated it would provide training for staff and conduct quarterly spot checks of payments. The Department also added controls to their case management system to suspend benefit payments of children who turn 18, only allowing payments to resume after staff has confirmed the child warrants continuation of the benefits.

Description of Condition

We reviewed the Department's process to ensure the eligibility of clients receiving Adoption Assistance payments. We focused on new applicants, children who reached the age of 18, and children who reached the age of 21. We found:

New Applicants

The Department staff did not always complete the required Special Needs Determination and Certification portion of the application and ensure the child met the eligibility requirements.

Children Age 18

The Department lacks the necessary internal controls to ensure recipients who reach the age of 18 are still eligible to receive monthly benefit payments. During this review we found the Department still does not have system or

manual controls to identify children turning age 18 in order to proactively establish continued eligibility or cancel benefits.

Children Age 21

The Department does not have system or manual controls in place to effectively end benefits of children turning age 21.

Cause of Condition

New Applicants

The Department stated all the regions experienced significant staffing issues during fiscal year 2012 and they were in the middle of changing the eligibility determination process to a computerized, paperless entry. We found the regions lacked a secondary review process to ensure documentation of eligibility is complete and on file prior to payments being processed.

Children Age 18

The Department recognizes it lacks an automated process or standard manual practice to identify children reaching the age of 18; every region maintains and monitors case files differently. Although the Department instituted quarterly spot checks of adoption payments by regional managers, the frequency of monitoring payments and updating case files did not improve.

Children Age 21

The Department does not have an automated process to ensure payments are not issued for recipients over the age of 21. It relies on manual identification of adoptees aging out of the program and has no Division-wide policies or procedures to guide this process. However, there are no internal controls established to guide the manual identification process.

The Department stated they have added automated controls to identify and flag children age 18 and to stop payments for children age 21. However these automated controls were added in December 2012, after the audit period. We will review the changes to the system during our next audit of the program.

Effect of Condition and Questioned Costs

Without proper controls in place, the Department is paying benefits for children who are not eligible.

New Recipients

We tested documentation for 59 randomly selected children to determine if the Department was adequately documenting each child's eligibility. We found the Special Needs Determination section was not completed in four of the 59 cases. We found no evidence the review for special needs was completed by the Program Consultant for these four cases. Payment should not be processed unless the Special Needs Determination is completed in full. As a result, we cannot be assured that these children were properly assessed as program eligible. We are questioning the costs for these four children in the amount \$31,020. We consider these exceptions as isolated to the test group and are not projecting questioned costs to this population.

Children Age 18

To follow up on the concerns noted in prior audits, we performed testing of randomly selected recipient benefits to determine if the Department collected appropriate supporting documentation for children over 18 years of age. To be eligible to continue receiving program benefits, there must be school verification the adopted child (over 18) is enrolled.

Regions 1-5

We found four of 51 children over the age of 18 did not have current documentation on file to prove continued eligibility for adoption assistance benefits. As a result we are questioning costs of \$9,003. We also noted one child whose case was closed just after the month cut off, resulting in one extra payment of \$460. Based on a projection of our sample testing results, we project an estimated \$678,010 in questioned costs.

Region 6

We also performed follow up testing at a regional office where we found a higher noncompliance rate during our fiscal year 2011 audit. We determined seven of 33 children over the age of 18 did not have current documentation on file proving continued eligibility for adoption assistance benefits. As a result we are questioning costs of \$24,834. We also found that eight children whose benefits should have ended on the month of graduation, continued to receive benefits of \$6,048 through the end of the fiscal year. Based on a projection of our sample testing results, we project an estimated \$1,084,627 in questioned costs.

Children Age 21

State law prohibits support payments for any adoptee once they reach age 21. We reviewed all adoption payments for fiscal year 2012 and found five adoptees over 21 who received payments totaling \$8,225 during the year. Any person over 21 is not eligible to receive federal funds; therefore we are questioning this entire amount.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Department:

- Establish 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.
- We recommend the Department perform a secondary review confirming documentation supporting eligibility is completed and on file, and data entries are accurate for Adoption Assistance payments.
- Communicate with the federal grantor to determine whether questioned costs need to be repaid.

Department's Response

The Department concurs with the findings.

In early December 2012 the Children's Administration implemented an automated process within FamLink, the Department's child welfare and payment system, to pend all payments for children at the age of 18. The social worker must have the appropriate documentation in the file which will allow payment beyond age 18, the continuation of payments is then processed by a fiduciary as a secondary review that the appropriate documentation is in place and payment is appropriate. Quarterly reviews for payments over age 18 are also in place to help reduce the potential for an overpayment.

For all amounts identified as questioned costs, the Children's Administration will review each payment and return any federal share associated with inappropriate payments. These amounts will be sent for collections and communicated to our federal partners at the time they are returned.

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.

Revised Code of Washington (RCW) 74.13.031

Duties of department — Child welfare services — Children's services advisory committee. (*Effective until December 1, 2013.*) states in part:

- (10) The department and supervising agencies shall have authority to provide continued extended foster care services to youth ages eighteen to twenty-one years to participate in or complete a secondary education program or a secondary education equivalency program, or a postsecondary academic or postsecondary vocational education program. The department shall develop and implement rules regarding youth eligibility requirements.
- (11) The department shall have authority to provide adoption support benefits, or relative guardianship subsidies on behalf of youth ages eighteen to twenty-one years who achieved permanency through adoption or a relative guardianship at age sixteen or older and who meet the criteria described in subsection (10) of this section.

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.

Title IV-E Desk Guide:

4.G. Eligibility for Adoption Support After Age 18:

Adoption support may continue for a youth after age 18 under any of the following categories:

1. AFDC Provision (IV-E eligible youth only)
2. Student with Mental or Physical Disability
3. Extended Foster Care Program

4.G.1. AFDC Provision (IV-E Eligible Youth Only)

A IV-E eligible youth who is in school full-time to complete high school, GED, or equivalent secondary education program, may continue to receive adoption support up to age 19 under the State's AFDC provision in effect July 16, 1996, as long as the youth continues in the secondary education program and is expected to graduate by his/her 19th birthday. In this case, IV-E-funded Adoption Support would continue until the youth completes the secondary education program before age 19.

If a youth turns 18 and is either not in school, or is in a secondary educational program but is not expected to graduate by age 19, then IV-E adoption support would end at the end of the month in which the youth turns 18. Alternately, if adoption support continues because a youth is at first expected to graduate by age 19, but the Department later learns the youth will not graduate by age 19, IV-E Adoption Support would end at the end of the month in which the Department first learned that the youth would not graduate by age 19.

Consider a youth on summer break or other official school break who is still enrolled in his/her secondary educational program to meet the school requirement during the break.

4.G.2. Mental or Physical Disability

A youth may continue on the adoption support program beyond age 18 if the state has determined that the youth has a mental or physical disability that warrants continuation of assistance to age 21, and the youth is a full-time student in high school, GED or equivalent secondary education program.

This option is available to all youth who meet the mental or physical disability criteria and school requirements, regardless of IV-E eligibility status, though IV-E funds may only be claimed for those youth who are IV-E eligible for adoption support. For IV-E eligible youth, IV-E funds may be claimed through the end of the month in which the youth completes the secondary education program or reaches age 21, whichever is earlier. If the youth in this situation does not meet the school requirements, adoption support ends at the end of the month in which the youth turns 18.

12-33 The Department of Health did not survey all hospitals and ambulatory surgical centers in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Provider Health and Safety Standards
Questioned Cost Amount:	None

Background

The state has 100 active hospitals in three categories: acute care/general hospitals, chemical dependency hospitals, and psychiatric hospitals. State regulations require the Department of Health or an accreditation agency such as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) to survey all hospitals on average at least every eighteen months. The survey focuses on the hospital's administration and patient services. The survey also assesses compliance with federal health, safety and quality standards designed to ensure patients receive safe, quality care services.

The state has 225 ambulatory surgical centers. Federal regulations require the Department of Health to re-perform surveys of ambulatory surgical centers completed by other accreditation organizations. Federal regulations also require the Department to perform surveys for the ambulatory surgical centers not surveyed by other accreditation organizations on a four year cycle.

Hospitals and ambulatory surgical centers statewide received more than \$1.1 billion and \$5.3 million respectively in state and federal funds in fiscal year 2012 for services provided to Medicaid clients. Federal regulations require states to ensure health-care facilities such as hospitals and ambulatory surgical centers meet prescribed health and safety standards in order to be eligible for federal reimbursement.

Description of Condition

During fiscal year 2012, the Department of Health did not perform hospital and ambulatory surgical centers surveys as required by state and federal laws.

Of the state's 100 current hospitals, 52 were evaluated by the Department. Of that group 33 (63 percent) did not receive the required survey within the 18-month average interval.

The table below summarizes the results of our testing for hospital survey.

Time exceeding the 18-month survey period	Number of Hospitals
One Month	6
Two Months	6
Three Months	12
Four Months or Greater	9
Total	33

Federal regulations require the Department to perform surveys each year on 25% of the ambulatory surgical centers which are not surveyed by other accreditation organizations. During fiscal year 2012 the Department completed only 38 of the required 41 ambulatory surgical center surveys.

Cause of Condition

The Department states it does not have a sufficient number of staff to perform surveys in a timely manner as required by state and federal laws. The Department stated it recognized a need for at least one more surveyor but had been unable to hire due to a shortage of qualified candidates.

Effect of Condition

When the Department does not survey hospitals and ambulatory surgical centers as required, the state is paying these facilities for services to Medicaid clients without assurance they are providing services that meet state and federal health standards and regulations.

Recommendation

We recommend the Department conduct hospital and ambulatory surgical center surveys as required by state and federal laws.

Department's Response

We have reviewed the State Auditor's report and generally concur with this finding. We once again appreciate the Auditor's work and the opportunity to respond.

We are committed to improving our frequency rate for inspecting health care facilities in Washington as we believe it goes a long way in fulfilling our commitment to patient safety. We join with the auditor's office in seeking to perform at a 100% compliance rate.

With regard to hospital inspections, from June 2012 to the present, we have engaged the hospital inspection team in an extensive review of our inspection methodology using LEAN process improvement principles. This has resulted in a new inspection approach we are taking to the field in 2013. We anticipate this new approach will ultimately result in less inspectors needed for the larger hospitals; thus freeing up staff to run concurrent inspections at other facilities. In this way, more facilities will be inspected over the current year and our frequency rates will catch up and improve.

With regard to ambulatory survey centers, our compliance rate of 93% is significant in light of the unique challenges we face in regulating this facility type. Changes in regulatory standards and inspection methodology for the centers have significantly raised the bar in the regulation of outpatient surgery. Of the 38 we inspected, 87% (32) of the centers required multiple onsite inspections to resolve significant deficiencies identified. This reduced the overall proficiency of this team. Nevertheless, this team is fully dedicated to obtaining and maintaining a 100% inspection frequency compliance rate.

We've focused efforts on recruitment and training, which will benefit all inspection activities. However, our office still has several unfilled inspector positions and hiring nurses for these roles remains challenging in general. We have expanded and overhauled our recruitment efforts and criteria and are starting to see a better pool for hiring develop.

Auditor's 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

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.

Title 42 of the Code of Federal Regulations, Section 430.10 states:

The State plan is a comprehensive written statement submitted by the agency describing the nature and scope of its Medicaid program and giving assurance that it will be administered in conformity with the specific requirements of title XIX, the regulations in this Chapter IV, and other applicable official issuances of the Department. 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.

RCW 70.41.120 states in part:

- (1) The department shall make or cause to be made an unannounced inspection of all hospitals on average at least every eighteen months. Every inspection of a hospital may include an inspection of every part of the premises. The department may make an examination of all phases of the hospital operation necessary to determine compliance with the law and the standards, rules and regulations adopted there under.

RCW 70.41.122 states in part:

Surveys conducted on hospitals by the joint commission on the accreditation of health care organizations, the American osteopathic association, or Det Norske Veritas shall be deemed equivalent to a department survey for purposes of meeting the requirements for the survey specified in RCW [70.41.120](#) if the department determines that the applicable survey standards are substantially equivalent to its own.

- (1) Hospitals so surveyed shall provide to the department within thirty days of learning the result of a survey documentary evidence that the hospital has been certified as a result of a survey and the date of the survey.
- (2) Hospitals shall make available to department surveyors the written reports of such surveys during department surveys, upon request.

WAC 246-320-016 states in part:

This section outlines the department's on-site survey and complaint investigation activities and roles.

- (1) Surveys. The department will:

- (a) Conduct on-site surveys of each hospital on average at least every eighteen months or more often using the health and safety standards in this chapter and chapter [70.41](#) RCW;
- (b) Coordinate the on-site survey with other agencies, including local fire jurisdictions, state fire marshal, state pharmacy board, and report the survey findings to those agencies;
- (c) Notify the hospital in writing of the survey findings following each on-site survey;
- (d) Require each hospital to submit a corrective action plan addressing each deficient practice identified in the survey findings;
- (e) Notify the hospital when the hospital submitted plan of correction adequately addresses the survey findings; and
- (f) Accept on-site surveys conducted by the Joint Commission or American Osteopathic Association as meeting the eighteen-month survey requirement in accordance with RCW [70.41.122](#).

Quality Assurance for the Medicare & Medicaid Programs: FY2012 Mission and Priority Document (MPD) – Survey and Certification; Department of Health & Human Services, Centers for Medicare and Medicaid Services, Survey and Certification Group, states in part:

D. Ambulatory Surgical Centers (ASCs):

In FY 2012 all States that have non-deemed ASCs are required to survey at least 25% of their non-deemed ASCs using the enhanced survey process. States that have only 4 or fewer non-deemed ASCs must survey at least 1 facility in FY 2012 unless all such ASCs were surveyed in FY 2010 and FY 2011. Beginning in FY2012, Tier 3 survey frequency is a 5.0 year interval (60.9 months) such that no more than 5 years elapses between surveys of any ASC.

States must also continue to send to a CMS contractor the completed Infection Control Surveyor Worksheet for each survey to enable CMS and CDC to analyze the nationwide findings. See Section Four for more details.

P. Ambulatory Surgical Centers (ASCs)

In FY2012 States must survey at least 25% of the non-deemed ASCs in each State (subject to minor adjustments). In addition to the Tier 3 requirements, we emphasize the following:

1. *Tier 2 Targeted 25% Sample Surveys for Non-Deemed ASCs:* States will perform surveys totaling 25% of all non-accredited, non-deemed ASCs, or at least 1, whichever is greater, unless all non-deemed ASCs were surveyed in FY2010 and FY 2011. States must convey to CMS' contractor a copy of the completed Surveyor Infection Control Worksheet for each survey, to permit a national analysis of infection control issues that can inform education and training efforts. States will select ASCs for survey, focusing on ASCs that have not been surveyed in more than 6 years and/or ASCs that represent a greater risk of having quality problems, based on their recent compliance history and any other important factors known to the State.

Note: In contrast to other Tier 2 targeted surveys, the Tier 2 targeted sample requirement for ASCs does apply to a State that has fewer than 7 ASCs.

Deemed ASCs - SAs will perform validation surveys on a 5% - 10% sample of accredited, deemed ASCs. Appendix 3 provides a projection of the ASC validation workload for each SA. SAs will receive a supplemental allocation for these validation surveys. The ASCs to be surveyed will be selected by CMS

based on the accreditation survey schedule of deemed ASCs that are surveyed by accreditation organizations (AOs) in FY2012. Surveys must be completed within 60 days of completion of the AO survey.

Ambulatory Surgical Centers (ASCs)			
Tier 1	Tier 2	Tier 3	Tier 4
Validations- Deemed ASCs: 5% - 10% of deemed ASCs: States conduct validation surveys of deemed ASCs, assigned by CMS based on AO survey schedules. <i>(Budgeted separately via supplemental allocation)</i>	Targeted Surveys (25%): The State performs surveys totaling 25% of all non-accredited, non-deemed ASCs in the State (or at least 1, whichever is greater), based on State judgment for those providers more at risk of quality problems. Some of the targeted surveys may qualify to count toward the Tier 3 priority. States with fewer than 7 ASCs must survey at least 1 ASC unless all non-deemed ASCs were surveyed in FY 2010 and FY 2011.	6.0-Year Interval: Additional surveys are done to ensure that no more than 6.0 years elapses between surveys for any <u>one</u> particular non-deemed ASC.	N/A for FY2012

12-34 The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
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 their clients that they received the services billed to Medicaid by providers. This process is intended to identify potential abuse of Medicaid, a program that pays for some health care for low-income individuals.

Medicaid 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 to avoid institutionalization. The client or agencies working on behalf of the client choose the service providers.

The Department of Social and Health Services, Aging and Disability Services Administration, administers long-term services and is responsible for instituting a Quality Assurance system to ensure compliance with federal requirements.

This Administration used more than \$649 million in Medicaid funds to pay for in-home services during fiscal year 2012.

Description of Condition

In the past four audits, we reported findings regarding the Department's lack of adequate controls to ensure Medicaid payments to in-home service providers are allowable and supported.

In response to our findings, the Department developed procedures to contact recipients of home and community-based services and to verify if the services billed by providers were received. Under the procedures, clients receiving services, or their representative, would be selected at random and contacted by telephone to verify that authorized services have been received.

The new procedures were not put in place in fiscal year 2012.

Cause of Condition

The Department stated the new verification procedures are scheduled to be operational in fiscal year 2013.

Effect of Condition

By not obtaining evidence that Medicaid recipients have received the services which were billed to Medicaid, there is an increased risk that fraudulent provider claims will be paid and not detected in a timely manner, if at all.

Recommendation

We recommend the Department follow the procedures for verifying directly with recipients that they have received the services for which Medicaid is being billed.

Department's Response

The Department implemented the client services verification survey in October 2012 as planned and outlined in the corrective action plan developed in February 2012. The service verification survey was incorporated into the annual Quality Assurance monitoring cycle to be conducted at the end of the cycle as a focused review activity. The survey will be repeated annually until ProviderOne phase two is implemented. The client services verification survey is supplemental to provider timesheet audits which have been part of the annual QA cycle since 2011.

Auditor's 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:

- (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 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 beneficiaries.
- (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.

§455.20 Recipient verification procedure.

- (a) The agency must have a method for verifying with beneficiaries 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).

12-35 The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure the accuracy of financial eligibility determinations for clients receiving home and community based services.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA-State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing medical care for low-income individuals and plays a critical role for people with long-term care needs. The Department of Social and Health Service, Aging and Disability Services Administration, administers the Home and Community Based Services waiver programs, which allow long-term care services to be delivered in community settings, instead of institutions.

One of the programs is the Community Options Program Entry System (COPES). The COPES program provides aged or disabled individuals with the option to remain at home or in alternate living facilities instead of nursing facilities. Services offered under this program include personal care, transportation, specialized medical equipment and supplies, and home-delivered meals.

Clients must be both financially and functionally eligible for the program to receive services, and Home and Community Services (HCS) Offices across the state determine initial eligibility. After the initial eligibility determination, local Area Agencies on Aging perform most of the functional assessments and monitor ongoing functional eligibility, while HCS offices determine ongoing financial eligibility.

The Department requires HCS Offices to audit financial eligibility determinations on a regular basis. Financial supervisors or lead workers at HCS Offices are charged with the task of auditing the determinations made by financial workers to ensure they are obtaining all appropriate information and using that information to make an accurate determination. Each region can determine the cases that will be reviewed.

During fiscal year 2012, more than 27,800 clients received COPES services and the Department paid approximately \$528 million for the services.

Description of Condition

In our prior audit we reported on the Department's inadequate controls over financial eligibility determinations. Four out of seven HCS offices we reviewed did not perform regular audits to ensure the accuracy of financial eligibility determination. In response to our audit, the Department implemented a statewide policy requiring a minimum number of audits be performed for each financial worker to monitor the accuracy of financial eligibility determinations.

During our current audit, we reviewed four of the state's 28 HCS offices to determine whether the offices performed audits on a regular basis to ensure the accuracy of financial eligibility determinations. We found that none of the four offices performed supervisory audits on a regular basis throughout the audit period.

Therefore, the weaknesses we identified during our prior audit still exist.

Cause of Condition

The Department stated the new policy is not scheduled to be operational until fiscal year 2013.

Effect of Condition

Without performing routine audits, the Department is not in compliance with the applicable laws and cannot ensure client eligibility determinations are complete and accurate.

Recommendation

We recommend the Department implement and follow its new policy and perform formal audits to ensure the accuracy of financial eligibility determinations.

Department's Response

The Department concurs with this finding as we did with the original finding (finding 11-35 from the FY11 single audit).

We have now taken the measures we described in the Corrective Action Plan. The quarterly audit reports are available upon request.

Home and Community Services (HCS) Headquarters provided an update to the State Auditor (SAO) about our auditing plan on 7/12/2012 within the document "S11-13 Client Eligibility CAP 7-12-2012". The Management Bulletin referenced in that document was published on 8/2/2012 after reviews by our field staff and upper management. The document can be found at this link identified as H12-054 as the MB number on the left side of the page: <http://adsaweb.dshs.wa.gov/docufind/MB/displayHCS.aspx?year=2012>

The statewide requirement became effective on that date. This finding was made during the last half of FY 2012 and does not reflect audits conducted on or after 8/2/12. It took HCS some additional time to deliver this product because of the unexpected need to negotiate the requirements with the Health Care Authority (HCA) for our medical audits.

We are now required to provide quarterly reports to HCA. Region 3 did not meet the minimum requirements for the third quarter, but the first month of that quarter was before our offices knew what the exact requirements are. Regions 1 and 2 met the minimum requirements. All regions met the requirements for the fourth quarter, the first full quarter during which the expectations were in place. This includes the subset of offices the SAO inquired to.

Auditor's 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:

- (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 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 beneficiary. 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 beneficiaries 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 beneficiaries 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 beneficiary that reports a loss of employment, at the time the beneficiary reports that loss and for at least each of the three subsequent months.
 - (iii) For an applicant or a beneficiary 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 beneficiary, the requirements of this section do not apply to that applicant or beneficiary.

§ 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 beneficiaries whose coverage is required or allowed under this part.
- (b) FFP is available in expenditures for services provided to beneficiaries who were eligible for Medicaid in the month in which the medical care or services were provided except that, for beneficiaries who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the beneficiary'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 beneficiaries, 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 beneficiary'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 beneficiary'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 beneficiaries 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 beneficiary's circumstances that may affect his eligibility.
 - (2) If the agency has information about anticipated changes in a beneficiary's circumstances, it must redetermine eligibility at the appropriate time based on those changes.

WAC 388-515-1507 What are the financial requirements for home and community based (HCB) services when you are eligible for a noninstitutional categorically needy (CN) medicaid program?

- (1) You are eligible for medicaid under one of the following programs:
 - (a) Supplemental Security Income (SSI) eligibility described in WAC [388-474-0001](#). This includes SSI clients under 1619B status;
 - (b) SSI-related CN medicaid described in WAC [388-475-0100](#) (2)(a) and (b);
 - (c) SSI-related healthcare for workers with disabilities program (HWD) described in WAC [388-475-1000](#). If you are receiving HWD, you are responsible to pay your HWD premium as described in WAC [388-475-1250](#). This change is effective April 1, 2009;
 - (d) General assistance expedited medicaid disability (GAX) or general assistance based on aged/blind/disabled criteria described in WAC [388-505-0110](#)(6) and are receiving CN medicaid.
- (2) You do not have a penalty period of ineligibility for the transfer of an asset as described in WAC [388-513-1363](#) through [388-513-1366](#). This does not apply to PACE or hospice services.
- (3) You do not have a home with equity in excess of the requirements described in WAC [388-513-1350](#).
- (4) You do not have to meet the initial eligibility income test of having gross income at or below the special income level (SIL).
- (5) You do not pay (participate) toward the cost of your personal care services.
- (6) If you live in a department contracted facility listed in WAC [388-515-1506](#) (1)(g), you pay room and board up to the ADSA room and board standard. The ADSA room and board standard is based on the federal benefit rate (FBR) minus the current personal needs allowance (PNA) for HCS CN waivers in an alternate living facility.
 - (a) If you live in an assisted living (AL) facility, enhanced adult residential center (EARC), or adult family home (AFH) you keep a PNA of sixty-two dollars and seventy-nine cents and use your income to pay up to the room and board standard.
 - (b) If subsection (6)(a) applies and you are receiving HWD described in WAC [388-475-1000](#), you are responsible to pay your HWD premium as described in WAC [388-475-1250](#), in addition to the room and board standard.
- (7) If you are eligible for general assistance expedited medicaid disability (GAX) or general assistance based on aged/blind/disabled criteria described in WAC [388-505-0110](#)(6), you do not participate in the cost of personal care and you may keep the following:
 - (a) When you live at home, you keep the cash grant amount authorized under the general assistance program;
 - (b) When you live in an AFH, you keep a PNA of thirty-eight dollars and eighty-four cents, and pay any remaining income and general assistance grant to the facility for the cost of room and board up to the ADSA room and board standard; or
 - (c) When you live in an assisted living facility or enhanced adult residential center, you are only eligible to receive a cash grant of thirty-eight dollars and eighty-four cents, which you keep for your PNA.
- (8) Current resource and income standards are located at:
<http://www.dshs.wa.gov/manuals/eaz/sections/LongTermCare/LTCstandardspna.shtml>.
- (9) Current PNA and ADSA room and board standards are located at:
<http://www.dshs.wa.gov/manuals/eaz/sections/LongTermCare/lcstandardsPNAchartssubfile.shtml>.

WAC 388-515-1508 How does the department determine if you are financially eligible for home and community based (HCB) services and hospice if you are not eligible for medicaid under a categorically needy (CN) program listed in WAC [388-515-1507](#)(1)?

- (1) If you are not eligible for medicaid under a categorically needy (CN) program listed in WAC [388-515-1507](#)(1), the department must determine your eligibility using institutional medicaid rules. This section explains how you may qualify using institutional medicaid rules.
- (2) You must meet the general eligibility requirements described in WAC [388-513-1315](#) and [388-515-1506](#).
- (3) You must meet the following resource requirements:

- (a) Resource limits described in WAC [388-513-1350](#).
- (b) If you have resources over the standard allowed in WAC [388-513-1350](#), the department reduces resources over the standard by your unpaid medical expenses described in WAC [388-513-1350](#) (d), (e) and (f) if you verify these expenses.
- (4) Your gross nonexcluded income must be at or below the special income level (SIL) which is three hundred percent of the federal benefit rate (FBR).
- (5) The department follows the rules in WAC [388-515-1325](#), [388-513-1330](#), and [388-513-1340](#) to determine available income and income exclusions.
- (6) Current resource and income standards (including the SIL and FBR) for long-term care are found at: <http://www.dshs.wa.gov/manuals/eaz/sections/LongTermCare/LTCstandardspna.shtml>.

12-36 The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens, resulting in \$77,352.13 in questioned costs.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA-State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	\$77,352.13

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 Medicaid program spent more than \$7.9 billion during fiscal year 2012, more than \$4.2 billion of which was federal dollars.

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 medical emergencies 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.

The state can choose to pay for non-emergency services for nonqualified aliens. The federal government will not share the cost of these services.

Description of Condition

In our current audit, we identified non-emergency services provided to 50 nonqualified aliens totaling \$396,988.90. We reviewed detailed payments associated with those services and found the Department had refunded the federal portion of the payments, totaling \$242,284.66. The federal share of the remaining payments, totaling \$77,352.13, for non-emergency services provided to 29 nonqualified aliens has not been refunded to the federal government.

The table below summarizes our findings:

Service Description	Unallowable Expenditures	Expenditures Refunded	Remaining Amount	Federal Share	State Share
Behavioral rehabilitative services	\$91,872.25	\$0.00	\$91,872.25	\$45,936.12	\$45,936.13
Long-term care	\$305,116.65	\$242,284.66	\$62,831.99	\$31,416.01	\$31,415.98
Total	\$396,988.90	\$242,284.66	\$154,704.24	\$77,352.13	\$77,352.11

Cause of Condition

Staff did not always follow established procedures to identify non-emergency services for nonqualified aliens charged to the Medicaid program.

Effect of Condition and Questioned Costs

The Department paid \$154,704.24 for services that are not eligible for federal reimbursement. We are questioning \$77,352.13, which is the federal portion of the expenditures.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Department:

- Follow procedures to ensure that Medicaid services provided to nonqualified aliens are restricted to emergency services.
- Follow up on the non-emergency services provided to 29 nonqualified aliens identified in our audit 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 two administrations within the Department, the Aging and Disability Administration and the Children's Administration. Both administrations concur with the finding.

Aging and Disability Services Administration

Medicaid funds were used to serve non-qualified alien clients. Procedures were previously developed and new SSPS codes were established for these clients but due to the timing of the new codes and staff error, some were missed. All questioned costs have been reimbursed.

Children's Administration

Of the 29 exceptions identified, 3 pertained to CA children. CA will work to correct the process that allowed these children to be allocated to a Medicaid funding source.

The federal funds for these clients will be returned and we will communicate the information to the Centers for Medicaid Services (CMS).

Auditor's Remarks

We thank the Department for its cooperation and assistance throughout the 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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, states:

Section 510 - Audit findings.

- (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.

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 beneficiary 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) 388-500-0030, 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:
- (1) Placing the patient's health in serious jeopardy;
 - (2) Serious impairment to bodily functions; or
 - (3) Serious dysfunction of any bodily organ or part.

Washington Administrative Code (WAC) 388-438-0115 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 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;
 - (ii) Emergency room services, which must include an evaluation and management (E&M) visit by a physician; or
 - (c) Involuntary Treatment Act (ITA) and voluntary inpatient admissions to a hospital psychiatric setting that are authorized by the department's inpatient mental health designee (see subsection (5) of this section).
- (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:
 - (a) By a physician in his office or in a clinic setting immediately prior to the transfer to the hospital, resulting in a direct admission to the hospital; and
 - (b) During the specific emergency room visit, outpatient surgery or inpatient admission. These services include, but are not limited to:
 - (i) Medications;
 - (ii) Laboratory, X ray, and other diagnostics and the professional interpretations;
 - (iii) Medical equipment and supplies;
 - (iv) Anesthesia, surgical, and recovery services;
 - (v) Physician consultation, treatment, surgery, or evaluation services;
 - (vi) Therapy services;
 - (vii) Emergency medical transportation; and
 - (viii) Nonemergency 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 hospital meets the criteria as described in subsection (1) of this section;
 - (b) The person is transferred directly to this facility from the 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, drugs, devices, and drug-related supplies listed in WAC 388-530-2000, prescribed on the same day and associated with the qualifying visit or service (as described in subsection (1) of this section) will be covered for a one-time fill and retrospectively reimbursed according to pharmacy program rules.
- (5) Medical necessity of inpatient psychiatric care in the hospital setting must be determined, and any admission must be 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. Eligibility for the AEM program does not have to be established before an individual begins receiving emergency treatment.
- (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. The exception for pharmacy services is also applicable as described in subsection (4) of this section.
 - (a) For inpatient care, the certification 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 certification is only for the date of service. If the person is in the hospital overnight, the certification 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 considered not within the scope of service categories 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;
 - (ii) Hospital clinic services; or
 - (iii) 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 the treatment of the qualifying emergency medical condition;
 - (c) Organ transplants, including preevaluations, post operative care, and anti-rejection medication;
 - (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) Nonemergency 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 within the scope of service categories 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.

12-37 The Department of Social and Health Services does not have adequate internal controls to ensure daily rates paid to supported living providers for Medicaid clients are accurate and properly authorized.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA-State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed/Unallowed; Allowable Costs/Cost Principles
Questioned Cost Amount:	\$10,624
Projected Questioned Cost Amount:	\$2,989,952

Background

The Department of Social and Health Services, Aging and Disability Services Administration, administers the Home and Community Based Services program for people with developmental disabilities through its Division of Developmental Disabilities (DDD). Supported living is a core service this program offers through staff of contracted supported living providers. The instruction and support staff assist clients in activities of daily living, such as maintaining their home, preparing meals, and shopping to help the clients learn, improve, or retain the social and adaptive skills necessary to live in the community and avoid institutionalization.

The Department pays the supported living provider a daily rate for each day of service provided to a client. The total daily rate paid for each client is individualized and adjusted as frequently as necessary, based on changes to the client's support needs and changes to the administrative component of the rate. To ensure the accuracy and proper authorization of each rate, the Department established a rate review and approval process. After each rate goes through the review and approval process, the rate is entered for payment in the Social Service Payment System.

The steps below describe the established rate review and approval process and subsequent transfer of the approved rate to the Social Service Payment System:

1. Rate is first reviewed and approved by the Division of Developmental Disabilities' Regional Administrator or designee, then
2. Rate is reviewed by the Department's Rates Manager, then
3. Rate is reviewed by the Division of Developmental Disabilities' Residential Program Manager, then
4. Rate is approved for payment by the Division of Developmental Disabilities Director or designee, then
5. Approved rate is manually transferred from the approval document into an Excel rate file spreadsheet, where the administrative component of the rate is adjusted, if necessary, then
6. Approved rate is manually transferred from the rate file to the Social Service Payment System

Description of Condition

The Department's internal controls are not adequate to ensure daily rates are calculated correctly and properly authorized for payment in the Social Service Payment System. We selected a random sample of 154 client rates from a total population of 43,342 client rates to verify that each rate was reviewed and approved by the staff member

designated in the process and approved rates were correctly transferred to the Social Service Payment system. We found that 45 percent (69 out of 154) of the rates sampled were not properly authorized.

We also found that the Department did not have internal controls to ensure additional administrative adjustments applied to approved rates and the approved rates transferred to the Social Service Payment system are accurate.

Cause of Condition

The rate review and approval process was not formalized and was not followed consistently across all of the Department's regions.

The rate review and approval process did not include examining the accuracy of additional administrative adjustments applied to approved rates and monitoring of the transfer of approved rates to the Social Service Payment system.

Effect of Condition

Weaknesses in the Department's rate review and approval process resulted in \$21,247 of unallowable payments. We are questioning \$10,624, which is the federal portion¹ of unallowable payments.

By projecting sample results to the entire Home and Community Based supported living program, we estimate the amount of potential unallowable payments the Department made to supported living providers could be \$5,979,904.

The table below summarizes the results of our work:

Population	Sample Size	Exceptions				* Projected Unallowable Payments
		Description	Number of exceptions	Percentage of exceptions	Unallowable payments	Point Estimate
43,342	154	Payment Errors	64	42%	\$1,773 ²	\$5,979,904
		Unauthorized payments	3	2%	\$19,474	
		Total	67	44%	\$21,247	

Recommendation

We recommend the Department:

- Follow the established review and approval process to ensure all rates are calculated correctly and properly authorized.
- Monitor data entry processes to the Social Service Payment System to ensure approved rates are used for payments to the provider.
- 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.

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

² Unallowable payment errors are the net amount of overpayments minus underpayments.

Regarding the first two recommendations the Department is implementing an electronic rate approval process which will ensure that all the reviewers have approved the rate request. The electronic rate requests must be approved by each reviewer before they can be forwarded to the next reviewer. The approvals will automatically be saved with the date and time to ensure that they are not misplaced.

The electronic rate requests will also reduce errors that can result from calculating the different parts of the rates.

For recommendation three any overpayments as a result of rate adjustments will be identified and repaid to the federal government through the financial recovery process.

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.

Sample Design

The sample size consisted of 154 client month rates from a total population of 43,342 client month rates for payments the Department made during the period of July 1, 2011 to June 30, 2012.

Estimation Methodology

We used the U.S. Department of Health and Human Services, Office of Inspector General RAT-STATS appraisal program to estimate the amount of unallowable payments made to supported living providers.

***Sampling Results:**

The table below shows the value of our universe, sampling frame and questioned costs:

Payments In Universe	Value of Universe	Sample Size	Value of Sample	Unallowable payments	Questioned Costs (federal share)
43,342	\$289,050,293	154	\$1,102,995	\$21,247	\$10,624

Projection of Sampling Results

Projecting our results to the entire Home and Community Based supported living program, we estimate the amount of unallowable payments to supported living providers could range from (\$32,098) to \$11,991,898.

<i>Precision at the 90-Percent Confidence Level</i>	
	Variable Appraisal
Midpoint	\$5,979,904
Lower Limit	(\$32,089)
Upper Limit	\$11,991,898

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments (2 CFR Part 225); Appendix 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:
 - 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.

OMB Circular A-133 Compliance Supplement, Part 4 (June 2012)- 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 beneficiaries whose coverage is required or allowed under this part.
- (b) FFP is available in expenditures for services provided to beneficiaries who were eligible for Medicaid in the month in which the medical care or services were provided except that, for beneficiaries who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the beneficiary'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.

12-38 The Department of Social and Health Services, Economic Services Administration, does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA-State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
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, regulations, and other requirements establish Medicaid eligibility. 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 (AU). More than 900,000 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.

Once the Department initially determines an applicant is eligible, it must annually re-verify information such as income to determine whether the individual is still eligible for benefits. Staff is required to document the results of the eligibility determinations.

The state Medicaid program spent more than \$7.9 billion during fiscal year 2012; approximately \$4.2 billion was paid with federal funds.

Description of Condition

We performed testing to determine if the Department has adequate internal controls to ensure only individuals who are financially eligible received Medicaid benefits.

We selected the Medical Coverage Group for Categorically Needy Children for testing because it is the largest coverage group. More than 259,000 Assistance Units in this category received Medicaid benefits during the period July 1, 2011 through March 31, 2012.

We selected 188 AUs and performed tests to determine if there was:

- Evidence the Department did a review to account for all income generated by the Unit.
- Sufficient documents to support the Department's eligibility determination.

- Evidence the Department correctly calculated income in determining eligibility.

We determined that exceptions to any of the above three criteria could affect the eligibility of the AU.

We found the Department did not have adequate controls to ensure all individuals who receive Medicaid benefits are financially eligible. We found net income used to determine income eligibility was not accurate in many instances. For example, the Department relied on a client's income declaration without verification and staff incorrectly deducted unallowable expenditures such as meals and home mortgage interest from gross income. The following table summarizes the sample¹ we selected and the results of our testing.

Assistance unit income type	Population	Sample size	Exceptions		
			Total	% of sample	Projected sample errors (projected quantity in universe) ¹
Self-employed	20,019	112	35	31.25%	6,256
All other types	239,234	76	1	1.32%	3,148

Cause of Condition

Department policies do not provide clear guidelines of determining income eligibility and staff have not been adequately trained to review information, calculate income and determine eligibility.

Effect of Condition

Due to the lack of adequate controls, there is an increased risk ineligible individuals will receive Medicaid benefits.

Recommendation

We recommend the Department establish adequate internal controls, such as providing the guidance, resources, and training needed, to ensure staff can determine which documents are required to determine Assistance Unit income and calculate income eligibility, especially situations when income cannot be independently verified (e.g. self-employment income).

Department's Response

The Department partially concurs with the audit findings.

Unlike cash and food programs where the income budgeted directly impacts the amount of benefits a household is eligible to receive, most Medicaid programs work on a pass/fail eligibility system. For the Categorically Needy Children's Medical program, the household is eligible as long as the income is below the program limits for the household size. The Department can be less precise in income verification but still result in a correct eligibility determination. In ten of the exception cases, the household remains eligible for Medicaid.

The Department recognizes that income rules for Medicaid programs, specifically around self-employment cases, don't always align with income rules for other programs. This can create confusion for eligibility workers. Community Services Division will ensure eligibility workers have the information and guidance they need to correctly verify and calculate income when determining eligibility for the Children's Medical program.

Please note: Effective October 1, 2013, applications/renewals for pregnant women, children, and families will be processed through the Health Benefit Exchange web portal. Eligibility will be determined through an automated data-match process.

Auditor's Remarks

We thank the Department for its cooperation and assistance throughout the audit. We will review this area during our next audit.

¹Sampling 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. In our risk analysis, we determined AUs with self-employment income ran a higher risk for error than those with other types. We obtained income and eligibility data from the Department. We separated the AUs with Categorically Needy Children coverage designation into two groups by income type (self-employed or all other types of income) to direct more audit effort towards the group which contained the greatest potential risk for error.

<u>Self employed clients</u>	
Projection of Sample Results: Self-Employed	
Precision at the 90-Percent Confidence Level	
Attributes Appraisal	
Midpoint	6,256
Lower limit	4,817
Upper limit	7,847

Extrapolating the results of our statistical sample to the entire Categorically Needy Children program for self-employed clients, we estimate the number of possible Assistance Units that Medicaid income eligibility determinations made by the Department might not be reliable could range between the lower limit of our projected results (4,817) and the upper limit (7,847).

<u>Non Self employed clients</u>	
Projection of Sample Results – Non Self-Employed	
Precision at the 90-Percent Confidence Level	
Attributes Appraisal	
Midpoint	3,148
Lower limit	162
Upper limit	14,568

Extrapolating the results of our statistical sample to the entire Categorically Needy Children program for non self-employed clients, we estimate the number of possible Assistance Units that Medicaid income eligibility determinations made by the Department might not be reliable could range between the lower limit of our projected results (162) and the upper limit (14,568).

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.
- (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 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 beneficiary. 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 beneficiaries 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 beneficiaries 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 beneficiary that reports a loss of employment, at the time the beneficiary reports that loss and for at least each of the three subsequent months.
 - (iii) For an applicant or a beneficiary 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;
 - (iv) Unemployment compensation;
 - (v) 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.

§ 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 beneficiaries whose coverage is required or allowed under this part.
- (b) FFP is available in expenditures for services provided to beneficiaries who were eligible for Medicaid in the month in which the medical care or services were provided except that, for beneficiaries who establish eligibility for Medicaid by deducting incurred medical expenses from income, FFP is not available for expenses that are the beneficiary'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 beneficiaries, 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 beneficiary'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 beneficiary'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 beneficiaries 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 beneficiary's circumstances that may affect his eligibility.
- (2) If the agency has information about anticipated changes in a beneficiary's circumstances, it must redetermine eligibility at the appropriate time based on those changes.

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 (6)); 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 (7)).
- (5) When determining eligibility for apple health for kids programs as listed in WAC [388-505-0210](#) or pregnancy medical as listed in WAC [388-462-0015](#), we can use the method most beneficial to your AU.
- (6) Anticipating monthly income: We must use the anticipating monthly method:
 - (a) 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.
 - (b) When we must allocate income to someone who is receiving SSI-related medical benefits under chapter [388-475](#) WAC.
 - (c) In the month of application, 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.
 - (d) To budget SSI or Social Security benefits even if we average other sources of income your AU receives.
- (7) 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](#).
- (8) We use the same method for each month in your certification period, including the month of application, unless:
 - (a) A full month's income is not anticipated in the month of application. In this situation, we budget your income in the month of application using the anticipated monthly (AM) method and average your income (CA) for the rest of the months in your certification.
 - (b) You are a destitute migrant or destitute seasonal farmworker. We must budget your income in the month of application using the anticipated monthly method, as required by subsection (6). We may average your income for the rest of the months in your certification period.
- (9) 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.
- (10) 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.

WAC 388-503-0505 General eligibility requirements for medical programs.

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 (chapter [388-424](#) 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.

WAC 388-505-0210 Apple Health for kids and other children's medical assistance programs.

Funding for coverage under the apple health for kids program 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 is a resident of the state of Washington.
 - b. 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.
2. Children under the age of nineteen who are U.S. citizens, U.S. nationals, or lawfully present qualified or nonqualified aliens as described in [WAC 388-424-0001](#), [WAC 388-424-0010 \(4\)](#), 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; or
 - f. They are currently eligible for SSI.
3. Non-citizen children under the age of nineteen, who are not lawfully present qualified or nonqualified aliens as described in [WAC 388-424-0001](#), [WAC 388-424-0010 \(4\)](#), and [WAC 388-424-0006 \(1\), \(4\), and \(5\)](#), are eligible for free state-funded coverage 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 lawfully present qualified or nonqualified aliens as described in [WAC 388-424-0001](#), [WAC 388-424-0010 \(4\)](#), and [WAC 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. Proof of citizenship or immigrant status and identity as required by [WAC 388-490-0005](#) (11);
 - c. 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;
 - d. They do not have other creditable health insurance as described in [WAC 388-542-0050](#); and
 - e. They pay the required monthly premiums as described in [WAC 388-505-0211](#).
5. Noncitizen children under the age of nineteen, who are not lawfully present qualified or nonqualified aliens as described in [WAC 388-424-0001](#), [388-424-0010 \(4\)](#), and [388-424-0006](#) (1), (4), and (5), are eligible for premium-based state-funded coverage 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](#).
6. Children under age nineteen are eligible for the medically needy (MN) medicaid program when they meet the following criteria:
 - a. Citizenship or immigrant status, state residence, and Social Security number requirements as described in subsection (2) (a), (b), and (c) of this section;
 - b. Are ineligible for other federally-matched CN programs;
 - c. Have income that exceeds three hundred percent FPL; or
 - d. Have income less than three hundred percent FPL, but do not qualify for premium-based coverage as described in subsection (4) of this section because of creditable coverage; and
 - e. Meet their spenddown liability as described in [WAC 388-519-0100](#) and [WAC 388-519-0110](#).
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 the apple health for kids programs. 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 as described in subsection (2)(a), (b), and (c) of this section 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) (b) and (c) 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) of this section; 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.

12-39 The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to supported living providers are allowable and supported.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed/Unallowed; Allowable Costs/Cost Principles
Questioned Cost Amount:	\$20,376
Projected Questioned Cost Amount:	\$5,628,969

Background

The Department of Social and Health Services, Aging and Disability Services Administration, administers the Home and Community Based Services program for people with developmental disabilities through its Division of Developmental Disabilities. Supported living is a core service this program offers through staff of contracted supported living providers. The instruction and support staff assist clients in activities of daily living, such as maintaining the home, preparing meals, and shopping to help the client learn, improve, or retain the social and adaptive skills necessary to live in the community and avoid institutionalization.

The Department pays the supported living provider a daily rate for each day of service provided to a client. The amount and type of instruction and support services a client receives are based on the client's assessed needs and may vary from a few hours per month up to 24 hours per day of one-on-one support. The majority of clients receiving supported living services require daily staff support to maintain their health and safety. In fiscal year 2012, the Department paid approximately \$289 million for supported living services to assist 3,714 developmentally disabled clients.

Providers are required to maintain adequate payroll records including staff time sheets, work schedules, and payroll vouchers to support payment claims. The Department's Residential Care Service Division inspectors review the supported living provider's payroll records as part of their regular provider-certification process every two years.

Description of Condition

To be allowable, Medicaid payments made on behalf of developmentally disabled clients must be adequately documented. We found the Department lacked internal controls to ensure supported living providers maintain adequate documentation to support payments claimed for each day of service billed.

We selected a random sample of 150 client months from a total population of 41,439 client months to verify that payments the Department made for each client month were adequately supported. A client month consisted of all payments made to a provider for a specific client on a single month.

Of the 150 client month payments sampled, providers didn't supply staff time records or other adequate documentation to support payment claims for six clients. We also found three clients for whom staff records did not support claims for specific days the provider said the client was served.

Cause of Condition

The review by Residential Care Service Division inspectors was not designed to verify payroll records to payments for services.

Effect of Condition and Questioned Costs

Of the 150 client months reviewed, we identified nine that were not adequately supported:

Population	Sample size	Exceptions			Projected sample error range*	
		Description	Number of exceptions	Questioned costs	Low	High
41,439	150	Not supported	3	\$1,694.65	\$4,795,724	\$17,720,151
		Inadequate documents	6	\$39,056.59		
		Total	9	\$40,751.24		

The Department made payments of \$40,751.24 that were not fully supported with adequate documentation. We are questioning \$20,375.62, which is the federal portion¹ of the unallowable expenditures.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Projecting our results to the entire Home and Community Based supported living program, we estimate the amount of unallowable payments to supported living providers could range from \$4,795,724 to \$17,720,151.

Recommendation

We recommend the Department:

- Improve internal controls by strengthening its monitoring of providers' payroll records to ensure payments to providers are legitimate and supported.
- Seek recovery of the funds paid to providers who were unable to adequately support payment claims.
- 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.

To address it, we plan to add a new schedule to the residential programs cost report, which will enable reconciliation of reported Instruction and Support Services (ISS) hours and costs to the provider's actual payroll records. We will also determine which providers and clients did not have adequate documentation and verify whether overpayments have already been processed through the Office of Financial Recovery or whether they still need to be sent to OFR. This should be completed by September, 2013 as part of the 2012 cost report review. Finally, we will determine the extent of the overpayments above before projecting the total costs in question.

Auditor's 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.

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

Sample Unit

The sampling unit was a client month. A client month consisted of all payments the Department made to a provider for a specific client on a single month during the period of July 1, 2011 to June 30, 2012.

Estimation Methodology

We used the U.S. Department of Health and Human Services, Office of Inspector General RAT-STATS appraisal program to estimate the amount of unallowable payments the Department made to Supported Living Providers.

*Sampling Results

The table below shows the value of our universe, sampling frame and questioned costs:

Table 1: Value of universe, sampling frame and questioned costs

Payments In Universe	Value of Universe	Sample Size	Value of Sample	Questioned Costs	Value of Questioned Costs (federal share)
41,439	\$289,050,293.18	150	\$1,102,995.37	\$40,751.24	\$20,375.62

Projection of Sampling Results

By projecting the results of our statistical sample to the entire Home and Community Based supported living program payments reviewed, we estimate the amount of possible unallowable payments to supported living providers could range between the lower limit of our projected results (\$4,795,724) and the upper limit (\$17,720,151).

Table 2: Projected value of questioned costs

Precision at the 90-Percent Confidence Level	
	Variables Appraisal
Midpoint	\$11,257,938
Lower Limit	\$4,795,724
Upper Limit	\$17,720,151

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225); Appendix 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.

The Department's *Division of Developmental Disabilities' Community Residential Service Contract, Section 11* states in part:

The Contractor shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other materials relevant to this Contract shall be retained for six years after expiration or termination of this Contract.

12-40 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:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	\$9,926.70

Background

Medicaid is a state and federal partnership that provides medical assistance to certain low-income individuals and individuals with disabilities. The state administers its Medicaid program in accordance with a state plan approved by Centers for Medicare and Medicaid Services. Although the state has considerable flexibility in designing and operating its Medicaid program, it must comply with applicable federal requirements. The state Medicaid program spent more than \$7.9 billion during fiscal year 2012, more than \$4.2 billion of which was federal dollars.

Federal and state laws and regulations require the state agency to obtain a Social Security number from each individual, including children, applying for Medicaid. Federal regulations also require the agency to verify the number 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 agency must assist the individual in applying for one. Under these circumstances, the agency 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 agency to verify the validity of a Social Security number at the time of application for Medicaid. Agency's 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's Community Service Offices.

Description of Condition

We reviewed Medicaid beneficiaries in the Department's payment system (Social Service Payment System) and performed tests to determine if the Medicaid beneficiaries have valid Social Security numbers.

Our testing found 12 individuals who did not have a valid Social Security number. The table below summarizes the results of our work:

Description	Number of clients	Payments	Federal Share ¹	State Share
Invalid Social Security number	6	\$19,448.49	\$9,724.25	\$9,724.24
No Social Security number	5	\$374.89	\$187.45	\$187.44
Number belongs to deceased person	1	\$30.00	\$15.00	\$15.00
Total	12	\$19,853.38	\$9,926.70	\$9,926.68

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 detecting all unallowable payments.

Effect of Condition and Questioned Costs

The Department paid \$19,853.38 to providers for services for ineligible individuals.

Federal regulations require us to report known questioned costs when likely questioned costs are greater than \$10,000 for each type of compliance requirement. The federal portion of the known questioned costs is \$9,926.70; however, we believe that it is likely that questioned costs exceed \$10,000 in the population.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Department:

- Follow up on the 12 clients for whom the Department could not provide evidence of correct Social Security numbers and re-determine their Medicaid eligibility.
- Establish internal control procedures to (1) ensure all staff involved in the verification process follow the Department's Social Security number verification procedures and (2) review applicant information for missing or invalid SSNs.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

Department's Response

This finding involved two administrations within the Department, the Economic Services Administration and the Aging and Disability Services Administration. Each administration provided individual responses.

Economic Services Administration

Economic Services Administration (ESA) concurs with the findings for the 8 Community Services Division (CSD) cases identified as exceptions. CSD will review these cases and take appropriate action as necessary.

Over the last several years, ESA has made significant improvements in its Social Security number verification procedures, automated systems and trainings. ESA will continue to pursue enhancements to verification procedures that promote Social Security Number accuracy.

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

Aging and Disability Services Administration

The Aging and Disability Services Administration concurs with this finding.

Medicaid funds were used to serve non-qualified clients. Procedures were previously developed and new SSPS codes were established for these clients but to the timing of the new codes and staff error, corrections for four clients were missed. All questioned costs have been reimbursed.

The Department would like to point out that this finding is specific to 12 cases out of 60,000 and equal to \$20,000 out of a the Long Term Care annual budget of \$1.7B dollars. While this finding represents 0.02% of the cases and 0.001% of the funding, the Department remains committed to pursuing the goal of matching 100% of the clients and SSNs.

Auditor's Remarks

We thank the Department for its cooperation and assistance throughout the 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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, states:

Section 510 - Audit findings.

- (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. In reporting questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.

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 social security numbers (SSNs). . . .

Title 42, Code of Federal Regulations, Section 435.910 (g) states:

The agency must verify each SSN of each applicant and beneficiary 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 an applicant cannot recall his SSN or SSNs or has not been issued a SSN 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 beneficiaries, 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 beneficiary'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 beneficiary to furnish them and meet other requirements of 435.910.
- (c) For any beneficiary whose SSN was established as part of the case record without evidence required under the SSA regulations as to age, citizenship, alien status, or true identity, the agency must obtain verification of these factors in accordance with 435.910.

12-41 The Department of Social and Health Services, Aging and Disability Services Administration, did not perform background checks for some in-home care individual providers in accordance with state law.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Provider Eligibility
Questioned Cost Amount:	\$91,001

Background

Medicaid is a jointly funded state and federal partnership providing coverage for low-income individuals who otherwise might go without medical care. The Medicaid program is the major source of public funding for long-term care services. The Medicaid Home and Community Based Services program permits states to furnish long-term care services to Medicaid beneficiaries in home and community settings, avoiding institutionalization. These services, generally personal care and assistance, are provided in the client's home by individuals or agencies often chosen by the Medicaid client.

During fiscal year 2012, the Department paid approximately \$126 million to more than 17,000 in-home service individual providers for their services.

All individual providers must meet basic qualifications to provide services to Medicaid clients. They must be at least 18 years old, authorized to work in the United States and meet the minimum training requirement.

Individual providers also must successfully complete a background check every two years. If the provider has lived in Washington State less than three years, the Department is to conduct a nationwide background check.

Description of Condition

During the previous audit, we reported the Department did not ensure providers completed background checks before rendering services to Medicaid clients.

We reviewed all 17,398 providers who provided services in fiscal year 2012 to ensure they have cleared a background check as required by state regulation.

We found the Department did not conduct background checks for 27 providers in a timely manner. The chart below summarizes the results of our audit.

Cause of Condition

The Department has procedures to ensure individual providers meet the background check requirements; however, in some cases, the Department did not confirm that provider background checks were complete before allowing providers to render services to Medicaid clients. The Department stated most late background checks related to

typos in its background check monitoring database and untimely communication between the Department and providers.

Effect of Condition

A provider who does not meet the background check requirement is not eligible to provide services to Medicaid clients. Any payments to ineligible providers are unallowable.

The table below summarizes the results of our work, and related expenditures:

Duration of Time Exceeding Background Check Date	Number of Providers	Questioned Costs	Federal Share	State Share
One to four months	12	\$36,481.41	\$18,240.71	\$18,240.70
Five to nine months	6	\$33,817.93	\$16,908.96	\$16,908.97
More than 10 months	9	\$111,702.94	\$ 55,851.47	\$55,851.47
Total	27	\$182,002.28	\$91,001.14	\$91,001.14

The Department paid a total of \$182,002.28 to the 27 providers who did not complete a required background check at the time of the services. We are questioning \$91,001.14, the federal portion of the unallowable costs¹.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support its expenditures.

Recommendation

We recommend the Department:

- Improve its internal controls to ensure all providers have cleared background checks prior to providing services to Medicaid clients.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

Department's Response

The Department concurs with this finding.

We will work to ensure that each Area Agency on Aging (AAA) has a strong tracking system in place to ensure that all providers have current background checks.

- *The Department will develop individual corrective action plans with three local offices where the most significant deficiencies were noted.*
- *The Department will provide reminders to staff of policies related to background checks through a management bulletin.*
- *The Department will terminate payments to any providers who do not have current background checks and terminate the contracts of providers who fail to comply with requests to have current background checks completed.*

Auditor's 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.

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB 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:
 - 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, Appendix A.
 - 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.

RCW 74.39A.056 (prior to 2012 amendments effective 3/29/2012) states:

Criminal history checks on long-term care workers.

- (1) All long-term care workers for the elderly or persons with disabilities hired after January 1, 2012, shall be screened through state and federal background checks in a uniform and timely manner to ensure that they do not have a criminal history that would disqualify them from working with vulnerable persons. These background checks shall include checking against the federal bureau of investigation fingerprint identification records system and against the national sex offenders registry or their successor programs. The department shall require these long-term care workers to submit fingerprints for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation.
- (2) To allow the department of health to satisfy its certification responsibilities under chapter 18.88B RCW, the department shall share state and federal background check results with the department of health. Neither department may share the federal background check results with any other state agency or person.
- (3) The department shall not pass on the cost of these criminal background checks to the workers or their employers.
- (4) The department shall adopt rules to implement the provisions of this section by August 1, 2010.

WAC 388.71.0510 states:

How does a person become an individual provider?

In order to become an individual provider, a person must:

- (1) Be eighteen years of age or older;
- (2) Provide the social worker/case manager/designee with:
 - (a) Picture identification; and
 - (b) A Social Security card; or
 - (c) Authorization to work in the United States.

- (3) Complete and submit to the social worker/case manager/designee the department's criminal conviction background inquiry application, unless the provider is also the parent of the adult DDD client and exempted, per chapter 74.15 RCW;
 - (a) Preliminary results may require a thumb print for identification purposes;
 - (b) An FBI fingerprint-based background check is required if the person has lived in the state of Washington less than three years.
- (4) Sign a home and community-based service provider contract/agreement to provide services to a COPES, MNIW, or medicaid personal care client.

Aging and Disability Services Administration Long Term Care Manual Chapter 7A- In-home Provider Requirement states:

How often does a background check need to be completed on a provider?

Every two years, unless you have reasonable cause to believe that the provider has been arrested or convicted of a disqualifying crime. In this circumstance, you need to re-run another background check.

12-42 The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed or 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-service system, which processes requests for payment through a series of criteria, known as edits, within the system. The Authority pays claims if they successfully pass all edits.

Pharmacies that submit claims to Medicaid must document potential third-party payers. 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-service 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. 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 Authority paid more than \$400 million to pharmacies for services to Medicaid clients in fiscal year 2012. Of that, more than \$11.3 million was paid for claims using override codes.

Description of Condition

In our audits for fiscal years 2006 through 2011, we reported a lack of adequate controls over use of other coverage codes to ensure Medicaid is the payer of last resort. Pharmacies can enter either accurate third-party liability coverage information or override codes into the point-of-service system to bypass the controls in place. Due to this significant inherent control weakness, claims for pharmaceutical payments are susceptible to errors or abuse.

We recommended the Authority either strengthen controls over the entry of claims into its payment system or increase post-payment audits, as long as it is cost effective. The Authority has not implemented either of these recommendations.

Cause of Condition

The Authority stated that the resources needed to increase post-payment audits were better used in other areas and has not made changes to the pharmacy data entry controls.

Effect of Condition

The Medicaid program could pay claims that should have been paid in whole or in part by third parties.

Recommendation

We again recommend the Department:

- Strengthen controls over the entry of claims into its payment system to ensure third-party payers are properly billed as the primary source of payment, or
- Increase its post payment audit coverage to ensure improper payments are identified and recovered.

Authority's Response

The agency disagrees with this finding and maintains that adequate controls are in place to assure that Medicaid is the payer of last resort. The following items demonstrate the priority of the work and items that HCA has put in place to strengthen third-party liability controls.

1. *The Office of Program Integrity continues to dedicate two full-time auditors to reviewing pharmacy third-party liability claims for inappropriate use of override codes. The data retrieval has been improved with a better data query (SQL), which has reduced the audit time required.*
2. *HCA has also strengthened Coordination of Benefits controls by contracting with Health Management Systems (HMS) to provide supplemental third-party liability recoveries for the Health Care Authority. The agency is tracking the effectiveness of the HMS work.*
3. *The Office of Payment Integrity has analyzed other potential changes to the system, including an edit that would require a valid date in the OTHER PAYER DATE field if an override code is present on the claim. But since these fields are contained in different segments of the claim transaction, they are not easily configurable, and this system edit is not considered cost effective at this time. However, the Office of Program Integrity will continue to look for ways to enhance third-party liability controls.*

Auditor's Remarks

We thank the Authority for its response. The Authority has not implemented controls directly related to the weaknesses we identified. Due to the weaknesses, the Medicaid program could pay claims that should have been paid in whole or in part by third parties. We reaffirm our finding.

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.
- (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 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 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 182-501-0200 states:

Third-party resources.

- (1) The department 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) The department 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) The department pays for medical services and seeks reimbursement from any liable third party when both of the following apply:
 - (a) The provider submits to the department 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 the department or the client for a covered service when a third party pays a provider the same amount as or more than the department rate.
- (5) When the provider receives payment from the third party after receiving reimbursement from the department, the provider must refund to the department the amount of the:
 - (a) Third-party payment when the payment is less than the department's maximum allowable rate; or
 - (b) The department payment when the third-party payment is equal to or greater than the department's maximum allowable rate.
- (6) The department 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 the department, 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) The department 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, the department is responsible for providing medical services as described under WAC [388-501-0100](#).

12-43 The Health Care Authority 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:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Provider Eligibility
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing coverage for certain low-income individuals who otherwise might go without medical care. The state Medicaid program spent more than \$7.9 billion during fiscal year 2012. More than \$4.8 billion of that relates to activities of the Health Care Authority, which paid more than \$4.4 billion of that directly to providers.

The Health Care Authority's Provider Enrollment Unit reviews the qualifications of health care providers who want to participate in the state's Medicaid program.

More than 80 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, they 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, such as wheelchairs, hearing aids and breathing devices. For example, 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.

Description of Condition

We reported a finding in our fiscal year 2011 audit regarding a lack of controls to ensure providers meet initial and ongoing Medicaid eligibility requirements.

The Provider Enrollment Unit ensures durable medical equipment providers meet eligibility requirements for their field of service. One of the requirements for equipment providers is to maintain a physical location and the Office of Program Integrity's Medical and Hospital Audit Unit performs drive-by verifications to verify the locations of these providers. However, the Medical and Hospital Audit Unit completed only one drive-by verification of a durable medical equipment site during state fiscal year 2012. There are nearly 1,500 durable medical equipment locations active in the state's Medicaid program.

The Affordable Care Act identifies durable medical equipment providers as moderate to high-risk providers and require the state to perform unscheduled and unannounced site visits. The Authority has been creating procedures to be in compliance with these requirements, but these were not in place during the audit period.

Cause of Condition

In recent fiscal years, budget constraints limited the number of staff assigned to field audits within the Office of Program Integrity. As such, the audit unit did not concentrate on drive-bys of durable medical equipment providers.

Requirements related to the Affordable Care Act were more recently put in place and require new policies and procedures to meet those requirements. The Authority has stated they expect implementation of these new policies and procedures in state fiscal year 2013.

Effect of Condition

Provider eligibility requirements help ensure Medicaid clients receive qualified care and services. Inadequate controls to ensure providers meet continuing eligibility requirements increases the risk ineligible providers may be providing services to Medicaid clients.

Recommendation

We recommend the Authority establish and follow internal controls to ensure:

- Durable medical equipment providers maintain an appropriate physical location for providing services.
- Affordable Care Act requirements are met.

Authority's Response

- *As of March 25, 2011, the Patient Protection and Affordable Care Act (ACA) introduced new screening procedures for providers and suppliers. The Act identifies Durable Medical Equipment providers as moderate to high-risk business partners who require unscheduled, unannounced site visits.*
- *The Health Care Authority is finalizing written policies and procedures to comply with the Act. The Health Care Authority plans to be compliant with the site visit as well as the other ACA screening requirements in January 2013.*

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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 states in part - 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:
 - (7) Maintains a physical facility on an appropriate site. An appropriate site must meet all of the following:
 - (i) Must meet the following criteria:
 - (A)(1) Except for orthotic and prosthetic personnel described in paragraph (c)(7)(i)(A)(2) of this section,, maintains a practice location that is at least 200 square feet beginning—
 - (i) September 27, 2010 for a prospective DMEPOS supplier;
 - (ii) The first day after termination of an expiring lease for an existing DMEPOS supplier with a lease that expires on or after September 27, 2010 and before September 27, 2013; or
 - (iii) September 27, 2013, for an existing DMEPOS supplier with a lease that expires on or after September 27, 2013.
 - (2) Orthotic and prosthetic personnel providing custom fabricated orthotics or prosthetics in private practice do not have to meet the practice location requirements in paragraph (c)(7)(i)(A)(1) of this section if the orthotic and prosthetic personnel are—
 - (i) State-licensed; or
 - (ii) Practicing in a State that does not offer State licensure for orthotic and prosthetic personnel.
 - (B) Is in a location that is accessible to the public, Medicare beneficiaries, CMS, NSC, and its agents. (The location must not be in a gated community or other area where access is restricted.)
 - (C) Is accessible and staffed during posted hours of operation.
 - (D) Maintains a permanent visible sign in plain view and posts hours of operation. If the supplier's place of business is located within a building complex, the sign must be visible at the main entrance of the building or the hours can be posted at the entrance of the supplier.
 - (E) Except for business records that are stored in centralized location as described in paragraph (c)(7)(ii) of this section, is in a location that contains space for storing business records (including the supplier's delivery, maintenance, and beneficiary communication records).
 - (F) Is in a location that contains space for retaining the necessary ordering and referring documentation specified in §424.516(f).
 - (ii) May be the centralized location for all of the business records and the ordering and referring documentation of a multisite supplier.
 - (iii) May be a “closed door” business, such as a pharmacy or supplier providing services only to beneficiaries residing in a nursing home, that complies with all applicable Federal, State, and local laws and regulations. “Closed door” businesses must comply with all the requirements in this paragraph.

Title 42, Code of Federal Regulations, Section 424.510 states in part -

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—
 - (A) All applicable Federal and State licenses, certifications including, but not limited to Federal Aviation Administration; and
 - (B) Documentation associated with regulatory and statutory requirements necessary to establish a provider's or supplier's eligibility to furnish Medicare covered items or services to beneficiaries in the Medicare program.

Title 42, Code of Federal Regulations, Section 455.432 states -

The State Medicaid agency—

- (a) Must conduct pre-enrollment and post-enrollment site visits of providers who are designated as “moderate” or “high” categorical risks to the Medicaid program. The purpose of the site visit will be to verify that the information submitted to the State Medicaid agency is accurate and to determine compliance with Federal and State enrollment requirements.
- (b) Must require any enrolled provider to permit CMS, its agents, its designated contractors, or the State Medicaid agency to conduct unannounced on-site inspections of any and all provider locations.

12-44 The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and referred to the Medicaid Fraud Control Unit (MFCU), risking the loss of public resources.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Medicaid Fraud Control Unit
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 \$7.9 billion during fiscal year 2012. More than \$4.8 billion of that amount relates to activities of the Health Care Authority, which paid more than \$4.4 billion of that directly to providers.

States are required to maintain a Medicaid Fraud Control Unit (MFCU), which investigates and prosecutes fraud by health care providers. The Washington State MFCU is part of the Attorney General's Office. Any suspected criminal violations of Medicaid laws and regulations identified by the state Medicaid program must be referred to MFCU for investigation.

When the Health Care Authority receives a complaint of Medicaid fraud or abuse from any source or identifies questionable practices, it must conduct a preliminary investigation to determine whether it has sufficient evidence to warrant a full investigation. This responsibility is designated to the Surveillance and Utilization Review Section (SURS) within the Authority's Office of Program Integrity (OPI). The Authority must report information about its preliminary investigations to the Department of Health and Human Services.

Cases requiring a preliminary investigation come from a number of sources. Staff within the Authority may identify cases based on data mining, submitted claims, or communication with clients. In addition, OPI handles client verification notices and an 800-number fraud line, which allow clients and citizens to notify the Authority of suspicious activities. Staff may also identify cases during the course of their work. Cases are documented and tracked in staff work plans or the Authority's Case Tracking system for those cases requiring additional review. The SURS Unit is responsible for referring any cases determined to require a full investigation to MFCU.

Description of Condition

In order for cases of Medicaid provider fraud to be identified, the Authority's SURS Unit must first review any complaints received. If provider fraud is occurring, it is important for SURS to identify this as quickly as possible. In our prior audit we reported a finding regarding the Authority's inadequate controls to ensure cases involving violations of Medicaid laws and regulations were identified and referred to MFCU in a timely manner.

At the beginning of fiscal year 2012, SURS had a total of 279 cases open in the Case Tracking system. During fiscal year 2012 SURS opened an additional 275 cases and closed 335 cases. The remaining 219 cases remained open and required additional review at year end.

We further analyzed the open cases and the table below summarizes the results.

Total Time in System	Open/Pending Cases	Percentage of Open/Pending Cases
0-30 days	36	16%
31-60 days	6	3%
61-90 days	19	9%
91-120 days	7	3%
121-150 days	5	2%
151-180 days	17	8%
181-360 days	38	17%
361-720 days	50	23%
More than 720 days	41	19%
Total	219	100%

The results of our testing showed that 59 percent of the cases remained in the system beyond 180 days, and 42 percent remained in the system beyond 360 days. The internal control weaknesses we identified during our prior audit still exist. The Authority did not have adequate controls to ensure cases involving violations of Medicaid laws and regulations were identified and referred to MFCU in a timely manner.

We also found the Authority did not report to the Department of Health and Human Services the number of fraud and abuse complaints that warranted a preliminary investigation.

Cause of Condition

The Authority has a limited number of staff assigned to review cases. These staff investigators also have other responsibilities, in addition to performing these reviews.

Effect of Condition

By not performing timely investigations, referrals to MFCU have been delayed and Medicaid fraud may go undetected, resulting in the loss of public resources. We identified one case during testing where two years passed between receiving the case and conducting a review. When the review occurred the original accusations could not be identified because the data was lost, so the case was closed.

Recommendation

We recommend the Authority establish adequate internal controls to:

- Complete a timely review of all suspected cases of provider fraud to determine if sufficient evidence exists to warrant a full investigation.
- Comply with reporting requirements regarding fraud and abuse complaints that warranted a preliminary investigation.

Authority's Response

The Health Care Authority (HCA) does not concur with this finding. The agency maintains that adequate controls are in place to ensure that violations of Medicaid laws and regulations are identified and referred to the Medicaid Fraud Control Unit (MFCU) in a timely manner. The analysis completed by SAO focused on "cases" that are entered and tracked through HCA's Case Tracking System and assigned to Surveillance and Utilization Review (SUR) staff.

- *The entry of cases into the Case Tracking System should not be considered, by itself, to be a suspicion of fraud or abuse. Rather, the system is used to track a variety of cases, with appropriate timeframes for each type of case.*
- *Sixty (60) percent of the cases identified by SAO as open more than 180 days are Medical Service Verification (MSV) receipts. As noted in a separate SAO Finding related to MSV, there are no federal timeline requirements for MSV reviews. They are assigned a lower priority based on a historically low return on investment.*
- *Some cases are entered in the case tracking system as placeholders and reminders for staff to follow up with additional review. In addition, there has historically been no consistent criteria for utilization of the Drop Down Labeling in the system so the categories may not be consistent.*

HCA complies with the provisions of 42 CFR 455.14 regarding preliminary investigations and 42 CFR 455.15 regarding full investigations. HCA complies with all federal reporting requirements related to numbers of investigations and detailed processes for conducting each type.

In short, this finding identifies inconsistencies in HCA's use of its Case Tracking System rather than any actual deficiency in identification of fraud or referral to MFCU. SAO's scrutiny assisted HCA in identifying the need for more consistency in our use of the Case Tracking System. However, it is wrong to conclude that HCA does not have control of its caseload and does not refer all appropriate cases to MFCU, based upon the length of time a case has been open in our Case Tracking System. Processes are in place to prioritize the work of SURS investigators, ensuring that HCA is addressing those cases with the highest potential for fraud, waste and abuse and properly utilizing our resources to focus on cases that yield the highest return on investment.

Auditor's Remarks

We thank the Authority for its response.

In order to ensure cases of fraud are properly identified and prosecuted, the Authority must complete its review of suspected cases in a timely manner. It is our determination that control weaknesses are preventing a timely review. By not performing timely preliminary investigations, referrals to MFCU will be delayed and Medicaid fraud may go undetected. The longer frauds go undetected, the larger the potential for the loss of public resources.

We would also like to note that our analysis of cases within the Case Tracking System included all cases other than Medical Service Verification (MSV) cases. Those cases labeled as MSV in the system were removed from consideration and only included during our separate MSV review.

Additionally, we confirmed with the Centers for Medicare and Medicaid Services that a report, as required by 42 CFR 455.17, had not been received from the Authority.

We will continue to work with and discuss this issue with the Authority.

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.
- (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 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 beneficiaries.
- (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.

§455.13 Methods for identification, investigation, and referral.

The Medicaid agency must have—

- (a) Methods and criteria for identifying suspected fraud cases;
- (b) Methods for investigating these cases that—
 - (1) Do not infringe on the legal rights of persons involved; and
 - (2) Afford due process of law; and
- (c) Procedures, developed in cooperation with State legal authorities, for referring suspected fraud cases to law enforcement officials.

§ 455.14 Preliminary investigation.

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.

§ 455.15 Full investigation.

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 §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 beneficiary 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 beneficiary has abused the Medicaid program, the agency must conduct a full investigation of the abuse.

§ 455.16 Resolution of full investigation.

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 beneficiary. This resolution may include but is not limited to—

- (1) Sending a warning letter to the provider or beneficiary, 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.

§ 455.17 Reporting requirements.

The agency must report the following fraud or abuse information to the appropriate Department officials at intervals prescribed in instructions.

- (a) The number of complaints of fraud and abuse made to the agency that warrant preliminary investigation.
- (b) For each case of suspected provider fraud and abuse that warrants a full investigation—
 - (1) The provider's name and number;
 - (2) The source of the complaint;
 - (3) The type of provider;
 - (4) The nature of the complaint;
 - (5) The approximate range of dollars involved; and
 - (6) The legal and administrative disposition of the case, including actions taken by law enforcement officials to whom the case has been referred.

§ 455.21 Cooperation with State Medicaid fraud control units.

In a State with a Medicaid fraud control unit established and certified under subpart C of this part,

- (a) The agency must—
 - (1) Refer all cases of suspected provider fraud to the unit;
 - (2) If the unit determines that it may be useful in carrying out the unit's responsibilities, promptly comply with a request from the unit for—
 - (i) Access to, and free copies of, any records or information kept by the agency or its contractors;
 - (ii) Computerized data stored by the agency or its contractors. These data must be supplied without charge and in the form requested by the unit; and
 - (iii) Access to any information kept by providers to which the agency is authorized access by section 1902(a)(27) of the Act and § 431.107 of this subchapter. In using this information, the unit must protect the privacy rights of beneficiaries; and
 - (3) On referral from the unit, initiate any available administrative or judicial action to recover improper payments to a provider.
- (b) The agency need not comply with specific requirements under this subpart that are the same as the responsibilities placed on the unit under subpart D of this part.

12-45 The Health Care Authority’s inadequate internal controls over claims from Federally Qualified Health Centers led to payments of more than \$1.4 million for charges improperly calculated and claimed.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	\$727,690

Background

Medicaid is a jointly funded state and federal partnership providing coverage for certain low-income individuals who otherwise might go without medical care. The state Medicaid program spent more than \$7.9 billion during fiscal year 2012. More than \$4.8 billion of that relates to activities of the Health Care Authority (Authority), of which more than \$4.4 billion was paid directly to providers.

Federally Qualified Health Centers (FQHC) are “safety net” providers such as community health centers, public housing centers, outpatient health programs funded by the Indian Health Services and programs serving migrants and the homeless. The main purpose of the FQHC program is to enhance the provision of primary care services in underserved urban and rural communities.

With few exceptions, FQHCs are paid based on a client encounter with a provider regardless of the number or type of procedures provided during the encounter. An encounter is a face-to-face visit between a client and a qualified FQHC provider who exercises independent judgment when providing services that qualify for an encounter rate. Washington Administrative Code 182-548-1400 describes how encounter rates are determined.

Incidental services are factored into the encounter rates and should not be paid separately by the Authority. Examples include when the services are:

- Furnished as an incidental, although integral, part of the practitioner’s professional services (e.g. professional component of a x-ray or lab);
- Of a type commonly furnished either without charge or included in the FQHC bill;
- Of a type commonly furnished in a provider’s office (e.g. tongue depressors, bandages, etc.);
- Provided by center employees under the direct, personal supervision of encounter-level practitioners; and
- Furnished by a member of the center’s staff who is an employee of the center (e.g. nurse, therapist, technician or other aide).

Description of Condition

The Medicaid claim adjudication and payment process is highly automated. The Authority relies heavily on internal controls within the ProviderOne payment system to identify and deny claims when charges are unallowable or billed improperly by FQHC providers. During our testing we found the internal controls within the system were not effective to prevent improperly billed claims from being paid. Additionally, the controls within the system were not

effectively designed to identify and deny unallowable claims when FQHCs billed for incidental services that should have been included in their client encounter fee.

Cause of Condition

The Authority was aware of the weakness and developed a monthly report to capture claims when FQHC providers did not bill the Authority based on a client encounter. Because of complications in building the report, the Authority used estimates based on historical data for each FQHC to determine how much to recoup. Since the Provider One system was launched in May 2010, reconciliations to actual improper payments have not been performed.

The Authority did not implement controls within ProviderOne due to the complexity of identifying claims for incidental services that should have been included in their client encounter fee.

Effect of Condition

Due to the internal control weaknesses described above, we performed tests to determine if the Authority improperly paid or overpaid FQHC providers.

We selected 59 providers paid in fiscal year 2012 and determined if they were improperly paid for claims on a fee-for-service basis rather than for an encounter rate. For these providers we determined the Authority made improper payments totaling \$1,256,235.

When the FQHC's were paid for their encounter rate, we performed an additional procedure to identify any claims for services that were paid separately for the same client on the same date of service. We found the Authority overpaid FQHC providers \$199,145 for incidental services that should have been included in their encounter fees.

One-half of these payments are considered paid from federal grant resources, resulting in total questioned costs of \$727,690. We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Health Care Authority:

- Develop adequate internal controls within its ProviderOne system to detect and prevent improper and unallowable claims submitted by FQHC providers.
- Recoup \$199,145 in overbilled amounts from the FQHC providers.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

Authority's Response

The Health Care Authority agrees with this finding.

Currently, the internal controls for FQHC overpayments and improper billings rely more heavily on post-pay claims review and recoupment rather than denial at the point of claim submission.

The agency will make the appropriate updates to the system and billing guides for FQHCs so that the system edits will prevent overpayments and improper billings at the point of claim submission with an estimated date of completion of January 2014. This will include denial of claims without a qualifying encounter service being billed for the same client on the same day, as well as multiple billings for one client for the same day that should be included in one encounter billing. The Health Care Authority will work with our internal audit staff to recoup the improperly paid claims.

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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.

OMB Circular A-133 Compliance Supplement for 2012, *Part 3 – Compliance Requirements*, states in part:

Improper Payments

Under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments. Improper payment means:

- 1. Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.
- 2. Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments).
- 3. Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).
- 4. Any payment that an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation.

Washington Administrative Code 182-548-1400 states in part:

- (8) The agency limits encounters to one per client, per day except in the following circumstances:
 - (a) The visits occur with different health care professionals with different specialties; or
 - (b) There are separate visits with unrelated diagnoses.
- (9) FQHC services and supplies incidental to the provider's services are included in the encounter rate payment.

12-46 The Health Care Authority improperly claimed \$48,365.31 in federal reimbursement for the Medicaid program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Allowable Costs/Cost Principles
Questioned Cost Amount:	\$48,365.31

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 Medicaid program spent more than \$7.9 billion during fiscal year 2012, more than \$4.2 billion of which was federal dollars.

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.

The state can elect to pay for non-emergency services for nonqualified aliens. The federal government will not share the cost of those services.

Federal regulations state that an overpayment is the amount that a Medicaid agency paid to a provider in excess of the amount allowable for furnished services. Because services cannot be provided after a beneficiary's death, no medical services are allowable after a beneficiary's death. Accordingly, payments for services claimed to have been provided after a Medicaid beneficiary's death are overpayments.

The Health Care Authority, Washington state Medicaid agency, receives quarterly death data from the Department of Health, and uses the data to identify a deceased Medicaid client and terminates Medicaid eligibility from Medicaid eligibility file. The Department also runs an algorithm that identifies Medicaid services paid after a client's date of death and processes a recoupment of the payments made after the client's date of death.

Description of Condition

During our audit, we noted the Authority claimed the following unallowable or unsupported expenditures for federal reimbursement:

Medicaid payments for unallowable services

We found 881 non-emergency services provided to 75 nonqualified aliens. The table below summarizes the results of our work:

Description	Number of claims	Payments	Federal Share ¹	State Share
Non emergency services provided to nonqualified aliens.	881	\$53,693.29	\$26,846.65	\$26,846.64

Medicaid payments for unsupported services

We found 162 services provided after a client's death. The table below summarizes the results of our work:

Description	Number of claims	Payments	Federal Share ¹	State Share
Services provided after date of death	162	\$43,037.32	\$21,518.66	\$21,518.66

Cause of Condition

The Authority performs reviews to detect unallowable Medicaid payments for services provided to nonqualified aliens and payments for services provided after a client's death. However, it is still not preventing or catching all unallowable payments.

Effect of Condition and Questioned Costs

When the state provides services to ineligible individuals, or the services are unallowable and/or unsupported, the service cannot be claimed for federal reimbursement. The Authority paid \$96,730.61 to providers for services for unallowable activities. We are questioning \$48,365.31, the federal portion of the unallowable costs.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support its expenditures.

Recommendation

We recommend the Authority:

- Strengthen internal control procedures to ensure that Medicaid services provided to nonqualified aliens are restricted to emergency services.
- Strengthen internal control procedures for identifying deceased beneficiaries to prevent overpayments.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

Authority's Response

The agency agrees with this finding and concurs that 162 claims were erroneously paid after the client's date of death.

- *The Health Care Authority has reviewed and recouped all the payments identified by the State Auditor's Office as paid to deceased persons.*
- *Health Care Authority continues to strengthen procedures to improve the immediate documentation of a client's death. For managed care and fee-for-service payments, ProviderOne does capture and recoup paid claims when we become aware of a date of death through the Automated Client Eligibility System (ACES), the eligibility source system. For many claims not previously recouped, the case was closed in ACES prior to identification of date of death information, preventing the information from being entered or transferred to ProviderOne. In addition, the HCA will continue to receive death data from the Department of Health to assist with the proper identification of client death information. Health Care Authority will continue to refine post payment processes to capture this information for timely recoveries.*
- *Health Care Authority has reviewed all payments cited by the State Auditor's Office to ineligible people and concurs with the auditor's findings. Health Care Authority will arrange repayment of any federal funds received in error by Sept. 30, 2013.*
- *The agency has reviewed all transactions listed by the SAO and corrected any case errors.*
- *HCA will strengthen training processes already in place by sending a SSN verification reminder memo to CSD staff. HCA will continue to pursue enhancements to verification procedures that promote SSN accuracy. HCA anticipates SSN accuracy will improve under health care reform because clients will input their own SSNs and will get instant feedback if an input error was made.*

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit.

Applicable Laws and Regulations

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section 300, states in part:

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 510, states in part:

- (c) 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.

Title 42, Code of Federal Regulations, 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 beneficiaries 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.
- (d) 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) 182-500-0030, 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:

- (1) Placing the patient's health in serious jeopardy;
- (2) Serious impairment to bodily functions; or
- (3) Serious dysfunction of any bodily organ or part.

Washington Administrative Code (WAC) 388-438-0115 states:

- (11) 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:
 - (d) The department's health and recovery services administration 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
 - (e) The person's qualifying emergency medical condition is treated in one of the following hospital settings:
 - (iii) Inpatient;
 - (ii) Outpatient surgery;
 - (iv) Emergency room services, which must include an evaluation and management (E&M) visit by a physician; or
 - (f) Involuntary Treatment Act (ITA) and voluntary inpatient admissions to a hospital psychiatric setting that are authorized by the department's inpatient mental health designee (see subsection (5) of this section).
- (12) 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:
 - (c) By a physician in his office or in a clinic setting immediately prior to the transfer to the hospital, resulting in a direct admission to the hospital; and
 - (d) During the specific emergency room visit, outpatient surgery or inpatient admission. These services include, but are not limited to:
 - (viii) Medications;
 - (ix) Laboratory, X ray, and other diagnostics and the professional interpretations;
 - (x) Medical equipment and supplies;
 - (xi) Anesthesia, surgical, and recovery services;
 - (xii) Physician consultation, treatment, surgery, or evaluation services;
 - (xiii) Therapy services;

- (xiv) Emergency medical transportation; and
 - (viii) Nonemergency 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.
- (13) The department will cover admissions to an LTAC facility or an inpatient PM&R unit if:
- (d) The original admission to the hospital meets the criteria as described in subsection (1) of this section;
 - (e) The person is transferred directly to this facility from the hospital; and
 - (f) 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).
- (14) 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, drugs, devices, and drug-related supplies listed in WAC 388-530-2000, prescribed on the same day and associated with the qualifying visit or service (as described in subsection (1) of this section) will be covered for a one-time fill and retrospectively reimbursed according to pharmacy program rules.
- (15) Medical necessity of inpatient psychiatric care in the hospital setting must be determined, and any admission must be authorized by the department's inpatient mental health designee according to the requirements in WAC 388-550-2600.
- (16) There is no precertification or prior authorization for eligibility under this program. Eligibility for the AEM program does not have to be established before an individual begins receiving emergency treatment.
- (17) 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. The exception for pharmacy services is also applicable as described in subsection (4) of this section.
- (c) For inpatient care, the certification 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.
 - (d) For an outpatient surgery or emergency room service the certification is only for the date of service. If the person is in the hospital overnight, the certification will be the admission date through the discharge date. Upon release from the hospital, the person is no longer eligible for coverage.
- (18) Under this program, any visit or service not meeting the criteria described in subsection (1) of this section is considered not within the scope of service categories as described in WAC 388-501-0060. This includes, but is not limited to:
- (e) 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:
 - (iv) Laboratory X ray, or other diagnostic procedures;
 - (ii) Physical, occupational, speech therapy, or audiology services;
 - (v) Hospital clinic services; or
 - (vi) Emergency room visits, surgery, or hospital admissions.
 - (f) Any services provided during a hospital admission or visit (meeting the criteria described in subsection (1) of this section), which are not related to the treatment of the qualifying emergency medical condition;
 - (g) Organ transplants, including preevaluations, post operative care, and anti-rejection medication;
 - (h) Services provided outside the hospital settings described in subsection (1) of this section, including but not limited to:
 - (vi) Office or clinic-based services rendered by a physician, an ARNP, or any other licensed practitioner;
 - (vii) 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) Nonemergency medical transportation;
 - (xvi) Interpreter services; and
 - (xvii) Pharmacy services, except as described in subsection (4).
- (19) The services listed in subsection (8) of this section are not within the scope of service categories for this program and therefore the exception to rule process is not available.
- (20) 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.

12-47 The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

From July 2011 through June 2012, the state paid more than \$1.37 billion to managed care organizations, an increase of more than \$34 million over the previous year. During this period, the number of Medicaid clients enrolled in managed care programs increased by more than 15,000 *and the average premium paid was \$169.10.*

The Health Care Authority 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 Authority, including the cost of the services and demographic, diagnostic and geographic data.

The Authority contracts with an actuary to analyze this data to use in developing capitation rates. In general, the rate is higher for plans which include more seriously ill people.

In a report dated August 4, 2010, CMS's Oversight of States' Rate Setting Needs Improvement, 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 rates are appropriate. In fiscal years 2003 through 2011, we reported concerns regarding the Authority's lack of review of the accuracy of data received from providers that it uses to determine the rates in this state.

Description of Condition

We found the Authority 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. It has an actuarially sound process for calculating rates; however, actuarial certification does not ensure the underlying data is reliable. If underlying data used is inaccurate or incomplete, it could result in inaccurate rates.

Cause of Condition

The Authority does not agree with the finding and believes controls at managed healthcare providers and third parties are sufficient to ensure data used in the rate-setting process is accurate and complete. Specifically, the Authority cites:

- The actuary's comparisons of data to managed healthcare providers' financial statements and prior year data.
- Fraud and abuse controls at the healthcare providers to prevent fraud.

- Centers for Medicare and Medicaid Services (CMS) rate-setting process reviews.
- CMS approved its rates.

The controls the Authority cites are not specifically designed to verify the accuracy and completeness of the data, and therefore cannot be relied on to achieve that objective.

Effect of Condition

The Authority is increasing the risk that rates paid to providers are inaccurate.

Recommendation

We recommend the Authority establish and follow controls to provide reasonable assurance that data used in rate-setting is accurate and complete.

Authority's Response

The Authority continues to disagree with this finding but will take the following actions in an effort to resolve the repeat findings on this issue.

- *HCA will use encounter data submitted from the Managed Care Organizations (MCOs) for the next rate-setting activities. The MCOs will no longer submit encounter data directly to HCA's actuary.*
- *With the implementation of a new Medicaid payment system and a new Fraud and Abuse Detection System, Washington Medicaid has launched a Managed Care Program Integrity Initiative. The purpose of the initiative is to assess the quality and completeness of encounter data provided by MCOs and to conduct analyses that identify potential fraud, waste and abuse. If encounter data problems are identified, HCA will prepare a report with actionable information for the plans. Subsequent encounter data validation runs will determine the MCOs' progress in remediating the identified issues.*
- *The Health Care Authority is also participating with the SAO in the performance audit of the MCOs.*

Auditor's Remarks

We thank the Authority for its response. Without reviewing the accuracy and completeness of data used to set managed care rates, the Authority cannot ensure the rates are appropriate. We re-affirm our finding.

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.
- (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 456.3 states, in part:

The Medicaid agency must implement a statewide surveillance and utilization control program that –

1. a. Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payments.

Title 42 CFR 438.6 Contract requirements, states in part:

- (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.

12-48 The Health Care Authority did not complete the required automatic data processing (ADP) risk analysis and system security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	ADP Risk Analysis and System Security Review
Questioned Cost Amount:	None

Background

The Medicaid program is highly dependent on extensive and complex computer systems that include controls for ensuring the proper payment of Medicaid benefits. Federal law requires the state to establish and maintain a program for conducting periodic risk analyses to ensure appropriate, cost effective safeguards are incorporated into new and existing systems. The state is required to perform risk analyses whenever significant system changes occur. On a biennial basis the state is also required to review the Automatic Data Processing (ADP) system security of installations involved in the Medicaid program. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices.

The ProviderOne system, the State of Washington new Medicaid Management Information System, went live in May 2010. It replaces a 32-year-old payment system for Medicaid, a shared state-federal health program that serves low-income parents, children, seniors and people with disabilities. The new system software, built by Rockville, Md.-based CNSI, handles millions in payments for medical and nursing home care to thousands of health care providers, including doctors and pharmacies. The federal government is paying for 90 percent of the cost of implementing the system and is expected to pick up roughly 75 percent of its operating costs.

The state Medicaid program spent more than \$7.9 billion during fiscal year 2012, more than \$4.2 billion of which was federal dollars.

Description of Condition

We performed general and application control review of the ProviderOne system to determine if the Authority maintained adequate controls to:

- Provide assurance that data input and processed is valid, accurate and complete.
- Limit individuals to only the electronic access necessary to perform their assigned job duties.
- Reduce risk of damage, loss and unauthorized use or modification of resources.

During our testing we identified the following significant deficiencies that could affect the state's ability to safeguard Medicaid program assets. These deficiencies also increase the risk of misuse, loss or misappropriation of related funds:

- The Authority does not have assurance the vendor has effective controls to protect the ProviderOne system from unauthorized changes.

- The Authority does not have assurance the vendor has effective controls to safeguard ProviderOne data files.
- User access privileges were not restricted to ensure separation of incompatible duties.
- Disaster recovery procedures have not been tested in more than three years.

Cause of Condition

The Authority did not complete an ADP risk analysis and system security reviews of the ProviderOne system as required by federal law.

Effect of Condition

The ProviderOne system is vulnerable to unauthorized access and could allow unauthorized or erroneous entries into ProviderOne without Authority knowledge or oversight. Also, The Authority cannot assure that the ProviderOne system is adequately safeguarding program assets and maintaining program integrity.

Recommendation

We recommend the Authority:

- Conduct the required ADP risk analysis and system security reviews of the ProviderOne system.

We also recommend the Authority take immediate action and:

- Obtain assurance the vendor has effective controls to protect the ProviderOne system from unauthorized changes.
- Establish controls to ensure all program changes promoted to production are authorized.
- Obtain assurance the vendor has effective controls to safeguard data files.
- Perform a thorough review of user access privileges to ensure separation of incompatible duties.
- Continuously monitor user access privileges to ensure access remains restricted to only those functions needed by users to perform their assigned duties.
- Perform annual testing of disaster recovery procedures.

Authority's Response

The Health Care Authority partially agrees with this finding. The agency considers the safeguarding of personally identifiable and protected health information a top priority and has the required controls in place. However, HCA agrees that additional independent review will strengthen the agency's ability to ensure that its vendor has effective controls in place.

Per OMB Circular A-133, Compliance Supplement, the agency is required to perform the following: States are required to establish a security plan for ADP systems that includes policies and procedures to address:

- (1) physical security of ADP resources,*
- (2) equipment security to protect equipment from theft and unauthorized use,*
- (3) software and data security;*
- (4) telecommunications security;*
- (5) personnel security;*
- (6) contingency plans to meet critical processing needs in the event of short or long-term interruption of service;*
- (7) emergency preparedness;*
- (8) designation of an agency ADP security manager.*

State agencies must establish and maintain a program for conducting periodic risk analyses to ensure appropriate, cost-effective safeguards are incorporated into new and existing systems.

For ADP assets under its direct control, the Health Care Authority has implemented security controls consistent with the Washington State Office of the Chief Information Officer (OCIO) Security Standard 141.10, OMB Circular A-133, the HIPAA Security Rule, and other guiding and regulatory documents.

Examples of controls include, but are not limited to the following:

- Utilizing CTS services to secure its network perimeter;
- Implementing user device endpoint protection to guard against malware and other threats;
- Encrypting confidential data where appropriate;
- Developing applications which protect against common exploits;
- Actively managing user access controls;
- Implementing password standards consistent with OCIO requirements;
- Responding appropriately to security incidents.

For assets not under direct HCA control, such as those managed by the ProviderOne vendor, the Health Care Authority has received verbal and written documentation that indicates compliance with the above requirements. Examples of controls include, but are not limited to:

- Vendor conducts both internal and third-party security assessments annually;
- Extensive background checks are conducted on employees;
- Employees attend mandatory HIPAA, ePHI and security awareness training;
- Data entering or exiting the vendor facility is encrypted using SSL or SFTP;
- HCA hardware and data are physically segregated from other customers.
- The ProviderOne Technical Library provides extensive documentation of ProviderOne design and operations, including security components.

In the Description of Condition section, SAO notes the identification of four significant deficiencies that could affect the state's ability to safeguard Medicaid program assets. HCA previously provided a response to these four findings. The responses may be found in the Washington State Auditor's Special Audit Report "Health Care Authority ProviderOne" number 1008984. For easy reference, the findings and HCA responses are copied below.

Previous audit findings and the agency's responses:

1. PREVIOUS FINDING: The Authority does not have assurance the vendor has effective controls to protect the ProviderOne system from unauthorized changes.

Agency's Response

The Health Care Authority does not concur with the finding statement but agrees that additional independent review will strengthen the agency's ability to ensure that the vendor has effective controls in place.

HCA recognizes the significance and the priority of internal controls and takes its responsibility seriously. HCA has a robust set of Change Control processes in place that control both internal system changes and vendor changes. HCA believes that the Change Control processes in place minimize the likelihood of unauthorized alterations and errors and adequately provide for the analysis, implementation and testing of all changes requested and implemented. The HCA asserts that the Change Control processes in place meet Best Practice standards and are effective in the prevention of unauthorized changes to ProviderOne production programs. The processes include control of documentation and authorization of all change requests, impact assessments, change logs, release management, configuration management and version control.

HCA believes that the Certification process conducted by the federal Centers for Medicare and Medicaid Services (CMS) documented that sufficient internal controls are in place. ProviderOne was implemented in May 2010 and was successfully certified by the federal Centers for Medicare and Medicaid Services (CMS) in July 2011, with no weaknesses cited. The CMS Certification Review is a comprehensive review of system criteria that includes over 600 Review Criteria, including a review of financial and internal application control

components. In addition to state-prepared documentation for each of the Review Criteria, a team of 7 CMS reviewers with expertise on specific system components were on-site for a week to conduct the review. The On-site Certification Team reviewed prepared documentation prior to their arrival, interviewed staff, and performed additional verification by actual system interaction and testing. The federal certification process is very comprehensive in nature, using proven, standardized testing methodologies that allow the federal government to validate their 90% funding of the development and implementation of the system and 75% of operational funding. Washington's ProviderOne certification was the first in the country to achieve federal certification without a single finding from the federal certification team.

While robust change control processes are in place, HCA also recognizes the value of an independent audit of internal system controls. While neither expected nor required by the federal government for any Medicaid payment system, to strengthen HCA's ability to monitor vendor controls, Washington State has now added a requirement for external audit to the ProviderOne vendor contract. This will be implemented in phases and once complete, will provide HCA with additional independent assurance of effective vendor controls.

2. PREVIOUS FINDING: The Authority does not have assurance the vendor has effective controls to safeguard ProviderOne data files.

Agency's Response

The Health Care Authority does not concur with the finding statement but agrees that additional independent review will strengthen HCA's ability to ensure that its vendor has effective controls in place to safeguard ProviderOne data files.

The HCA recognizes the necessity of effective data file safeguards. During ProviderOne implementation, the State reviewed and approved CNSI's Database Security Procedures, and conducted a physical inspection of the Data Center to ensure that system software, application and data files met all security standards. In addition, audit trails maintain a record of all system and database activity to ensure that the database has not been modified outside of authorized processes. The HCA asserts that the Database procedures in place meet Best Practice standards.

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3. PREVIOUS FINDING: User access privileges were not restricted to ensure separation of incompatible duties.

Agency's Response

The Health Care Authority partially concurs with this finding. While ProviderOne user security profiles were established and thoroughly reviewed prior to implementation, we agree that assessing the compliance and operating effectiveness of existing controls are necessary on an ongoing basis. HCA is currently outlining a set of Enterprise Security Principles on which to base decisions related to separation of duties and will follow with development of an internal annual process for review of user security profiles.

It should be noted that SAO provided HCA with the same recommendation and associated details at the conclusion of a 2011 ProviderOne Review. HCA reviewed all of the profile combinations that were noted as incompatible, and provided SAO with a list of completed resolutions in the spring of 2012. HCA believes that the establishment of appropriate balance between user needs and security requires a careful analysis of the criticality and sensitivity of information resources available and the tasks performed by users. There are some combinations of user security profiles that have been assessed by HCA as low risk and due to resource constraints, are impractical to maintain a separation of duties.

4. PREVIOUS FINDING: Disaster recovery procedures have not been tested in more than three years.

Agency's Response

The Health Care Authority concurs with the finding and notes that annual Disaster Recovery testing was completed prior to HCA's receipt of this finding. The agency will continue to take corrective actions to ensure that ongoing annual Disaster Recovery testing timelines are monitored and met.

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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 45 CFR 95.621 ADP reviews, states in part:

The Department will conduct periodic onsite surveys and reviews of State and local agency ADP methods and practices to determine the adequacy of such methods and practices and to assure that ADP equipment and services are utilized for the purposes consistent with proper and efficient administration under the Act. Where practical, the Department will develop a mutually acceptable schedule between the Department and State or local agencies prior to conducting such surveys or reviews, which may include but are not limited to:

- (a) *Pre-installation readiness.* A pre-installation survey including an onsite evaluation of the physical site and the agency's readiness to productively use the proposed ADP services, equipment or system when installed and operational.
- (b) *Post-installation.* A review conducted after installation of ADP equipment or systems to assure that the objectives for which FFP was approved are being accomplished.
- (c) *Utilization.* A continuing review of ADP facilities to determine whether or not the ADP equipment or services are being efficiently utilized in support of approved programs or projects.

- (d) *Acquisitions not subject to prior approval.* Reviews will be conducted on an audit basis to assure that system and equipment acquisitions costing less than \$200,000 or acquisitions exempted from prior approval were made in accordance with Part 92 and the conditions of this subpart and to determine the efficiency, economy and effectiveness of the equipment or service.
- (e) *State Agency Maintenance of Service Agreements.* The State agency will maintain a copy of each service agreement in its files for Federal review.
- (f) *ADP System Security Requirements and Review Process* —(1) *ADP System Security Requirement .* State agencies are responsible for the security of all ADP projects under development, and operational systems involved in the administration of HHS programs. State agencies shall determine the appropriate ADP security requirements based on recognized industry standards or standards governing security of Federal ADP systems and information processing.
- (2) *ADP Security Program.* State ADP Security requirements shall include the following components:
 - (i) Determination and implementation of appropriate security requirements as specified in paragraph (f)(1) of this section.
 - (ii) Establishment of a security plan and, as appropriate, policies and procedures to address the following area of ADP security:
 - (A) Physical security of ADP resources;
 - (B) Equipment security to protect equipment from theft and unauthorized use;
 - (C) Software and data security;
 - (D) Telecommunications security;
 - (E) Personnel security;
 - (F) Contingency plans to meet critical processing needs in the event of short or long-term interruption of service;
 - (G) Emergency preparedness; and,
 - (H) Designation of an Agency ADP Security Manager.
 - (iii) Periodic risk analyses. State agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur.
- (3) *ADP System Security Reviews* State agencies shall review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices.
- (4) Costs incurred in complying with provisions of paragraphs (f)(1)–(3) of this section are considered regular administrative costs which are funded at the regular match rate.
- (5) The security requirements of this section apply to all ADP systems used by State and local governments to administer programs covered under 45 CFR part 95, subpart F.
- (6) The State agency shall maintain reports of their biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site review.

The Office of Financial Management's *State Administrative and Accounting Manual* (SAAM), states in part: Section 20.10.20 Authority for these policies:

The Budget and Accounting Act is found in Chapter 43.88 RCW. Section 43.88.160 (4) requires that the director of the Office of Financial Management (OFM), as an agent of the governor:

Develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies for accounting and financial controls. The system developed by the director shall include criteria for determining the scope and comprehensiveness of internal controls required by the classes of agencies, depending on the level of resources at risk. Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the Institute of Internal Auditors

Section 20.15.40.e Monitoring:

An agency's internal control is most effective when there is a proper monitoring control environment, results are prioritized and communicated, and weaknesses are corrected and followed up on as necessary.

12-49 The Health Care Authority does not comply with the data-sharing requirements of 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:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
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 Health Care Authority (Authority) 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 Authority 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 Authority. 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 and save scarce public resources.

In our past four audits, 2008 through 2011, we reported findings regarding the Authority’s noncompliance with the federal Deficit Reduction Act of 2005 and the state law.

The state had Medicaid expenditures of approximately \$7.9 billion in fiscal year 2012.

Description of Condition

The Authority has not performed the semi-annual data share with insurers as required by the federal Deficit Reduction Act of 2005 and State law.

Cause of Condition

The Authority does not have a process in place to share data on a semi-annual basis with insurers as required by the federal Deficit Reduction Act of 2005 and State law. The Authority believed it met the intent of the requirements of state law and federal regulation through work it performed.

Effect of Condition

When Medicaid-eligible individuals with third-party liability coverage are not identified, the Authority is paying claims that should have been paid by liable third parties, placing millions of state and federal dollars at risk for being inappropriately paid.

Recommendation

We again recommend the Authority complete all necessary steps to establish processes to provide routine and periodic computerized information to health insurers regarding client eligibility and coverage information and receive joint beneficiary information in order to better identify all third parties liable for Medicaid beneficiary claims.

Agency's Response

The Authority continues to disagree with this finding.

The Authority maintains that it is in compliance with the Deficit Reduction Act of 2005 (DRA) and applicable state law. The Authority 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 Authority is taking the following steps to enhance its recovery effort:

- Submitted a system change request to incorporate a tool that the federal Centers for Medicare and Medicaid Services (CMS) has identified for DRA data exchange requirements. This activity could not be pursued until CMS issued its guidance in June 2010. The Authority will implement the change request based on prioritization against all other system change requests in their order of importance.*
- The Authority's position on compliance was further 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 Authority could explore to enhance its cost avoidance and recovery. As a result of this review, the Authority entered into a contract with HMS to strengthen and improve its efforts in the area of TPL recoveries as HMS provides for enhanced data-matching to better identify a client's medical insurance coverage. The contracted activities include: conducting electronic data exchanges with health insurers, and verifying and updating the insurance eligibility of Medicaid recipients for billing liable third parties on behalf of the Authority.*

Although the Authority has been in compliance with the DRA since it was passed into law in April 2007, the above actions demonstrate how the Authority continues to improve ways to share Medicaid information with health insurers so the state is not paying for claims that should have been paid by a liable third party.

The condition noted in this finding was previously reported in finding 10-40

Auditor's Remarks

We thank the Authority for its response. However, it does not conduct the semi-annual data share with insurers as required by state law. We reaffirm our finding.

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Title 42, United States Code, Part 1396a(a)(25) indicates that a State plan for medical assistance must “provide”:

- (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 U.S.C. 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 1396o of this title), or (ii) in an amount which exceeds the lesser of (I) the amount which may be collected under section 1396o of this title, or (II) the amount by which the amount payable for that service under the plan (disregarding section 1396o 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 [29 U.S.C. 1167(1)], 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 subchapter 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 [29 U.S.C. 1167(1)]), 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 section 1396a(e)(13)(D) of this title) for, or are provided, medical assistance under the State plan under this subchapter (and, at State option, child health assistance under subchapter XXI), 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 authority and accept the authority'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 health care authority and health insurers to ensure that medical insurance benefits are properly utilized, a transfer of information between the authority and health insurers should be instituted, and the process for submitting requests for information and claims should be simplified.

RCW 74.09A.020 states:

Computerized information — Provision to health insurers.

1. The authority 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 authority. The authority 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 authority. The authority 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 authority 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 authority programs.
5. The frequency of updates will be mutually agreed to by each health insurer and the authority based on frequency of change and operational limitations. In no event shall the computerized data be provided less than semiannually.
6. The health insurers and the authority 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 authority shall target implementation of this section to those health insurers with the highest probability of joint beneficiaries.

12-50 The Health Care Authority did not adequately monitor subrecipients to ensure Medicaid Administrative Match expenditures are allowable and subrecipients obtained federal compliance audits.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Subrecipient Monitoring
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 Health Care Authority (HCA) administers the Medicaid program in Washington State. HCA operates the Medicaid Administrative Match (MAM) program, which contracts with governmental entities across the state, such as school districts and local health jurisdictions, to conduct activities to support program goals. These activities include Medicaid outreach and education, identifying children and families who may be eligible and helping people with the application process.

HCA reimburses school districts and local health jurisdictions for staff costs associated with these activities. These entities participate in time studies to determine the amount to be charged to Medicaid. The Centers for Medicare and Medicaid Services (CMS) approves the time study methodology used by school districts and local health jurisdictions.

When grant funds are passed through to school districts and local health jurisdictions, HCA is required to ensure school districts and local health jurisdictions that spend \$500,000 or more in federal awards during the fiscal year receive an audit in accordance with the federal requirements (U.S. Office of Management and Budget Circular A-133). HCA also is required to follow up on audit findings within six months of receipt of the audit report and monitor school districts and local health jurisdictions to ensure that they take appropriate and timely corrective action on all audit findings.

The state Medicaid program paid more than \$69 million in federal funding to subrecipients during fiscal year 2012, approximately \$36 million of which went directly to participants of the MAM program. Sixty-eight school districts and 15 local health jurisdictions spent the majority of the funds, \$16.8 million and \$19.2 million respectively.

Description of Condition

The accuracy of Medicaid Administrative Match (MAM) claims depends on the accuracy of the expenditures reported and time study results. In our prior audit, we found the Authority did not adequately monitor subrecipients to ensure MAM expenditures are allowable and supported. To improve oversight, the Authority added a fiscal component to its on-site subrecipient monitoring activities of schools and local health jurisdictions. In our current audit, however, we noted that the weakness we identified during our prior audit still exists.

Additionally, the Authority did not verify whether subrecipients obtained federal compliance audits during fiscal year 2012.

Cause of Condition

The new fiscal monitoring procedures were not fully in place during fiscal year 2012.

Also, prior to fiscal year 2012, the Department of Social and Health Services administered the Medicaid program and verified completion of federal compliance audits centrally for all its subrecipients. The Authority does not yet have a verification process.

Effect of Condition

By not verifying the allowability and accuracy of the expenditures, the Authority risks reimbursing subrecipients for expenditures that may be unsupported and unallowable.

The failure to verify the audit status of subrecipients increases the risk that subrecipients may not obtain required audits or that the Authority would not take timely and appropriate corrective action on audit findings.

Recommendation

We recommend the Authority perform fiscal monitoring of school districts and local health jurisdictions to ensure costs reimbursed within the MAM program are supported and allowable.

We also recommend the Authority verify the completion of federal compliance audits for all its subrecipients.

Authority's Response

HCA agrees with the finding and is implementing the following corrective actions.

To improve oversight, the Medicaid Administrative Match program added a fiscal component to its monitoring of school districts and local health jurisdictions. Beginning June 1, 2012 the fiscal monitoring activity includes the following: For the timeframe monitored, HCA uses a random sampling process to select time study participants. HCA compares the actual salaries and benefits of those selected through this process to salaries and benefits claimed for those participants. HCA also reviews direct and indirect claimed costs for the same period monitored.

HCA agrees with the finding related to obtaining required audits and taking needed appropriate corrective action on audit findings.

Effective November 2012 all contract monitoring tools have been updated to include this requirement as part of the HCA onsite/desk monitoring process. Additionally, one staff member has been assigned the task of tracking receipt of needed audits from subrecipients, reviewing and ensuring audit findings are addressed.

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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.

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:
 - (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, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:
Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

- *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.

Monitoring activities normally occur throughout the year and may take various forms, such as:

- *Reporting – Reviewing financial and performance reports submitted by the subrecipient.*
- *Site Visits – Performing site visits at the subrecipient to review financial and programmatic records and observe operations.*
- *Regular Contact – Regular contacts with subrecipients and appropriate inquiries concerning program activities.*

OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225) Appendix B states in part:

8. Compensation for personal services.

- 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 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.

OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* (2 CFR 225); Appendix 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.

12-51 The Health Care Authority does not perform the federally required retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Utilization Control and Program Integrity
Questioned Cost Amount:	None

Background

Medicaid is a state and federal partnership that provides health insurance for certain low-income individuals who might otherwise go without medical care. This coverage includes paying for prescription drugs. The Authority paid more than \$422 million to pharmacies for services to Medicaid clients in fiscal year 2012.

The Authority's point-of-sale system 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 Authority 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. As a Medicaid administrator, the Authority 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. This requirement may be satisfied by activities completed within the federally required surveillance and utilization review program.

Description of Condition

In our audits for fiscal years 2008 through 2011, we reported concerns regarding the Authority's noncompliance with federal law that requires a retrospective drug use review of pharmaceutical claims data at least quarterly.

During our current audit, we requested any review and analysis of pharmaceutical claims data performed by the Authority during fiscal year 2012. The Authority performed one analysis related to pharmacy claims in March 2012. The analysis identified duplicate payments occurring days apart, which resulted in overpayments totaling \$308,362.14 to 286 providers.

This analysis is the only retrospective drug use review of pharmaceutical claims data the Authority performed in fiscal year 2012. The federal law requires the state Medicaid program to perform a retrospective drug use review of pharmaceutical claims data at least quarterly.

Cause of Condition

Authority management believes that its Office of Program Integrity has performed ongoing, periodic reviews of pharmaceutical claims data to identify potential Medicaid fraud, waste or abuse. However, the Office of Program Integrity did not analyze pharmaceutical claims data quarterly, as required.

Effect of Condition

The Authority did not comply with the requirement. Because the Authority is not analyzing pharmaceutical claim data and other records on a regular basis to identify patterns of fraud, abuse, or misuse of Medicaid funds, there is an increased risk these situations could occur and not be detected in a timely manner, if at all.

Recommendation

We again recommend the Authority comply with federal law and perform a retrospective drug use review of pharmaceutical claims data at least quarterly.

Authority's Response

The agency continues to disagree with this finding.

*The Health Care Authority performs ongoing periodic review of pharmaceutical claims data to identify fraud, waste, or abuse which satisfies federal requirements. The agency performs claim review and analysis in multiple offices including but **not** limited to the Office of Program Integrity (OPI) mentioned in Description and Cause of Condition. Health Care Authority does not assert that the claims analysis performed by OPI satisfies federal conditions on its own. Analysis performed in OPI, by the Quality Management Team, and the Patient Review and Coordination program work together to satisfy federal requirements.*

The State Auditor's Office (SAO) was provided with information in October 2012 detailing three claim review and analysis algorithms performed by OPI during SFY 2012. Two of these three are not mentioned in this finding despite their details having been submitted to SAO. Additional analyses were performed by OPI during SFY 2012 that were not detailed for the SAO, because they did not result in opportunities for recoupment (i.e., additional reviews were performed which looked for, but did not find significant fraud, waste, abuse, or billing errors).

In addition to the work of OPI, the agency's Quality Management Team performed 175 claim analyses of individual prescribers in FFY 2012, and the Patient Review and Coordination program performed 4,249 individual client claim analyses.

The Health Care Authority is very interested in working with the SAO to provide additional information or clarification so as to eliminate this repeat audit finding in the future.

Auditor's Remarks

We thank the Authority for its response.

We received information in October 2012 regarding claim reviews and analysis algorithms performed by OPI. A total of five algorithms were received but only one analysis algorithm occurred during SFY 2012. Of the remaining four analysis algorithms received, three were completed after SFY 2012 and one was completed prior to SFY 2012.

We will continue to work with and discuss this finding with the Authority during our next audit period.

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.
- (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 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 456.714 states:

- (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.

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 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 states:

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, states:

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 beneficiary. This resolution may include but is not limited to—
 - (1) Sending a warning letter to the provider or beneficiary, 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) 182-530-4050, 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).

12-52 The Health Care Authority cannot be sure it is properly claiming Children’s Health Insurance Program (CHIP) funds.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

In Washington, Medicaid and the Children’s Health Insurance Program (CHIP) provide medical assistance for children through age 18 who reside in certain low-income households. Both are jointly financed by the state and federal government. The state spent approximately \$7.9 billion for the Medicaid program and \$106 million for the Children’s Health Insurance Program during fiscal year 2012. The state is reimbursed for approximately 65 percent of its CHIP expenditures and 50 percent of Medicaid expenditures.

Medicaid expenditures for children who reside in households with income between 133 percent and 200 percent of the Federal Poverty Level are eligible for additional CHIP funding. If the Medicaid costs already have been claimed and reimbursed, the state still can claim and be paid for up to the CHIP allotment the difference between the Medicaid and CHIP rates.

In state fiscal year 2012, the Authority claimed \$10.5 million in CHIP money based on the eligibility of children in the Medicaid program.

Description of Condition

Federal regulations say the same income criteria used to determine eligibility for Medicaid clients should be used to identify Medicaid expenditures eligible for additional CHIP funds. The Authority uses net income to determine eligibility for the Medicaid program.

In our audits for fiscal years 2010 and 2011, we recommended the Authority develop and follow adequate controls to correctly identify Medicaid expenditures that are eligible for CHIP. During the current audit, we found the Authority still incorrectly used gross income rather than net income to determine CHIP eligible Medicaid clients.

Cause of Condition

The Authority has not taken action to address this recommendation from our previous audits.

Effect of Condition

When incorrect income criteria is used, the Authority cannot ensure Medicaid expenditures it used to claim \$10.5 million CHIP allotment were eligible for the higher reimbursement rate.

Recommendation

We again recommend the Authority:

- Ensure correct income criteria is used in determining Medicaid children who are eligible for additional CHIP funds.
- Review CHIP funds claimed and work with the U.S. Department of Health and Human Services to determine if any costs charged to CHIP funds must be refunded.

Authority's Response

The Health Care Authority agrees with the finding and is taking the following corrective actions:

The agency has developed a report using data from the Medicaid Management Information System to identify claims by Recipient Aid Category (RAC) and Federal Poverty Level (FPL) based on net income. The report will be implemented for SFY13 beginning with the quarterly transfer for July-September 2012, which will be processed in January 2013.

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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.

Sec. 2105. [42 U.S.C. 1397ee] Payments states in part:

- (g) Authority for qualifying states to use certain funds for Medicaid expenditures.—
 - (1) State option.—
 - (A) In general.—Notwithstanding any other provision of law subject to paragraph (4), a qualifying State (as defined in paragraph (2)) may elect to use not more than 20 percent of any allotment under section 1397dd of this title for fiscal year 1998, 1999, 2000, 2001, 2004, 2005, 2006, 2007, or 2008 (insofar as it is available under subsections (e) and (g) of such section) for payments under subchapter XIX of this chapter in accordance with subparagraph (B), instead of for expenditures under this subchapter .
 - (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 subchapter XIX of this chapter with respect to expenditures described in clause (ii) if the enhanced FMAP (as determined under subsection (b) of this section) had been substituted for the Federal medical assistance percentage (as defined in section 1396d(b) of this title).
 - (ii) Expenditures described.—For purposes of this subparagraph, the expenditures described in this clause are expenditures, made after August 15, 2003, and during the period in which funds are available to the qualifying State for use under subparagraph (A), for

medical assistance under subchapter XIX of this chapter 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 1396a(a)(10)(A) of this title or, in the case of a State that has a statewide waiver in effect under section 1315 of this title with respect to subchapter XIX of this chapter 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 1315 of this title with respect to subchapter XIX of this chapter 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 1315 of this title with respect to subchapter XIX of this chapter 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 1396a(a)(10)(A) of this title or a statewide waiver in effect under section 1315 of this title with respect to subchapter XIX of this chapter 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 subchapter.
- (4) Option for allotments for fiscal years 2009 through 2015.—
 - (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 1397dd of this title for any of fiscal years 2009 through 2015 (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 subchapter 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 1396d(b) of this title).
 - (B) Expenditures described.—For purposesgraph (A), the expenditures described in this subparagraph are expenditures made after February 4, 2009, 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 subchapter 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 subchapter 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.

12-53 The Health Care Authority's inadequate internal controls over claims for dental services led to more than \$648,000 in overpayments to providers.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	\$324,237

Background

Medicaid is a jointly funded state and federal partnership providing coverage for certain low-income individuals who otherwise might go without medical care. The state Medicaid program spent more than \$7.9 billion during fiscal year 2012. More than \$4.8 billion of that relates to activities of the Health Care Authority (Authority), of which more than \$4.4 billion was paid directly to providers.

States are required to provide dental benefits to children covered by Medicaid, but states choose whether to provide dental benefits for adults. The State of Washington only provides non-emergency dental care for Medicaid-eligible adults with developmental disabilities, long-term care patients, and pregnant women.

In fiscal year 2012, the Authority paid approximately \$237 million for dental services.

Description of Condition

The Medicaid claim adjudication and payment process is highly automated. The Authority relies heavily on internal controls within the ProviderOne payment system to identify and deny claims when charges are unallowable or billed improperly by dental providers. During our testing we found the internal controls within the system were not effective to prevent unallowable claims from being paid.

Cause of Condition

For some dental services, we found the covered amount was not consistent between Washington Administrative Code (Code) and the Authority's Medicaid provider guide. For example:

- Section 182-535-1082(2)(b) of the Code states that the Authority will cover up to two topical fluoride treatments for clients from seven to eighteen years of age in a twelve month period.
- In contrast, the Medicaid provider guide states it will cover up to two topical fluoride treatments for clients from seven to eighteen years of age in a twelve month period, **per provider or clinic**.

This difference, while subtle, is significant because the internal controls the Authority has designed within the ProviderOne system to detect and prevent unallowable payments apply the coverage limitations of the provider guide and not the Code.

We also found instances when the automated controls within the ProviderOne system did not prevent unallowable payments described in both the Code and the Authority's provider guide. For example, when providers billed for

some claims with expedited authorization numbers, the system's controls were overridden and resulted in unallowable claims being paid.

Effect of Condition

We selected the following dental services and performed tests to determine whether the payments made to providers were allowable:

Fluoride Treatments for Children

Medicaid covers up to three applications of fluoride in a year for clients six years of age. For clients between seven and 18 years of age, Medicaid covers up to two applications in a year, unless the client is developmentally disabled. For these clients the program covers up to three applications per client in a year. In fiscal year 2012, claims totaling \$9.7 million were paid for these treatments.

The following table summarizes the number of clients who received more than the allowed number of applications and the amounts overpaid to providers for these claims.

	Clients 6 years of age or less	Clients between 7 and 18 years of age	Totals
Number of clients who received more treatments than covered by Medicaid	5,252	7,387	12,639
Total overpaid to providers	\$155,419	\$125,332	\$280,751

Dental Cleanings (prophylaxis)

Medicaid covers dental cleanings (prophylaxis) once every six-months for clients eighteen years of age or younger and once every twelve months for clients nineteen years of age and older. If the client is developmentally disabled, Medicaid covers up to three cleanings in a twelve month period, regardless of the client's age. In fiscal year 2012, nearly \$14 million in claims were paid to providers for these treatments.

We identified 1,725 claims totaling \$62,214 paid to providers for cleanings that exceeded the allowed number covered by Medicaid.

Dental X-rays

Medicaid covers dental x-rays for children and some adults. Depending on the type of x-ray, the number covered per client per year varies. We reviewed claims for the following types of x-rays:

- Intraoral complete series
- Intraoral occlusal films
- Cephalometric films
- Bitewings

We identified 1,982 claims totaling \$29,890 for x-rays that exceeded more than the allowed number covered by Medicaid.

Oral Evaluation Services

Medicaid covers oral evaluation services, with some restrictions. We reviewed claims for the following services:

- Comprehensive oral evaluations – covered once per client, per provider. In fiscal year 2012, Medicaid paid providers approximately \$5.1 million for these evaluations.
- Periodic oral evaluations – covered once every six months. Also, six months must lapse between the client's comprehensive oral evaluation and first periodic oral evaluation. In fiscal year 2012, Medicaid paid providers approximately \$12 million for these evaluations.

We identified claims totaling \$228,645 where providers were paid for oral evaluation services that exceeded the allowed number covered by Medicaid.

Family Oral Health Education and Limited Visual Oral Assessments

Family oral health education is covered by Medicaid. The Access to Baby and Child Dentistry (ABCD) program has been established (WAC 182-535-1245) to increase access to dental services for Medicaid-eligible clients through the age of five. Claims for family oral health education is limited to one visit per day, per family, up to two visits per child in a 12-month period, per billing provider.

Providers are allowed to bill Medicaid for limited visual oral assessments, up to two per client, per year, per billing provider when the following conditions are met:

- Not performed in conjunction with other clinical oral evaluation services.
- Performed by a licensed dentist or dental hygienist to determine the need for sealants or fluoride treatment and/or when triage services are provided in a setting other than a dental office or dental clinic (school, alternative living facility, etc.).

We found Medicaid made payments for:

- 218 claims, totaling \$2,210 that exceeded the number of limited oral assessments allowed per client, per year, per provider.
- 173 claims, totaling \$1,794 for limited oral assessments that were performed in conjunction with other clinical oral evaluation services.
- 1,558 claims, totaling \$42,970 for family oral health education that was paid for more than twice for the same client by the same provider in fiscal year 2012.

In total, the Authority made payments of \$648,474 for services that were not allowable for reimbursement. We are questioning \$324,237, which is the federal portion¹ of the unallowable payments.

Recommendation

We recommend the Authority:

- Ensure the Medicaid provider guide is consistent with the Code.
- Develop adequate internal controls within its ProviderOne system to detect and prevent improper and unallowable claims submitted by dental providers.
- Recover the \$648,474 in unallowable claims paid to the dental providers.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

Authority's Response

1. *Fluoride treatment for children. The agency agrees that the billing guide, Washington Administrative Code (WAC) and the ProviderOne system are not aligned. It is the agency's intent to allow fluoride with applicable age/annual limits, per client, per provider. The WAC needs to be corrected and no recovery is necessary.*
2. *Dental Cleanings. The agency found system issues that have been corrected, and the agency's Division of Program and Payment Integrity will recoup the overpayments.*
3. *Dental X-rays. The agency agrees that the billing guide and WAC are not aligned with the ProviderOne payment system. It is the agency's intent to pay for necessary diagnostic X-rays per client, per provider. The agency will update the WAC and billing guides, and any payments made outside of these limitations will be identified and recouped by the agency.*

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

4. *Oral Evaluation Services. The agency agrees that there were system issues for most of the overpayments. The agency will update the WAC and billing guide to allow for additional evaluations for clients managed by the Department of Social and Health Services' Aging and Disability Services Administration. (We allow three cleanings per year, thus we should allow a limited evaluation at the same time.)*
5. *Limited Visual Evaluations and Family Oral Health Education. The agency paid both services with a miscellaneous code, and we were unable to set up automated system limitations. However, we now have new codes with edits for the Limited Visual Evaluation as of January 1, 2013, and have set up system limits for both services. The agency has submitted requests to the Office of Payment Integrity to identify overpayments and recoup funds.*
6. *In total, the agency will recoup roughly \$337,833 of overpayments. All other services were paid correctly based on agency intent.*

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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.

The OMB Circular A-133 Compliance Supplement (June 2012), *Part 3 – Compliance Requirements*, states in part:

Improper Payments

Under OMB guidance, Public Law (Pub. L.) No. 107-300, the Improper Payments Information Act of 2002, as amended by Pub. L. No. 111-204, the Improper Payments Elimination and Recovery Act, Executive Order 13520 on reducing improper payments, and the June 18, 2010 Presidential memorandum to enhance payment accuracy, Federal agencies are required to take actions to prevent improper payments, review Federal awards for such payments, and, as applicable, reclaim improper payments. Improper payment means:

5. Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements.
6. Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for the incorrect amount, and duplicate payments).
7. Any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments where authorized by law).
8. Any payment that an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation.

Washington Administrative Code 182-535-1079 states in part:

The agency pays for dental-related services and procedures provided to eligible clients when the services and procedures states in part:

- (a) Are part of the client's dental benefit package;
- (b) Are within the scope of an eligible client's medical care program;

- (c) Are medically necessary;
- (d) Meet the agency's prior authorization requirements, if any;
- (e) Are documented in the client's record in accordance with chapter [182-502](#) WAC;
- (f) Are within accepted dental or medical practice standards;
- (g) Are consistent with a diagnosis of dental disease or condition;
- (h) Are reasonable in amount and duration of care, treatment, or service; and
- (i) Are listed as covered in the agency's rules and published billing instructions and fee schedules.

Washington Administrative Code 182-535-1080 states in part:

Clients described in WAC [182-535-1060](#) are eligible to receive the dental-related diagnostic services listed in this section, subject to coverage limitations, restrictions, and client-age requirements identified for a specific service.

- (1) **Clinical oral evaluations.** The agency covers:
 - (a) Oral health evaluations and assessments.
 - (b) Periodic oral evaluations as defined in WAC [182-535-1050](#), once every six months. Six months must elapse between the comprehensive oral evaluation and the first periodic oral evaluation.
 - (c) Limited oral evaluations as defined in WAC [182-535-1050](#), only when the provider performing the limited oral evaluation is not providing routine scheduled dental services for the client. . . .
 - (d) Comprehensive oral evaluations as defined in WAC [182-535-1050](#), once per client, per provider or clinic, as an initial examination. The agency covers an additional comprehensive oral evaluation if the client has not been treated by the same provider or clinic within the past five years.
 - (e) Limited visual oral assessments as defined in WAC [182-535-1050](#), up to two per client, per year, per provider only when the assessment is:
 - (i) Not performed in conjunction with other clinical oral evaluation services;
 - (ii) Performed by a licensed dentist or dental hygienist to determine the need for sealants or fluoride treatment and/or when triage services are provided in settings other than dental offices or clinics; and
 - (iii) Provided by a licensed dentist or licensed dental hygienist.
- (2) **Radiographs (X rays).** The agency:
 - (c) Covers an intraoral complete series once in a three-year period only if the agency has not paid for a panoramic radiograph for the same client in the same three-year period. The intraoral complete series includes fourteen through twenty-two periapical and posterior bitewings. The agency limits reimbursement for all radiographs to a total payment of no more than payment for a complete series.
 - (e) Covers an occlusal intraoral radiograph once in a two-year period, for clients twenty years of age and younger.
 - (g) Covers a maximum of four bitewing radiographs (once per quadrant) once every twelve months.
 - (h) Covers panoramic radiographs in conjunction with four bitewings, once in a three-year period, only if the agency has not paid for an intraoral complete series for the same client in the same three-year period.
 - (j) Covers cephalometric films once in a two-year period for clients twenty years of age and younger, only on a case-by-case basis and when prior authorized.

Washington Administrative Code 182-535-1082 states in part:

Clients described in WAC [182-535-1060](#) are eligible for the dental-related preventive services listed in this section, subject to coverage limitations and client-age requirements identified for a specific service.

- (1) **Dental prophylaxis.** The agency covers prophylaxis as follows. Prophylaxis:
 - (a) Includes scaling and polishing procedures to remove coronal plaque, calculus, and stains when performed on primary or permanent dentition.

- (b) Is limited to once every:
 - (i) Six months for clients eighteen years of age and younger; and
 - (ii) Twelve months for clients nineteen years of age and older.
- (c) Is reimbursed only when the service is performed:
 - (i) At least six months after periodontal scaling and root planing, or periodontal maintenance services, for clients from thirteen to eighteen years of age; and
 - (ii) At least twelve months after periodontal scaling and root planing, periodontal maintenance services, for clients nineteen years of age and older.
- (d) Is not reimbursed separately when performed on the same date of service as periodontal scaling and root planing, periodontal maintenance, gingivectomy, or gingivoplasty.
- (e) Is covered for clients of the division of developmental disabilities according to (a), (c), and (d) of this subsection and WAC [182-535-1099](#).
- (2) **Topical fluoride treatment.** The agency covers:
 - (a) Fluoride rinse, foam or gel, including disposable trays, for clients six years of age and younger, up to three times within a twelve-month period.
 - (b) Fluoride rinse, foam or gel, including disposable trays, for clients from seven to eighteen years of age, up to two times within a twelve-month period.
 - (c) Fluoride rinse, foam or gel, including disposable trays, up to three times within a twelve-month period during orthodontic treatment.
 - (d) Fluoride rinse, foam or gel, including disposable trays, for clients from nineteen to sixty-four years of age, once within a twelve-month period.
 - (e) Fluoride rinse, foam or gel, including disposable trays, for clients sixty-five years of age and older who reside in alternate living facilities, up to three times within a twelve-month period.
 - (f) Additional topical fluoride applications only on a case-by-case basis and when prior authorized.
 - (g) Topical fluoride treatment for clients of the division of developmental disabilities according to WAC [182-535-1099](#).

Washington Administrative Code 182-535-1099 states in part:

Covered dental-related services for clients of the division of developmental disabilities.

Subject to coverage limitations, restrictions, and client-age requirements identified for a specific service, the agency pays for the dental-related services listed under the categories of services in this section that are provided to clients of the division of developmental disabilities. This chapter also applies to clients of the division of developmental disabilities, regardless of age, unless otherwise stated in this section.

- (1) Preventive services.
 - (a) Dental prophylaxis. The agency covers dental prophylaxis or periodontal maintenance up to three times in a twelve-month period (see subsection (3) of this section for limitations on periodontal scaling and root planing).
 - (b) Topical fluoride treatment. The agency covers topical fluoride varnish, rinse, foam or gel, up to three times within a twelve-month period.

Washington Administrative Code 182-535-1245 states in part:

The access to baby and child dentistry (ABCD) program is a program established to increase access to dental services for medicaid-eligible clients ages five and younger. . .

- (3) The department pays enhanced fees only to ABCD-certified dentists and other department-approved certified providers for furnishing ABCD program services. ABCD program services include, when appropriate:
 - (a) Family oral health education. An oral health education visit:
 - (i) Is limited to one visit per day per family, up to two visits per child in a twelve-month period, per provider or clinic; . . .
 - (b) Periodic oral evaluation, up to two visits per client, per calendar year, per provider or clinic;

12-54 The Health Care Authority does not have adequate controls in place to verify services billed by providers with Medicaid beneficiaries in accordance with federal laws, risking the loss of Medicaid resources.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
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 whether they received services billed by providers. This process is intended to improve program integrity and to identify potential fraud or abuse of the Medicaid program.

The Health Care Authority is responsible for this process, including selecting claims for verification from all eligible claims paid within the last 45 days, sending Medical Services Verification surveys to clients and following up when questions regarding the legitimacy of a claim arise. Federal regulations do not require 100 percent verification; a sampling method may be used. Under federal rule, certain types of claims are exempt from this process.

The Authority sends clients a survey asking if they received the listed services. Authority staff review returned surveys and identify responses that require follow up. Regulations require the Authority to follow up for surveys in which clients indicate they did not receive the service and/or paid for the service listed and conduct a preliminary investigation, if necessary to determine if it has sufficient basis to warrant a full investigation.

If follow-through identifies credible suspicions of fraud or abuse, the Authority is to forward that information to the State Attorney General's Office Medicaid Fraud Control Unit. The Centers for Medicare and Medicaid Services (CMS), which is the federal agency that oversees Medicaid, estimated that improper Medicaid payments were \$19.2 billion across the nation in fiscal year 2012.

The state had Medicaid expenditures of approximately \$7.9 billion in fiscal year 2012, more than \$4.2 billion of which was federal dollars.

Description of Condition

In our prior audit, we reported concerns regarding the Authority's lack of follow-up over medical service verifications. During fiscal year 2011, the Authority sent 34,662 surveys to clients but the number of surveys was substantially reduced to 8,401 in fiscal year 2012. This reduction was intended to enable the Authority to follow-up on returned surveys more effectively.

In 2012 a total of 2,590 (31 percent) were returned to the Authority, 94 of those containing negative responses. During our review of 94 negative responses we found the following:

MSV Conclusions	Adequate follow-ups performed	Investigation Pending	Claims that should be excluded from the survey	Survey forms are not clear	Lack of adequate Follow-Up	Total
Number of MSVs	17	12	20	19	30	98*
Percent of total	17.35%	12.24%	20.41%	19.39%	30.61%	100%

*Four surveys reviewed applied to multiple categories.

We found 17 cases (17 percent) were properly reviewed by staff and 12 cases (12 percent) remained pending at fiscal year end. However, we noted the following related to the remaining 71 percent of cases:

- Twenty surveys were sent to clients containing claims that should have been excluded. Types of excluded claims include those covered by Medicare, confidential claims, and those where Medicaid did not cover any amount of the service.
- *Nineteen surveys were misinterpreted by the client as the surveys did not provide all pertinent information. Surveys were addressed to head of household, but the services listed were related to another beneficiary in the survey household. The head of household then responded that services had not been received since the survey form did not specify the beneficiary of the services listed.*
- The Authority did not perform sufficient follow-up on 30 surveys.
 - Thirteen of these cases were not reviewed due to the survey being written in a foreign language, and no translation services are available to staff.
 - Six were not reviewed as the client could not be contacted immediately.
 - Ten were closed before collecting sufficient information to make a determination.
 - One survey was missing.

Cause of Condition

The Authority management considers the medical service verification process to have limited value. This has resulted in a lack of oversight to ensure survey forms are adequately designed and only appropriate claims are included.

Also, the Authority did not allocate adequate resources to perform a thorough follow-up.

Effect of Condition

When a survey form is improperly designed, responses from beneficiaries could be inaccurate causing unnecessary follow-ups and use of limited resources that could be used on more credible cases.

Sending surveys to those with confidential claims puts the privacy of certain clients at risk and is not in compliance with federal laws.

The lack of adequate follow-ups on returned surveys increases the risk Medicaid fraud may go undetected and take away Medicaid resources that would otherwise be directed to the truly needy citizens of Washington.

Recommendation

We recommend the Authority improve its internal controls by:

- Strengthening its oversight to ensure survey forms are properly designed.
- Improving its processes to ensure only relevant claims are included for medical service verification.

- Performing a thorough follow-up on all negative responses.

Authority's Response

The Health Care Authority does not agree with the finding and disagrees that the Medical Service Verification (MSV) process lacks adequate controls.

- *Historically, the MSV process has proven to have no value in detecting fraud. The agency prioritizes its resources for program integrity and surveillance and utilization in areas that have been proven to yield a higher return on investment. The agency maintains that resources spent on MSV processing actually reduce our ability to focus on program integrity activities that increase controls.*
- *Of the 30 MSVs noted as "lacking follow-up" the agency maintains that resources dedicated to these MSVs were appropriate given the process and the dollar values at stake:*
 - *Thirteen (13) were not followed up because the amounts paid did not warrant the purchase of translation services (average cost of \$68 per MSV, including three that were paid at zero and a fourth with 39 cents at risk)*
 - *Another 6 - an average of less than \$12 per MSV—were not followed-up because the clients could not be located*
 - *Of the 11 remaining, 10 —with an average paid amount of \$28—received no follow-up when clients checked every box, checked no boxes, or completed the form when the service in question was provided to another member of the household*
 - *Claims for confidential services are now appropriately excluded from inclusion in the MSV process.*

HCA will continue to refine its selection process for MSV reviews and will continue to meet federal MSV requirements.

Auditor's Remarks

We thank the Authority for its response.

The MSV process is very unique as it is one of the processes where the Authority has direct contact with clients to verify paid services. When fraudulent activity occurs, it is typically not a single, large payment that covers all the activities, but numerous small payments that may add up to a large amount. The identification of one fraudulent payment will most likely lead to uncovering many additional fraudulent payments, which highlights the importance of the MSV process.

Not having a process to verify receipt of services billed is considered non-compliance of federal regulations by the Centers for Medicare and Medicaid Services as demonstrated by its findings in its Annual Summary Report of Comprehensive Program Integrity Review issued in June 2012.

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 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 beneficiaries.
- (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.

§ 455.14 Preliminary investigation.

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.

§ 455.15 Full investigation.

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 §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 beneficiary 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 beneficiary has abused the Medicaid program, the agency must conduct a full investigation of the abuse.

§455.20 Beneficiary verification procedure.

- (a) The agency must have a method for verifying with beneficiaries 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).

Title 42, Code of Federal Regulations, Section 433.116 states in part:

FFP for operation of mechanized claims processing and information retrieval systems.

- (a) Subject to paragraph (j) of this section, FFP is available at 75 percent of expenditures for operation of a mechanized claims processing and information retrieval system approved by CMS, from the first day of the calendar quarter after the date the system met the conditions of initial approval, as established by CMS (including a retroactive adjustment of FFP if necessary to provide the 75

percent rate beginning on the first day of that calendar quarter). Subject to 45 CFR 95.611(a), the State shall obtain prior written approval from CMS when it plans to acquire ADP equipment or services, when it anticipates the total acquisition costs will exceed thresholds, and meets other conditions of the subpart.

- (b) CMS will approve the system operation if the conditions specified in paragraphs (c) through (i) of this section are met.
- (c) The conditions of §433.112(b) (1) through (4) and (7) through (9), as periodically modified under §433.112(b)(2), must be met.
- (d) The system must have been operating continuously during the period for which FFP is claimed.
- (e) The system must provide individual notices, within 45 days of the payment of claims, to all or a sample group of the persons who received services under the plan.
- (f) The notice required by paragraph (e) of this section—
 - (1) Must specify—
 - (i) The service furnished;
 - (ii) The name of the provider furnishing the service;
 - (iii) The date on which the service was furnished; and
 - (iv) The amount of the payment made under the plan for the service; and
 - (2) Must not specify confidential services (as defined by the State) and must not be sent if the only service furnished was confidential.
- (g) The system must provide both patient and provider profiles for program management and utilization review purposes.
- (h) If the State has a Medicaid fraud control unit certified under section 1903(q) of the Act and §455.300 of this chapter, the Medicaid agency must have procedures to assure that information on probable fraud or abuse that is obtained from, or developed by, the system is made available to that unit. (See §455.21 of this chapter for State plan requirements.)

12-55 The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Eligibility
Questioned Cost Amount:	\$61,267.23

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 \$7.9 billion during fiscal year 2012, more than \$4.2 billion of which was federal dollars.

Federal regulations require the state agency to obtain a Social Security number from each individual, including children, applying for Medicaid. Federal regulations also require the agency to verify the number 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 agency must assist the individual in applying for one. Under these circumstances, the agency 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 agency to verify the validity of a Social Security number at the time of application for Medicaid. Agency's 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 error message to the system.

Description of Condition

We reviewed Medicaid beneficiaries in the Authority's Medicaid Management Information System (ProviderOne) and performed tests to determine if the Medicaid beneficiaries have valid Social Security numbers.

We found 206 individuals who did not have a valid Social Security number.

The table below summarizes the results of our work:

Description	Number of clients	Payments	Federal Share ¹	State Share
Invalid Social Security number	6	\$1,354.42	\$677.21	\$677.21
No Social Security number	194	\$115,541.46	\$57,770.73	\$57,770.73
Number belongs to deceased person	6	\$5,638.58	\$2,819.29	\$2,819.29
Total	206	\$122,534.46	\$61,267.23	\$61,267.23

Cause of Condition

The Authority has continuously made improvements in its training and monitoring, and maintains adequate Social Security number verification procedures. However, it is still not preventing or detecting all unallowable payments.

Effect of Condition and Questioned Costs

When the state provides services to ineligible individuals, or the services are unallowable and/or unsupported, the service cannot be claimed for federal reimbursement. Payments for services for these 206 clients were \$122,534.46. We are questioning \$61,267.23, which is the federal portion of the unallowable costs.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support expenditures.

Recommendation

We recommend the Department:

- Follow up on the 206 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.
- Consult with the U.S. Department of Health and Human Services to discuss repayment of the questioned costs.

Authority's Response

HCA will continue to send monthly "NO SSN" reports to CSD for correction. Many of these clients with no SSN have had their Medicaid terminated or they received Medicaid for services for which a SSN is not required such as labor and delivery or alien emergency medical services.

HCA will continue to pursue enhancements to verification procedures that promote SSN accuracy. HCA anticipates SSN accuracy improving under Health Care Reform due to the client inputting their own SSN and getting instant feedback if an input error was made.

HCA's foster care medical team has changed processes to add the SSN for children in adoption support. Of the 14,000 children in adoption support, approximately 90% now have a SSN listed in ACES. Before this change, the SSN had been verified but it was not input on the DEM1 screen in ACES.

HCA will pay back the federal share for any payments made on ineligible persons before the end of the federal fiscal year.

Auditor's Remarks

¹ The federal share is calculated using the state's 2012 FMAP rate of 50 percent.

We thank the Authority for its cooperation and assistance throughout the 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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, states:

Section 510 - Audit findings.

- (b) 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. In reporting questioned costs, the auditor shall include information to provide proper perspective for judging the prevalence and consequences of the questioned costs.

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 social security numbers (SSNs)

Title 42, Code of Federal Regulations, Section 435.910 (g) states:

The agency must verify each SSN of each applicant and beneficiary 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 an applicant cannot recall his SSN or SSNs or has not been issued a SSN 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 beneficiaries, 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 beneficiary'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 beneficiary to furnish them and meet other requirements of 435.910.
- (c) For any beneficiary whose SSN was established as part of the case record without evidence required under the SSA regulations as to age, citizenship, alien status, or true identity, the agency must obtain verification of these factors in accordance with 435.910.

12-56 The Health Care Authority did not have adequate controls to ensure the federal share of overpayments to Medicaid providers is refunded to the federal government in a timely manner.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.720 ARRA - State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative
	93.775 State Medicaid Fraud Controls
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.778 Medical Assistance Program (Medicaid; Title XIX)
	93.778A Medical Assistance Program (Medicaid; Title XIX) – American Recovery and Reinvestment Act (ARRA)
Federal Award Number:	5-1205WA5MAP; 5-1205WA5ADM; 5-1105WAARRA
Applicable Compliance Component:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Questioned Cost Amount:	None

Background

Medicaid is a jointly funded state and federal partnership providing coverage for certain low-income individuals who otherwise might go without medical care. Most Medicaid expenditures are payments to providers of medical treatment, prescriptions, medical equipment, home health care, long-term care, and other services. The state Medicaid program spent more than \$7.9 billion during fiscal year 2012. More than \$7.1 billion was paid directly to providers.

The Health Care Authority conducts a number of audits designed to identify and recover Medicaid overpayments. When the Authority identifies overpayments, it has one year from the date of discovery to pay back to the federal government its share of overpayments, even if it has not recovered the overpayment. The Authority does not have to refund the overpayment if the provider has filed for bankruptcy or has gone out of business.

An overpayment resulting from a situation other than fraud is discovered on the earliest of the date on which any Medicaid agency official or other state official first notifies a provider in writing of an overpayment and specifies a dollar amount subject to recovery; the date on which a provider initially acknowledges a specific overpayment in writing to the Medicaid agency; or the date on which any state official or fiscal agent initiates formal action to recoup a specific overpaid amount from a provider without having first notified the provider in writing. An overpayment that results from fraud is shown as discovered on the date of the final written notice of the state's overpayment determination.

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.

Description of Condition

Overpayments identified by the Authority are reported to the Office of Financial Recovery (OFR), a division of the Department of Social and Health Services, which tracks them to ensure the federal share of the overpayments is refunded within a year from the date of discovery.

When OFR receives overpayment information, it establishes accounts receivable and the one-year clock starts. If an overpayment is paid by providers within a year, the federal share of the overpayment is refunded through cash-receipting procedures. If a provider balance remains after a year, the Collections and Accounts Receivable System runs a Medicaid Overpayment Management System report that is forwarded to the Authority Accounting Services to

process a refund for any amount still owed to the federal government. The accuracy of this refunding process depends upon accuracy of overpayment information OFR receives from the Authority.

During our review, we found that the Authority did not have adequate internal controls to ensure the federal share of overpayments is refunded to the federal government in a timely manner. The Authority did not communicate information on overpayments to OFR when they were discovered. We selected 20 out of 138 overpayments the Authority discovered in fiscal year 2012 and found 15, totaling \$3,492,910.49, were not communicated to OFR when discovered. This amount included federal funds.

Cause of Condition

The Authority did not believe that it should refund the federal share of overpayments to the federal government within a year from the date of discovery unless a final determination had been made on the amount.

Effect of Condition

Without adequate procedures for overpayment reporting to OFR, the Authority cannot ensure the federal share of overpayments is refunded to the federal government in a timely manner. The federal share of two overpayments, totaling \$16,559.82, was returned to the federal government more than one year from the date of discovery.

By not reporting overpayments in a timely manner, the Authority denied the grantor the use of funds that otherwise would have been available for the Medicaid program.

Recommendation

We recommend the Authority implement appropriate procedures to ensure the federal portion of overpayments is reported to OFR. We further recommend the Authority refund all overpayments to the federal government in a timely manner.

Authority's Response

Because draft audit reports are considered part of the audit process, are preliminary to any final identifications of recoverable funds, and subject to modification based upon provider responses to the draft report, HCA did not consider preliminary recovery amounts in draft audit reports to be "discovery," and was not sending draft audit reports to OFR. The Office of Program Integrity contacted OFR to let them know the HCA would be adding the date of the draft letter to the account allocation code sheet, effective January 16, 2013. This met with OFR's approval and this action has been completed.

Auditor's Remarks

We thank the Authority for its cooperation and assistance throughout the audit. We will review the status of the Authority'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:

- (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 1903(d)(2) of the Social Security Act (42 U.S.C. 1396b(d)(2)) states in part:

- (C) For purposes of this subsection, when an overpayment is discovered, which was made by a State to a person or other entity, the State shall have a period of 1 year in which to recover or attempt to recover such overpayment before adjustment is made in the Federal payment to such State on account of such overpayment. Except as otherwise provided in subparagraph (D), the adjustment in the Federal payment shall be made at the end of the 1 year period, whether or not recovery was made.

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 State Medicaid agency has 1 year 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 State Medicaid agency must refund the Federal share of overpayments at the end of the 1 year 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 433.316 - When discovery of overpayment occurs and its significance.

- (a) General rule. The date on which an overpayment is discovered is the beginning date of the 1-year period allowed for a State to recover or seek to recover an overpayment before a refund of the Federal share of an overpayment must be made to CMS.
- (b) Requirements for notification. Unless a State official or fiscal agent of the State chooses to initiate a formal recoupment action against a provider without first giving written notification of its intent, a State Medicaid agency official or other State official must notify the provider in writing of any overpayment it discovers in accordance with State agency policies and procedures and must take reasonable actions to attempt to recover the overpayment in accordance with State law and procedures.
- (c) Overpayments resulting from situations other than fraud. An overpayment resulting from a situation other than fraud is discovered on the earliest of—
 - (1) The date on which any Medicaid agency official or other State official first notifies a provider in writing of an overpayment and specifies a dollar amount that is subject to recovery;
 - (2) The date on which a provider initially acknowledges a specific overpaid amount in writing to the Medicaid agency; or
 - (3) The date on which any State official or fiscal agent of the State initiates a formal action to recoup a specific overpaid amount from a provider without having first notified the provider in writing.
- (d) Overpayments resulting from fraud.
 - (1) An overpayment that results from fraud is discovered on the date of the final written notice (as defined in §433.304 of this subchapter) of the State's overpayment determination.
 - (2) When the State is unable to recover a debt which represents an overpayment (or any portion thereof) resulting from fraud within 1 year of discovery because no final determination of the amount of the overpayment has been made 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 any portion thereof) until 30 days after the date on which a final judgment (including, if applicable, a final determination on an appeal) is made.

- (3) The Medicaid agency may treat an overpayment made to a Medicaid provider as resulting from fraud under subsection (d) of this section only if it has referred a provider's case to the Medicaid fraud control unit, or appropriate law enforcement agency in States with no certified Medicaid fraud control unit, as required by §455.15, §455.21, or §455.23 of this chapter, and the Medicaid fraud control unit or appropriate law enforcement agency has provided the Medicaid agency with written notification of acceptance of the case; or if the Medicaid fraud control unit or appropriate law enforcement agency has filed a civil or criminal action against a provider and has notified the State Medicaid agency.
- (e) Overpayments identified through Federal reviews. If a Federal review at any time indicates that a State has failed to identify an overpayment or a State has identified an overpayment but has failed to either send written notice of the overpayment to the provider that specified a dollar amount subject to recovery or initiate a formal recoupment from the provider without having first notified the provider in writing, CMS will consider the overpayment as discovered on the date that the Federal official first notifies the State in writing of the overpayment and specifies a dollar amount subject to recovery.
- (f) Effect of changes in overpayment amount. Any adjustment in the amount of an overpayment during the 1-year period following discovery (made in accordance with the approved State plan, Federal law and regulations governing Medicaid, and the appeals resolution process specified in State administrative policies and procedures) has the following effect on the 1-year recovery period:
 - (1) A downward adjustment in the amount of an overpayment subject to recovery that occurs after discovery does not change the original 1-year recovery period for the outstanding balance.
 - (2) An upward adjustment in the amount of an overpayment subject to recovery that occurs during the 1-year period following discovery does not change the 1-year recovery period for the original overpayment amount. A new 1-year period begins for the incremental amount only, beginning with the date of the State's written notification to the provider regarding the upward adjustment.
- (g) Effect of partial collection by State. A partial collection of an overpayment amount by the State from a provider during the 1-year period following discovery does not change the 1-year recovery period for the balance of the original overpayment amount due to CMS.
- (h) Effect of administrative or judicial appeals. Any appeal rights extended to a provider do not extend the date of discovery.

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 1-year 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 1-year 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 of this subpart.

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 agency must credit CMS with the Federal share of overpayments subject to recovery on the earlier of –
 - (i) The Form CMS-64 submission due to CMS for the quarter in which the State recovers the overpayment from the provider; or
 - (ii) The Form CMS-64 due to CMS for the quarter in which the 1-year period following discovery, established in accordance with section 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 at the end of the 1-year period if the State has already reported a collection or submitted an expenditure claim reduced by a discrete amount to recover the overpayment prior to the end of the 1-year 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...

12-57 The Department of Health did not maintain federally required documentation for \$140,468 in payroll costs charged to the National Bioterrorism Hospital Preparedness Program.

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:	U3REP090228
Applicable Compliance Component:	Allowable Costs / Cost Principles
Questioned Cost Amount:	\$ 140,468.09

Background

The Washington State Department of Health administers the National Bioterrorism Hospital Preparedness Program. This federal grant enhances 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, tribes, health centers, emergency management services and other healthcare partners. These entities oversee training, meetings, purchasing of supplies and equipment, and create and update emergency response plans. The Department spent \$6.6 million in Hospital Preparedness Program funds in fiscal year 2012.

Recipients may use grant money only for costs that are allowable and related to the grant's purpose. Federal regulations specify the documentation they must keep 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. In contrast, payroll costs of employees who work on multiple programs or cost objectives must be supported by personnel activity reports such as timesheets. These reports must:

- Reflect how much time the employee worked on each program or cost objective.
- 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 may be based on an estimate of time worked, so long as the estimate is reconciled to actual work activity at least quarterly.

We reported a finding in our fiscal year 2010 and 2011 audits that the Department did not comply with documentation regulations for employee compensation charged to federal grants. We questioned approximately \$448,000 of payroll costs in 2010 and \$189,000 in 2011.

Description of Condition

During fiscal year 2012, the Department charged 100 percent of the payroll costs for two employees to the National Bioterrorism Hospital Preparedness Program grant. Although these employees filled out the proper certifications to support charging 100 percent to the grant, we determined they actually worked on multiple federal grant programs. Because they completed certifications, they did not maintain time records or other personnel activity reports as required when working on multiple federal grants.

Cause of Condition

The Department created the positions for the two staff members to support the National Bioterrorism Hospital Preparedness Program grant. Over time, the program became aligned with another federal grant program and these

staff members began performing work related to both. When this happened the Department did not require the staff to start keeping timesheets as is required.

Effect of Condition and Questioned Costs

We identified \$140,468.09 in direct payroll and benefits incorrectly charged to the National Bioterrorism Hospital Preparedness Program grants because they 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.

We question costs when we find an agency has not complied with grant regulations and/or when it does not have adequate documentation to support an expenditure.

Recommendations

We recommend the Department ensure all employee salaries and benefits charged to a federal grant meet the documentation requirements of federal regulations. We also recommend that Department management thoroughly review time sheets and certifications prior to approval to ensure charges to the grant are accurate and supported.

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 that the Department charged two employees 100% to one grant, although the employees worked less than 100% on that grant. Our corrective action have both employees using positive time and attendance record keeping, effective July 1, 2012.

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 (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.

12-58 The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the HIV Care Formula Grant Program.

Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.917 HIV Care Formula Grants
Federal Award Number:	2X07HA00083-22-00
Applicable Compliance Component:	Subrecipient monitoring
Questioned Cost Amount:	None

Background

The Washington State Department of Health administers the HIV Care Formula Grants. The objective of the program is to provide limited medical care, prescription drugs, and health insurance premium assistance for low to moderate-income people living with Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Syndrome (AIDS). The HIV Client Services unit awards sub-grants to public and nonprofit organizations to plan and deliver services. The program is partly funded by state funds and rebates from pharmaceutical manufacturers.

In fiscal year 2012, the program spent \$15.2 million in federal grant funds. Of this amount, \$10.9 million was passed through to subrecipients.

Federal law requires state agencies to obtain a Data Universal Numbering System (DUNS) number from a subrecipient before making a sub-award. DUNS numbers are used to identify organizations receiving funding under grants and cooperative agreements and to provide consistent name and address data for electronic grant application systems.

The Department's Grants Management division is responsible for ensuring compliance with this requirement.

Description of Condition

The DUNS number was required by the grant in fiscal year 2012. The Department did not have internal controls in place to ensure it obtained these numbers from subrecipients prior to awarding federal funds.

Cause of Condition

Department management did not follow their own policies and procedures for obtaining DUNS numbers. Department staff did not give subrecipients the form used to collect DUNS numbers as part of the grant contract or inform subrecipients of the requirement to provide a DUNS number.

Effect of Condition

During our audit, we reviewed all of the applicable contracts with subrecipients for fiscal year 2012 and noted that the Department did not obtain a DUNS number from any of its subrecipients.

Therefore, the Department has not complied with this requirement. By not obtaining DUNS numbers from subrecipients prior to awarding federal funds, the Department cannot ensure the public transparency of the money it provides.

Recommendation

We recommend the Department develop internal controls, including appropriate monitoring of its processes by management, to ensure adherence to established policies and procedures for obtaining DUNS number from its subrecipients.

Department's Response

The Department concurs with the State Auditor's Office finding. Upon notification of the issue by the auditor, the program immediately collected DUNS numbers from all current subrecipients. In December 2012, the Department clarified the requirement with staff that the DUNS number will be collected for all sub-contractors by using the Federal Funding Accountability and Transparency Act form. Management will not approve a contract for routing for approval if this form is not attached.

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.

CFR 25.200: Requirements for program announcements, regulations, and application instructions.

- (a) Each agency that awards types of Federal financial assistance included in the definition of "award" in §25.305 must include the requirements described in paragraph (b) of this section in each program announcement, regulation, or other issuance containing instructions for applicants that either:
 - (1) Is issued on or after the effective date of this part; or
 - (2) Has application or plan due dates after October 1, 2010.
- (b) The program announcement, regulation, or other issuance must require each entity that applies and does not have an exemption under §25.110 to:
 - (1) Be registered in the CCR prior to submitting an application or plan;
 - (2) Maintain an active CCR registration with current information at all times during which it has an active Federal award or an application or plan under consideration by an agency; and
 - (3) Provide its DUNS number in each application or plan it submits to the agency.
- (c) For purposes of this policy:
 - (1) The applicant is the entity that meets the agency's or program's eligibility criteria and has the legal authority to apply and to receive the award. For example, if a consortium applies for an award to be made to the consortium as the recipient, the consortium must have a DUNS number. If a consortium is eligible to receive funding under an agency program but the agency's policy is to make the award to a lead entity for the consortium, the DUNS number of the lead entity will be used.
 - (2) A "program announcement" is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a "program announcement," "notice of funding availability," "broad agency announcement," "research announcement," "solicitation," or some other term.

- (3) To remain registered in the CCR database after the initial registration, the applicant is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete.

12-59 The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits for the Disaster Grants-Public Assistance program when required.

Federal Awarding Agencies:	U.S. Department of Homeland Security
Pass-Through Entity:	None
CFDA Number and Title:	97.036 Disaster Grants-Public Assistance
Federal Award Number:	FEMA-1499-DR-WA; FEMA-1641-DR-WA; FEMA-1671-DR-WA; FEMA-1682-DR-WA; FEMA-1734-DR-WA; FEMA-1817-DR-WA; FEMA-1825-DR-WA; FEMA-1963-DR-WA; FEMA-4056-DR-WA
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Washington Military Department administers the Disaster Grants-Public Assistance program that provides federal assistance with response to and recovery from disasters.

Federal regulations require the Military Department to monitor the grant-funded activities of subrecipients. This includes ensuring the organizations that spend \$500,000 or more in federal grant money during a fiscal year receive an audit of expenditures and internal controls over that money, in accordance with the federal Office of Management and Budget Circular A-133. This requirement is designed to ensure grant money is used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements. Grant recipients must submit the results of these audits to a federal clearinghouse within nine months of their fiscal year end.

The Department and a subrecipient sign an agreement that includes standard terms and conditions, including the audit requirement. It also notifies the subrecipient that it must provide the Department's Finance Division with either a copy of the audit report or a letter explaining why it is exempt from having an audit, no later than nine months after the subrecipient's fiscal year end. The Department also has a written policy and procedures to ensure all subrecipient audits are received and reviewed. The policy and procedures specify that the Finance Division is responsible for receiving, tracking and reviewing all audits. The Finance Division is also responsible for contacting the subrecipient if any audit reports are missing.

Once the audit reports have been received and reviewed they are to be forwarded to the program manager. The program manager is to review the audit reports. If any findings were reported the program manager is responsible for requesting corrective action from the subrecipient and for ensuring the corrective actions are performed.

Description of Condition

The Department does not follow its internal policies and procedures and lacks internal controls to ensure all subrecipients receive an audit.

The Department does not have a process to ensure its subrecipients submit audit reports or identify why they did not need an audit. Instead, the Finance Division staff and program managers wait for audit report notifications from the State Auditor's Office and review the reports as they are published. If Department staff is aware that an auditee has not been audited by the State Auditor's Office, they may check the federal audit clearinghouse records. However, this process alone does not allow the Department to identify:

- Subrecipients who were required to have an audit, but did not have one performed.
- Subrecipients who had an audit, but did not file it with the federal audit clearinghouse.
- Subrecipients who had an organization other than the State Auditor's Office perform the audit.

If the Department does not have contact with all subrecipients, it cannot determine they met audit requirements.

Prior to January 1, 2012, Finance Division staff was using a tracking sheet to record audits that had been reviewed and to identify any audit findings requiring additional action by the Department. As of January 1, 2012, the Finance Division stopped tracking any of the subrecipient audit report information. We were not able to verify which audits were reviewed after that date.

Cause of Condition

The Department has a policy and procedures that would ensure compliance with federal requirements, but was not following them. Management said the policy and procedures were outdated but no other written procedures had been implemented to replace them.

The Finance Division stopped tracking the subrecipient audit information because they believed program staff were performing sufficient monitoring to ensure compliance. The program staff may have been sufficiently reviewing the audits but we were not able to verify this because the program did not document their review. Program staff relied on the centralized tracking for documentation of review and were not aware it had been discontinued until our audit was performed.

Effect of Condition

The Department cannot be certain whether all of its subrecipients comply with federal grant requirements, and, therefore, cannot ensure that it has met the monitoring requirement of its federal grantor.

Recommendation

We recommend the Department follow its existing policy and procedures, or design new ones that will ensure it determines the federal audit status of all subrecipients.

Department's Response

The Department concurs with the findings in this audit. A corrective action plan will be developed to review the current process, rescind the old outdated policy and procedure and rewrite a new policy and procedure that addresses these short comings.

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*, states:

Section 300

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 400(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*, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:

Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

12-60 The Military Department did not file reports required by the Federal Funding Accountability and Transparency Act for the Disaster Grants-Public Assistance program.

Federal Awarding Agency:	U.S. Department of Homeland Security
Pass-Through Entity:	None
CFDA Number and Title:	97.036 Disaster Grants-Public Assistance
Federal Award Number:	FEMA-1963-DR-WA; FEMA-4056-DR-WA
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Washington Military Department administers the Disaster Grants-Public Assistance program that provides federal assistance with response to and recovery from disasters.

In fiscal year 2012, the Department spent \$21.3 million in federal Disaster Grants-Public Assistance program funds.

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding Accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The intent of the Accountability Act is to hold the government accountable for spending decisions and to reduce wasteful spending.

The Accountability Act reporting requirement applies to new awards made after October 1, 2010. Although the requirement has been in effect since 2010, guidance given to auditors by the Office of Management and Budget includes a good-faith effort exception. This exception allows Departments who have not filed the required reports to provide emails, phone logs, screen shots, etc. as evidence that they attempted to file when required. If this evidence is provided, the guidance directs auditors to not issue an audit finding.

Description of Condition

During our review, we found the Department did not have internal controls in place to ensure the fiscal year 2012 Accountability Act reports were filed.

Department staff stated the federal electronic reporting system would not allow them to file the required reports. They also stated they were in communication with the federal grantor regarding this issue and had attempted to get it corrected. However, the Department was unable to provide any documentation to show that it attempted to submit the reports or of communication with the federal grantor during the audit period.

Cause of Condition

We cannot determine if attempts were made to file the reports during the audit period and, therefore, cannot apply the good-faith effort exception.

The Department does not have policies and procedures in place to ensure the reports are filed and any issues are addressed and properly documented.

Effect of Condition

We found the Department did not report 76 sub-awards in excess of \$25,000, totaling \$6,639,942, which were required to be reported.

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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 design and put in place internal controls that include management oversight for ensuring reports are filed and problems encountered are addressed with the grantor in a timely manner. We also recommend the Department submit all required reports for each sub-award of \$25,000 or more by the applicable deadline.

Department's Response

The Contracts Office attempted to comply with the new FFATA reporting requirements upon notification of the new reporting requirement in October 2010. Michael Williams, a contracts specialist was assigned to learn and maintain the new federal reporting system in September 2010. Problems prevented us from entering data were identified from the start of the process. We were in communications with federal systems administration since the reporting requirement started in October 2010.

The system problem still exists today. FEMA representatives acknowledge this fact and their responsibility to rectify the situation. The system problem has been demonstrated to SAO staff and has been confirmed by FEMA Region 10 representatives. While we agree that we are unable to provide any documentation to show that we attempted to submit the reports or of communications with the federal grantor during the audit period, we feel it is unfair to suggest that we did not make a good faith effort to resolve this problem in the past.

The contracts office is in the process of developing a FFATA policy and procedures. This will resolve the internal control issues referenced above. We continue to have issues with FAIN numbers not being associated with our DUNS number, which is preventing us from submitting reports. We are continuing to work with FEMA to get this resolved. We intend to have all past reports filed and up to date within 45 days of FEMA resolving the system problem. All other reports have been submitted and are up to date.

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.

2 CFR 170 Appendix A –Award Term

- I. Reporting Subawards and Executive Compensation.
 - a. Reporting of first-tier subawards.
 - 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and

Reinvestment Act of 2009, Pub. L. 111–5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

OMB Circular A-133, Part 3 Compliance Requirements, Compliance Supplement 2012

Good Faith Effort

In the event that applicable subawards were not properly reported by a recipient pursuant to FFATA, auditors should evaluate compliance with these requirements based on whether a recipient demonstrated a “good faith” effort to comply. Demonstration of a “good faith” effort by a recipient should be evidenced by proper documentation such as: emails or phone logs of communication between a recipient and the awarding agency or the General Services Administration; or computer screen shots that illustrate recipient attempts to upload information into the FFATA Subaward Reporting System (FSRS). Auditors are not required to report audit findings when there is evidence a recipient demonstrated a “good faith” effort. However, auditors are still required to report audit findings for non-compliance with the FFATA reporting requirements that are not supported by a recipient’s demonstrated “good faith” effort. Completed audits which reported audit findings or modifications of opinion based solely on Part 3L, steps 10 and 11 do not need to be amended.

12-61 The Military Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Homeland Security Grant Program.

Federal Awarding Agency:	U.S. Department of Homeland Security
Pass-Through Entity:	None
CFDA Number and Title:	97.067 Homeland Security Grant Program
Federal Award Number:	EMW-2011-SS-0030-S01; EMW-2011-UA-0034
Applicable Compliance Component:	Reporting
Questioned Cost Amount:	None

Background

The Washington Military Department administers the Homeland Security Grant Program. The program is intended to improve and significantly enhance the ability of the Nation to prevent, deter, respond to and recover from, threats and incidents of terrorism and to enhance regional preparedness. The Homeland Security Program provides financial assistance to the States (and through the States to local governments) to support activities such as planning, equipment, training, and exercises to address critical resource gaps identified in the assessments and priorities outlined within each States' Homeland Security Strategy.

The Department spent \$26.3 million in Homeland Security Grant funds in fiscal year 2012, of which \$24.8 million was distributed to subrecipients.

Federal Funding Accountability and Transparency Act

Under the Federal Funding Accountability and Transparency Act, the Department is required to collect and report information on each sub-award of \$25,000 or more in federal funds in the Federal Funding accountability and Transparency Sub-award Reporting System. The reporting must be done by the end of the month following the month in which the sub-award was made. The Federal Funding Accountability and Transparency Act (Accountability Act) reporting requirement was implemented by the Federal Government to increase transparency and improve access to Federal Government information, particularly information on Federal spending. Reports are required to be filed by the prime recipients of funding by the end of the month following the month in which the funding is awarded to the subrecipient.

Description of Condition

The Washington Military Department was awarded two Homeland Security Grants during the audit period; the primary Homeland Security Grant for \$20,018,235 and the Non-Profit Homeland Security Grant for \$449,350. Under the requirements of the grant, all funding received under the award is required to be obligated to subrecipients within 45 days of the grant award.

We reviewed the Military Department's records and found that reports for 25 of the grant's 49 subrecipients had not been filed in a timely basis. For reports on 24 subrecipients, the report was filed by the Department anywhere from 25 to 151 days late and for one subrecipient, no report had been filed at all.

Cause of Condition

The Department was aware of the reporting requirement and assigned one person to file the required reports in accordance with the Accountability Act. During the audit period the Department was in the process of establishing internal controls over the reporting process, but had not instituted a requirement for an independent review to verify Accountability Act reports were being filed as required. The Department did not have a process to monitor the activities of that individual to ensure the information was actually submitted. Due to this lack of oversight, the Department was unaware that the employee assigned to file the reports had failed to do so.

The Department did hire a new employee in August 2012 to file overdue Accountability Act reports and has since implemented policies and procedures to ensure it is compliant with the Accountability Act reporting requirements.

Effect of Condition

By not submitting the required Accountability Act reports, the federal government's ability to ensure transparency and accountability of federal spending is diminished. 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 ensure its policies and procedures are sufficient and operating as designed to ensure all Accountability Act reports are submitted in a timely basis.

Department's Response

The contracts office is in the process of developing a FFATA policy and procedures. This will resolve the internal control issues referenced above. We continue to have issues with FAIN numbers not being associated with our DUNS number, as well as SAM/D&B/FSRS issues which are preventing us from submitting reports. We are continuing to work with FEMA to get this resolved. We intend to have all past reports filed and up to date within 45 days of FEMA resolving the system problem. All other reports have been submitted and are up to date.

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 2, Code of Federal Regulations, APPENDIX A TO PART 170—AWARD TERM, states, in part:

- I. Reporting Subawards and Executive Compensation.
 - a. Reporting of first-tier subawards.
 - 1. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111–5) for a subaward to an entity (see definitions in paragraph e. of this award term).
 - 2. Where and when to report.
 - i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.
 - ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
 - 3. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

12-62 The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits when required and that all subrecipients take timely and appropriate corrective actions for audit findings issued for the Homeland Security Grant Program.

Federal Awarding Agency:	U.S. Department of Homeland Security
Pass-Through Entity:	None
CFDA Number and Title:	97.067 Homeland Security Grant Program
Federal Award Number:	EMW-2008-TU-T8-0004; EMW-2009-SS-T9-0015; EMW-2010-SS-T0-0084; EMW-2011-SS-00030; EMW-2009-UA-T9-0003; EMW-2010-UA-T0-0023; EMW-2011-UA-00034
Applicable Compliance Component:	Subrecipient Monitoring
Questioned Cost Amount:	None

Background

The Washington Military Department administers the Homeland Security Grant Program. The program is intended to improve and significantly enhance the ability of the Nation to prevent, deter, respond to and recover from, threats and incidents of terrorism and to enhance regional preparedness. The Homeland Security Program provides financial assistance to the states (and through the states to local governments) to support activities such as planning, equipment, training, and exercise to address critical resource gaps identified in the assessments and priorities outlined within each state's Homeland Security Strategy.

The majority of the grant funds are distributed to various municipal governments and non-profit organizations. As part of the award process, the Department and each subrecipient sign a contract that includes standard terms and conditions, including the requirement for an audit under U.S. Office of Management and Budget (OMB) Circular A-133 if the subrecipient spends more than \$500,000 in federal funding during the year. The agreement also notifies the subrecipient that it must provide the Department's Finance Division with either a copy of their audit report or a letter explaining why it is exempt from having an audit, not later than nine months after the subrecipient's fiscal year end. The Department also has a written policy and procedures to ensure all subrecipient audits are received and reviewed. The policy and procedures specify that the Finance Division is responsible for receiving, tracking and reviewing all audits. The Finance Division is also responsible for contacting the subrecipient if any audit reports are missing.

Once the audit reports have been received and reviewed by the Finance Division, they are to be forwarded to program managers. Program managers are responsible for reviewing the audit reports and determining if the results of the audit affect the Department's grant. If any audit findings were reported and appear to affect grant funds, the program manager is responsible for requesting corrective action from the subrecipient and for ensuring appropriate corrective action is performed.

The Military Department spent \$26.3 million in Homeland Security Grant funds in fiscal year 2012, of which \$21.8 million was distributed to other governmental entities and non-profit organizations.

Description of Condition

The Department does not follow its internal policies and procedures and lacks effective internal controls to ensure all subrecipients receive an audit. In addition, the Department does not have a consistent method of determining if a finding affects grant funds it awarded and does not consistently follow-up on findings and ensure corrective action is performed by its subrecipients.

The Department does not have a process to ensure its subrecipients submit audit reports or identify why they did not need an audit. Instead, the Finance Division staff and program managers wait for audit report notifications from the State Auditor's Office and review the reports as they are published. If Department staff is aware that an auditee has

not been audited by the State Auditor's Office, they may check the federal audit clearinghouse records. However, this process alone does not allow the Department to identify:

- Subrecipients who were required to have an audit, but did not have one performed.
- Subrecipients who had an audit, but did not file it with the federal audit clearinghouse.
- Subrecipients who had an organization other than the State Auditor's Office perform the audit.

If the Department does not have contact with all subrecipients, it cannot determine they met the Circular A-133 audit requirements.

Prior to January 1, 2012, Finance Division staff was using a tracking sheet to record audit reports that had been reviewed and to identify any audit findings requiring additional action by the Department. As of January 1, 2012, the Finance Division stopped tracking any of the subrecipient audit report information. We were not able to verify which audit reports were reviewed after that date.

The Department is also responsible for issuing management decisions on audit findings within six months after receipt of the subrecipient's audit report, and ensuring the subrecipient takes timely and appropriate corrective action on all audit findings. Our review of the audit reports received by the Department identified five entities with findings in the areas of financial reporting and SEFA preparation. Although these findings were not directly related to the program, the agency did take note of the identified deficiencies and requested follow-up on three of them. Follow-up action for one of the entities had not been performed in a timely manner. The subrecipient was required to provide the Department a report of corrective action by August 2012, but still had not done so by January 2013.

Cause of Condition

The Department has policies and procedures that would ensure compliance with federal requirements, but was not following them. Management said the policies and procedures were outdated but no other written procedures had been implemented to replace them.

The Finance Division stopped tracking the subrecipient audit information because they believed program staff were performing sufficient monitoring to ensure compliance. The program staff may have been sufficiently reviewing the audits but we were not able to verify this because they did not document their review. Program staff relied on the centralized tracking calendar for documentation of review and were not aware it had been discontinued until our audit was performed.

In addition, the Department's policies and procedures did not require assessment of audit findings and requests for corrective action be documented by Program Managers.

Effect of Condition

During our review of the audit report tracking sheets used by the Department, we determined fifteen subrecipients out of 48 reviewed were not listed on the sheet and one subrecipient was listed but no audit report was received. Department personnel confirmed it did not have audit reports from these 16 subrecipients.

The Department cannot be certain whether all of its subrecipients comply with federal grant requirements, and, therefore, cannot ensure that it has met the monitoring requirement of its federal grantor. Furthermore, the Department cannot be certain that its subrecipients respond to and correct deficiencies found in audits in an appropriate and timely manner.

Recommendation

We recommend the Department follow its existing policies and procedures, or design new ones that will ensure all federal requirements are followed.

Department's Response

The Department concurs with the findings in this audit. A corrective action plan will be developed to review the current process, rescind the old outdated policy and procedure and rewrite a new policy and procedure that addresses these short comings.

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*, states:

Section 300

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 400(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 for 2012*, Part 3 – Compliance Requirements states:

Section M. Subrecipient Monitoring:

Compliance Requirements

A pass-through entity is responsible for: ...

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

12-63 The Military Department’s internal controls over subrecipient monitoring are not working as designed and the Department does not adequately monitor sub-recipients of the Homeland Security Grant Program.

Federal Awarding Agency: U.S. Department of Homeland Security
Pass-Through Entity: None
CFDA Number and Title: 97.067 Homeland Security Grant Program
Federal Award Number: EMW-2008-TU-T8-0004; EMW-2009-SS-T9-0015;
EMW-2010-SS-T0-0084; EMW-2011-SS-00030;
EMW-2009-UA-T9-0003; EMW-2010-UA-T0-0023;
EMW-2011-UA-00034
Applicable Compliance Component: Sub-recipient Monitoring
Questioned Cost Amount: None

Background

The Washington Military Department administers the Homeland Security Grant Program. The program is intended to improve and significantly enhance the ability of the Nation to prevent, deter, respond to and recover from, threats and incidents of terrorism and to enhance regional preparedness. The Homeland Security Program provides financial assistance to the states (and through the states to local governments) to support activities such as planning, equipment, training, and exercise to address critical resource gaps identified in the assessments and priorities outlined within each state’s Homeland Security Strategy.

The Department spent \$26.3 million in Homeland Security Grant funds in fiscal year 2012, of which \$24.8 million was distributed to sub-recipients.

Sub-recipient Monitoring

Pass-through entities are responsible for monitoring the sub-recipients’ use of federal awards to ensure they comply with federal law and grant agreements. The Military Department’s Subrecipient Monitoring Policy mostly relies on the sub-recipient’s risk level, as assessed by program managers, specifically stating, “*the level of monitoring will be dependent on the risk level of subrecipient.*” The Department’s policy further directs program staff to use language in the subaward agreement, internal reviews and audits, site visits, and interaction with sub-recipients for monitoring activities. In accordance with these practices, there is little reliance placed on expense reimbursement packages submitted by sub-recipients and the Department requires support *only* for sub-recipient equipment purchases. Monitoring of all other activities and documentation for non-equipment purchases are only required if specifically requested by the Department and/or checked on a sample basis during monitoring activity by Program staff.

The Military Department uses a perpetual calendar to document and schedule monitoring activity for its sub-receipients. The Department suggests a minimum of one formal monitoring activity a year, but at least one every two years. This calendar records dates of all activity, and both previous and future visits. The Department policy requires program managers to maintain reports and documentation of any monitoring activity performed.

Description of Condition

Our review of the Military Department’s perpetual submonitoring schedule/calendar found that 17 of the 54 grant sub-recipients had either not been listed on the calendar, never had any documented monitoring activity on the calendar, or had no monitoring activity during fiscal year 2012 or in the two fiscal years prior to our audit.

We requested to see documentation of scheduled submonitoring activity for seven sub-recipients monitored through a site visit or desk audit in the prior two fiscal year periods. The Department could not locate any documentation or reports to support monitoring activity for four of the seven entities.

Cause of Condition

Although the Military Department had designed controls to ensure regular sub-recipient monitoring was scheduled and performed, the calendar used to track this activity was not being used and updated by all staff. In addition, the Department did not have a centralized or uniform manner to document and maintain monitoring reports. In several instances, the Department could not determine if a monitoring activity had actually occurred as shown on the calendar since reports and documents related to the activity could not be located.

Our audit found the Department has no written guidelines in the following areas:

- Establishing minimum monitoring activity for Program staff.
- Requiring or establishing procedures for use and maintenance of the Department calendar as a control.
- Submission and uniform organization and retention of reports and documents related to monitoring activity.
- Documentation of internal risk assessments on sub-recipients and how monitoring activity was affected by the risk assessments.

Effect of Condition

Given the Department does not follow established sub-recipient controls, it cannot validate that its subrecipients are in compliance with required federal requirements and their contract provisions. In addition, the Department cannot validate it is only reimbursing subrecipients for allowable and actual costs.

Recommendation

We recommend the Department establish uniform internal controls and policies and procedures over sub-recipient monitoring activities to ensure sub-recipients comply with required federal and contract provisions. We also recommend the Department only reimburses sub-recipients for actual and allowable costs that are supported by documentation in accordance with federal requirements. We further recommend the Department communicate these expectations to all Program staff and establish procedures to ensure expectations are properly met in a timely manner.

Department's Response

The Department concurs with the findings in this audit. A corrective action plan will be developed to review the current process, rescind the old outdated policy and procedure and rewrite a new policy and procedure that addresses these short comings.

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 Compliance Supplement Subpart C—Auditees

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.
- (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:

- (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.
- (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-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 for 2012*, Part 3, states in part:

Section M. Subrecipient Monitoring:

Compliance Requirements

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.

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State of Washington
Schedule of Expenditures of Federal Awards

*For the Year Ended
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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, AM 1	3600	3,624	0	PT
Federal Program 03.000 Total				3,624	0	
03.307	21st Century Museum Professionals		3600	49,451	3,739	
Federal Program 03.307 Total				49,451	3,739	
03.310	Grants to States		0850	3,261,767	302,460	
Federal Program 03.310 Total				3,261,767	302,460	
03.312	National Leadership Grants		3600	378,582	55,000	
03.312			3650	214,342	188,099	
Federal Program 03.312 Total				592,924	243,099	
03.313	Laura Bush 21st Century Librarian Program		3600	135,874	0	
Federal Program 03.313 Total				135,874	0	
Institute for Museum Services Total				4,043,640	549,298	

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 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
05.024	Promo Grant Arts to Org		3600	17,171	0	
05.024			3650	13,818	0	
05.024			3870	20,000	0	
05.024			4650	22,216	0	
Federal Program 05.024 Total				73,205	0	
05.025	Promo of Arts Partnership Agreements	TW20110044	3600	2,500	0	PT
05.025		TW20110099	3600	2,500	0	PT
05.025			3870	851,914	0	
Federal Program 05.025 Total				856,914	0	
National Endowment for the Arts Total				930,119	0	

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State of Washington
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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
06.130	Promotion of the Humanities Challenge Grants		3600	104,423	0	
	Federal Program 06.130 Total			104,423	0	
06.149	Promotion of the Humanities Division of Preservati		3600	5,611	0	
06.149			3650	11,542	0	
	Federal Program 06.149 Total			17,153	0	
06.160	Promotion of the Humanities Fellowships and Stipen		3650	45,553	0	
	Federal Program 06.160 Total			45,553	0	
06.161	Promotion of the Humanities Research		3650	71,130	735	
	Federal Program 06.161 Total			71,130	735	
06.164	Promotion of the Humanities Public Programs		3650	5,113	0	
	Federal Program 06.164 Total			5,113	0	
06.169	Promotion of the Humanities Office of Digital Huma		0850	115,605	0	
06.169			3600	75,448	0	
06.169			3650	44,462	5,438	
	Federal Program 06.169 Total			235,515	5,438	
	National Endowment for the Humanities Total			478,887	6,173	

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State of Washington
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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	9009000063	0800	45,000	0	PT
07.000		C090665FED-HMI9	2250	3,408	0	
07.000		C100658FED-DME1	2250	231,605	0	
07.000		C100658FED-FOB1	2250	85,368	0	
07.000		C100658FED-INX1	2250	35,233	0	
07.000		C110730FED-DME2	2250	25,917	0	
07.000		C110730FED-FOB2	2250	3,298	0	
07.000		C110730FED-HI11	2250	1,077,248	0	
07.000		C110730FED-INX2	2250	18,686	0	
07.000		C110730FED-MT11	2250	36,007	0	
07.000		C110802FED-TFG9	2250	1,500	0	PT
07.000		C120703FED-HI12	2250	35,717	0	
07.000		C120703FED-MT12	2250	10,358	0	
Federal Program 07.000 Total				1,609,345	0	
Office of National Drug Control Policy Total				1,609,345	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 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	06JV11272164063 MOD06	3600	3,925	0	
10.000		07JV11221622367MOD02	3600	68,595	0	
10.000		07JV11242300157MOD03	3600	5,046	0	
10.000		09JV11015600039MOD01	3600	53,222	0	
10.000		09JV11242309041MOD01	3600	19,353	0	
10.000		10-JV-11261927-093	3600	348	0	
10.000		10-JV-11261989-019	3600	44,580	0	
10.000		10CR11060900007MOD01	3600	3,010	0	
10.000		10JV11261987092MOD01	3600	58,826	0	
10.000		11-CR-11061700-065	3600	9,525	0	
10.000		11-CR-11261987-104	3600	20,890	0	
10.000		11-JV-11272138-071	3600	16,650	0	
10.000		11-PA-11272138-074	3600	40,739	0	
10.000		11JV11221633145MOD02	3600	4,890	0	
10.000		AG-046W-P-11-0060	3600	9,000	0	
10.000		AG-046W-P-11-0060/0001	3600	5,000	0	
10.000		IPA EXTENSION	3600	91,789	0	
10.000		NO. 310 AM04	3600	84,407	0	PT
10.000		PNW 11-CS-11261952-062	3600	72,645	0	
10.000		PNW 11-JV-11261985-071	3600	22,465	0	
10.000		PNW 11-JV-11261985-072	3600	13,114	0	
10.000		PNW 11-JV-11261985-095	3600	13,196	0	
10.000		PNW 11-JV-11261985-096	3600	1,350	0	
10.000		PNW 12-CA-11261975-022	3600	5,968	0	
10.000		PNW08JV11261975355MOD0	3600	9,279	0	
10.000		PNW08JV11261993167MOD0	3600	138,649	0	
10.000		PNW09JV11261976035MOD0	3600	1,048	0	
10.000		PNW09JV11261985036MOD0	3600	1,086	0	
10.000		PNW09JV11261987002MOD0	3600	928,000	6,780	
10.000		PNW10JV11261955063MOD0	3600	3,616	0	
10.000		PNW10JV11261975086MOD0	3600	39,146	0	
10.000		PNW10JV11261985083MOD0	3600	9,117	0	
10.000		PNW11JV11261952030MOD1	3600	132,834	0	
10.000		UW BUD# 638421	3600	36,874	0	PT
10.000		01800034045203	3650	25,211	0	PT
10.000		06JV11221662221	3650	4,994	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
10.000	Agriculture - Contract Number Only Provided	07CS11020000078	3650	10,093	0	
10.000		07JV11221609276	3650	1,809	0	
10.000		08JV11221636133	3650	33,301	0	
10.000		08JV11272138056	3650	6,240	0	
10.000		0971000308CA	3650	22,530	0	
10.000		09JV11221634308	3650	67,631	0	
10.000		09JV11261900006	3650	16,414	4,972	
10.000		09JV11261975028	3650	5,530	0	
10.000		1081001516CA	3650	11,230	0	
10.000		1081001585CA	3650	311	0	
10.000		10CR11221634229	3650	43,535	0	
10.000		10JV11221634007	3650	65,291	0	
10.000		10JV11242309112	3650	51,009	0	
10.000		10JV11261900057	3650	12,212	0	
10.000		10JV11272138068	3650	6,899	0	
10.000		10JV11272138081	3650	25,934	0	
10.000		1181001516CA	3650	13,191	0	
10.000		1181001585CA	3650	18,845	0	
10.000		1181300044CA	3650	6,920	0	
10.000		1185501497CA	3650	36,568	0	
10.000		11CS11060500014	3650	23,772	0	
10.000		11JV11221634188	3650	47,593	0	
10.000		11JV11221634196	3650	10,533	0	
10.000		11JV11261987097	3650	15,315	0	
10.000		201120630WAS16	3650	15,104	0	PT
10.000		201125	3650	4,302	0	PT
10.000		3310WSUNASULGC0114	3650	14,990	0	PT
10.000		5853547660	3650	20,739	0	
10.000		6197K110061	3650	13,400	0	
10.000		6197K120021	3650	94,500	0	
10.000		6197K120087	3650	17,525	0	
10.000		6197K120224	3650	25,470	0	
10.000		6395K110138	3650	38,610	0	
10.000		6395K110205	3650	22,000	0	
10.000		AG03R6P110061	3650	11,566	0	
10.000		BAK465SB001	3650	4,701	0	PT

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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	GUAR28502010	3650	17,381	0	
10.000		GUAR34553636	3650	(3,700)	0	PT
10.000		NRCS693A759130	3650	28,606	0	
10.000		PNW08JV11261975364	3650	894	0	
10.000		RC100858B	3650	48,961	0	PT
10.000		WSU001099	3650	14,706	0	PT
10.000		WSU002142	3650	148,885	0	PT
10.000		WSU002213	3650	6,149	0	
10.000		11-CR-11061700-018	3750	622	0	
10.000		11-CR-11061700-020	3750	8,530	0	
10.000		07-CS-11062200012	4600	11,805	0	
10.000		10-CS-11060900-02	4770	8,224	0	
10.000		10-CS-11061700-04	4770	16,797	0	
10.000		10-CS-11261962-095	4770	6,145	0	
10.000		11-LE-1106-11060500-01	4770	16,526	0	
Federal Program 10.000 Total				3,164,531	11,752	
10.025	Plant and Animal Disease, Pest Control, and Animal		3650	1,232,673	0	
10.025		110489SF	3650	68,910	0	PT
10.025			4670	20,355	0	
10.025			4770	58,653	0	
10.025			4950	1,961,311	0	
Federal Program 10.025 Total				3,341,902	0	
10.028	Wildlife Services		3650	43,341	15,390	
Federal Program 10.028 Total				43,341	15,390	
10.069	Conservation Reserve Program		4770	37,800	0	
Federal Program 10.069 Total				37,800	0	
10.093	Voluntary Public Access & Habitat Incentive Progra		4770	550,969	0	
Federal Program 10.093 Total				550,969	0	
10.163	Market Protection and Promotion		4950	1,865,945	0	
Federal Program 10.163 Total				1,865,945	0	
10.168	Farmers' Market Promotion Program	WSFMAWSUFMPP	3650	27,857	0	PT
10.168		WSU002131	3650	3,000	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 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
Federal Program 10.168 Total				30,857	0	
10.170	Specialty Crop Block Grant Program - Farm Bill	N/A	3700	188	0	PT
10.170			4950	2,459,140	2,029,148	
Federal Program 10.170 Total				2,459,328	2,029,148	
10.210	Food and Agricultural Sciences National Needs Grad		3650	62,403	0	
Federal Program 10.210 Total				62,403	0	
10.217	Higher Education Challenge Grants	G23309W2325	3650	(7,703)	0	PT
Federal Program 10.217 Total				(7,703)	0	
10.225	Community Food Projects	UW BUD# 639704	3600	2,843	0	PT
Federal Program 10.225 Total				2,843	0	
10.255	Research Innovation and Development Grants In Econ	233K380	3650	4,975	0	PT
Federal Program 10.255 Total				4,975	0	
10.303	Integrated Programs		3650	1,624,742	627,663	
10.303		07001492WA2	3650	37,749	0	PT
10.303		BJKH03SB001	3650	45,762	0	PT
10.303		BJKH03SB002	3650	2,458	0	PT
10.303		BJKH15SB001	3650	62,723	0	PT
10.303		BJKH15SB002	3650	94,711	0	PT
10.303		BLK594SB001	3650	45,745	0	PT
10.303		C0368AA	3650	23,434	0	PT
10.303		RC100946WSU	3650	5,626	0	PT
Federal Program 10.303 Total				1,942,950	627,663	
10.304	Homeland Security_agricultural		3650	123,430	0	
10.304		8700255817	3650	64,262	0	PT
Federal Program 10.304 Total				187,692	0	
10.305	International Science and Education Grants		3600	27,929	0	
10.305			3650	5,452	0	
10.305		2008120601	3650	586	0	PT
Federal Program 10.305 Total				33,967	0	
10.309	Specialty Crop Research Initiative		3650	3,132,742	1,048,426	
10.309		00006986	3650	160,328	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 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
10.309	Specialty Crop Research Initiative	1080198219090	3650	154,579	0	PT
10.309		20101294201	3650	57,965	0	PT
10.309		20101304802	3650	180,920	0	PT
10.309		2010136502	3650	98,080	0	PT
10.309		350K873	3650	49,673	0	PT
10.309		3651	3650	32,354	0	PT
10.309		3826WSUUSDA9561	3650	28,255	0	PT
10.309		614296A	3650	450,373	0	PT
10.309		C0423BA	3650	188,320	0	PT
10.309		NSF0761	3650	19,697	0	PT
10.309		RC100858B	3650	117,415	0	PT
10.309		RC100888WSU	3650	8,333	0	PT
Federal Program 10.309 Total				4,679,034	1,048,426	
10.311	Beginning Farmer and Rancher Development Program		3650	489,201	224,477	
Federal Program 10.311 Total				489,201	224,477	
10.312	Biomass Research and Development Initiative Compet		3650	120,252	0	
10.312		303742	3650	1,782	0	PT
Federal Program 10.312 Total				122,034	0	
10.314	New Era Rural Technology Competitive Grants Prog		6990	76,163	0	
Federal Program 10.314 Total				76,163	0	
10.315	ARRA - Trade Adj Assist for Farmers Training Coord	H001344204	3650	255,346	0	PT
10.315		H001344218	3650	4	0	PT
Federal Program 10.315 Total				255,350	0	
10.443	Outreach and Assistance for Socially Disadvantaged		3650	95,764	9,663	
Federal Program 10.443 Total				95,764	9,663	
10.455	Community Outreach and Assistance Partnership Prog		4950	37,264	0	
Federal Program 10.455 Total				37,264	0	
10.459	Commodity Partnerships for Small Agricultural Risk		3650	66,422	0	
Federal Program 10.459 Total				66,422	0	
10.479	Food Safety Cooperative Agreements		3030	703,858	106,331	
Federal Program 10.479 Total				703,858	106,331	

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 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
10.500	Cooperative Extension Service		3650	9,185,298	861,626	
10.500		080827002	3650	2,099	0	PT
10.500		11006323B00	3650	10,255	0	PT
10.500		12006968B00	3650	9,924	0	PT
10.500		201120392WSU	3650	241,409	0	PT
10.500		548748872	3650	(1,658)	0	PT
10.500		8000041656	3650	235,767	0	PT
10.500		Q01465	3650	4,499	0	PT
10.500		Q01467	3650	5,125	0	PT
10.500		S11178	3650	25,107	0	PT
10.500		S12003	3650	13,413	0	PT
10.500		S12063	3650	18,615	0	PT
10.500		S12099	3650	5,799	0	PT
10.500		S12213	3650	25,947	0	PT
10.500		TCEIRAQ1	3650	39,577	0	PT
10.500		UTSTUNV46467WA2	3650	2,179	0	PT
Federal Program 10.500 Total				9,823,355	861,626	
10.557	Suppl Nutri Prog for WIC		3030	146,556,215	35,909,157	
Federal Program 10.557 Total				146,556,215	35,909,157	
10.558	Child and Adult Care Food Program		3500	42,483,611	41,864,918	
Federal Program 10.558 Total				42,483,611	41,864,918	
10.560	State Administrative Expenses for Child Nutrition		3500	5,040,744	1,858,293	
Federal Program 10.560 Total				5,040,744	1,858,293	
10.565	Commodity Supplemental Food Program		3000	46,782	0	NC
10.565			3500	22,098,267	0	NC
10.565			4950	466,131	444,430	
Federal Program 10.565 Total				22,611,180	444,430	
10.572	WIC Farmers' Market Nutrition Program (Fmnp)		3030	625,833	38,748	
10.572		Sub-contract	3750	964	0	PT
Federal Program 10.572 Total				626,797	38,748	
10.574	Team Nutrition Grants		3500	104,319	0	
10.574		SFM-GR03287-A10	3750	2,097	0	PT
10.574		USM-GR03970-001	3750	27,788	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 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
Federal Program 10.574 Total				134,204	0	
10.576	Senior Farmers Market Nutrition Program		3000	232,212	6,365	
Federal Program 10.576 Total				232,212	6,365	
10.579	Child Nutrition Discretionary Grants		3000	306,673	0	
10.579			3500	190,159	0	
10.579			3650	257,026	151,218	
Federal Program 10.579 Total				753,858	151,218	
10.580	Special Nutrition Assistance Program Outreach/Part		3000	228,710	166,744	
Federal Program 10.580 Total				228,710	166,744	
10.582	Fresh Fruit and Vegetable Program		3500	3,017,784	2,927,585	
Federal Program 10.582 Total				3,017,784	2,927,585	
10.604	Technical Assistance for Specialty Crops Program		3650	22,416	0	
Federal Program 10.604 Total				22,416	0	
10.664	Cooperative Forestry Assistance		3650	73,093	6,651	
10.664			4900	5,060,064	0	
Federal Program 10.664 Total				5,133,157	6,651	
10.675	Urban and Community Forestry Program		3600	22	0	
Federal Program 10.675 Total				22	0	
10.676	Forest Legacy Program		4900	31,311	0	
Federal Program 10.676 Total				31,311	0	
10.677	Forest Land Enhancement Program		4770	56	0	
Federal Program 10.677 Total				56	0	
10.678	Forest Stewardship Program		4770	10,919	0	
10.678			4900	32,792	0	
Federal Program 10.678 Total				43,711	0	
10.687	ARRA - Usfs Olympic National Forest		4610	41,618	0	
Federal Program 10.687 Total				41,618	0	
10.688	ARRA - Prioritize Fuel Treatments		3600	203,491	0	
10.688			3650	5,845	0	
10.688			4900	1,768,822	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 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
Federal Program 10.688 Total				1,978,158	0	
10.693	Watershed Restoration & Enhancement Agreement Auth	E200GNA74600 AM01	3600	7,081	0	PT
10.693			4770	168,437	0	
Federal Program 10.693 Total				175,518	0	
10.777	Norman E Borlaug Intl AG & Science Tech Fellowship		3650	223,688	15,601	
Federal Program 10.777 Total				223,688	15,601	
10.868	Rural Energy for America Program		1030	98,455	37,993	
10.868			3650	20,400	0	
Federal Program 10.868 Total				118,855	37,993	
10.902	Soil and Water Conservation		4950	21,707	0	
Federal Program 10.902 Total				21,707	0	
10.903	Soil Survey		3650	21,674	0	
Federal Program 10.903 Total				21,674	0	
10.912	Environmental Quality Incentives Program		3650	453,401	188,381	
10.912		20080116039	3650	73,988	0	PT
10.912		WAFO261060910	3650	17,778	0	PT
10.912		WAS110428135	3650	6,495	0	PT
10.912			4710	1,131,898	0	
10.912			4770	1,380	0	
Federal Program 10.912 Total				1,684,940	188,381	
10.914	Wildlife Habitat Incentive Program		4770	58,049	0	
10.914			4900	1,125	0	
Federal Program 10.914 Total				59,174	0	
10.950	Agricultural Statistics Reports		3650	257,686	0	
Federal Program 10.950 Total				257,686	0	
10.960	Technical Agricultural Assistance		3650	69,040	0	
Federal Program 10.960 Total				69,040	0	
10.962	Cochran Fellowship Program-International Training-		3650	50,114	0	
Federal Program 10.962 Total				50,114	0	
10.999	Department of Agriculture - Undetermined		3600	59,222	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 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
10,999	Department of Agriculture - Undetermined		4770	95,894	0	
Federal Program 10.999 Total				155,116	0	
Dept of Agriculture Total				261,843,521	88,550,560	

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 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	11-03 AM01	3600	46,010	0	PT
11.000		553-3975-0XX AM02	3600	3,692	0	PT
11.000		AB-133F-12-SE-0973	3600	32,601	0	
11.000		AB133F-10-CN-0351 AM01	3600	198,053	0	
11.000		AB133F-10-SE-2888	3600	9,268	0	
11.000		AB133F-10-SE-2891 AM01	3600	2,596	0	
11.000		AB133F-10-SE-3269	3600	1,510	0	
11.000		AB133F-10-SE-3661 AM02	3600	12,735	0	
11.000		AB133F-11-CN-0146	3600	115,770	0	
11.000		AB133F06CN0297 MOD03	3600	742,007	0	
11.000		AB133F07CN0155MOD06	3600	19,092	0	
11.000		AB133F07CN0246	3600	72,495	0	
11.000		AB133F07SE5052	3600	(398)	0	
11.000		AB133F08SE3079	3600	5	0	
11.000		AB133F09SE4216	3600	448	0	
11.000		AB133F09SE4323MOD03	3600	28,967	0	
11.000		AB133F10CN0137 MOD0003	3600	125,109	0	
11.000		AB133F10CN0345MOD04	3600	146,518	0	
11.000		AB133F10SE2022	3600	28,443	0	
11.000		AB133F10SE3568MOD01	3600	14,220	0	
11.000		AB133F10SE3646 AM01	3600	7,000	0	
11.000		AB133F10SE3755	3600	(2,139)	0	
11.000		AB133F11SE0931MOD01MOD	3600	91,172	0	
11.000		AB133R10SE2605MOD0002	3600	19,593	0	
11.000		AM01	3600	29,321	0	PT
11.000		DG133E10SE2849 MOD01	3600	88,217	4,153	
11.000		DG133E10SE3687AM01	3600	37,319	0	
11.000		F3813-00	3600	105,652	0	PT
11.000		IP1016	3600	152,640	0	
11.000		NMFSFHQ20092001464AM01	3600	43,572	0	PT
11.000		RA133F11SE1714	3600	77,871	0	
11.000		RA133F11SE3135	3600	5,150	0	
11.000		UAF-10-0028 MOD.3	3600	60,310	0	PT
11.000		UW BUD# 663214	3600	11,334	0	PT
11.000		UW BUD# 801215	3600	6	0	PT
11.000		WE133F11SE3018MODM0001	3600	2,828	0	

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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
11.000	Commerce - Contract Number Only Provided	A133F11SE2564	3650	32,074	0	
11.000		IP1209	3650	13,621	0	
11.000		RA133C11SE2109	3650	11,028	0	
11.000		RA133F11SE1993	3650	15,000	0	
11.000		10FP5IPA35	4770	15,625	0	
11.000		11-108	4770	17,416	0	PT
11.000		11-31	4770	183,826	0	PT
11.000		11-50	4770	40,583	0	PT
11.000		11-57	4770	132,419	0	PT
11.000		11-59	4770	26,824	0	PT
11.000		11-79	4770	70,020	0	PT
11.000		11-80	4770	35,541	0	PT
11.000		11-85	4770	6,455	0	PT
11.000		11-86	4770	7,008	0	PT
11.000		11-87	4770	21,055	0	PT
11.000		11-94	4770	520,093	0	PT
11.000		12-20	4770	49,803	0	PT
11.000		12-42	4770	237,565	0	PT
11.000		12-57	4770	83,783	0	PT
11.000		2010-3	4770	188	0	PT
11.000		2011-3	4770	44,851	0	PT
11.000		6F11PA01	4770	89,286	0	
11.000		07-01-06446	6990	1,729,173	0	
11.000		07-01-06494	6990	86,120	0	
Federal Program 11.000 Total				5,798,344	4,153	
11.012	Integrated Ocean Observing System (Ioos)		3600	1,597,072	599,654	
Federal Program 11.012 Total				1,597,072	599,654	
11.302	Economic Development_support for Planning Organiza		3800	37,594	0	
Federal Program 11.302 Total				37,594	0	
11.303	Economic Development_technical Assistance		3650	145,831	0	
Federal Program 11.303 Total				145,831	0	
11.400	Geodetic Surveys and Services (Geodesy and Applica		4900	22,228	0	
Federal Program 11.400 Total				22,228	0	

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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
11.407	Interjurisdictional Fisheries Act of 1986		4770	148,932	0	
Federal Program 11.407 Total				148,932	0	
11.419	Coastal Zone Management Administration Awards		4610	3,423,955	0	
Federal Program 11.419 Total				3,423,955	0	
11.436	Columbia River Fisheries Development Program		4670	402,040	6,411	
11.436			4770	5,700,372	0	
11.436		11-16	4770	255,065	0	PT
Federal Program 11.436 Total				6,357,477	6,411	
11.437	Pacific Fisheries Data Program	10-89	4770	64,825	0	PT
11.437		11-111	4770	520,804	0	PT
11.437		11-112	4770	6,306	0	PT
11.437		11-46	4770	3,544	0	PT
11.437		12-103	4770	271,290	0	PT
11.437		12-27	4770	186,490	0	PT
11.437		12-29	4770	150,867	0	PT
11.437		12-35	4770	40,667	0	PT
11.437		12-59	4770	37,788	0	PT
11.437		12-75	4770	45,627	0	PT
11.437		12-82	4770	25,535	0	PT
Federal Program 11.437 Total				1,353,743	0	
11.438	Pacific Coast Salmon Recovery_pacific Salmon Treat	COOP 10-029	3600	23,210	0	PT
11.438		COOP 11012	3600	179,208	0	PT
11.438		COOP-10-008, AMEND #1	3600	25,456	0	PT
11.438		COOP-11-031	3600	15,789	0	PT
11.438			4670	29,435,907	21,359,195	
11.438			4770	2,417,995	0	
Federal Program 11.438 Total				32,097,565	21,359,195	
11.439	Marine Mammal Data Program		4770	134,048	0	
11.439		11-18	4770	39,309	0	PT
11.439		12-62	4770	95,326	0	PT
Federal Program 11.439 Total				268,683	0	
11.441	Regional Fishery Management Councils	06-11	4770	120,486	0	PT
11.441		06-12	4770	85,424	0	PT

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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
Federal Program 11.441 Total				205,910	0	
11.460	Special Oceanic and Atmospheric Projects	A100609 AM04	3600	97,296	0	PT
Federal Program 11.460 Total				97,296	0	
11.463	Habitat Conservation		3650	(1,390)	0	
11.463			4770	330,597	0	
11.463			4780	90,905	0	
Federal Program 11.463 Total				420,112	0	
11.469	Congressionally Identified Awards and Projects	SA #11-28	3600	15,037	0	PT
11.469		SA#10-25	3600	141	0	PT
11.469			4610	46,955	0	
11.469			6990	11,786	0	
Federal Program 11.469 Total				73,919	0	
11.473	Coastal Services Center		3600	1,191,938	935,739	
Federal Program 11.473 Total				1,191,938	935,739	
11.478	Center for Sponsored Coastal Ocean Research_coasta		3600	817,750	49,467	
Federal Program 11.478 Total				817,750	49,467	
11.482	Coral Reef Conservation Program		3650	81,943	0	
Federal Program 11.482 Total				81,943	0	
11.550	Public Telecommunications Facilities Planning And		3600	48,285	0	
11.550			3650	17,994	0	
11.550			6990	3,407	0	
Federal Program 11.550 Total				69,686	0	
11.555	Public Safety Interoperable Communications Grant P		2450	3,453,253	3,357,835	
Federal Program 11.555 Total				3,453,253	3,357,835	
11.557	ARRA - Broad Tech Opportunities Prog (Btop)	53-42-B10585	3600	49,965	0	PT
11.557		10/648-HHS	6990	1,012	0	PT
Federal Program 11.557 Total				50,977	0	
11.558	ARRA - State Broad Data & Dev Grant Program		1030	1,100,399	0	
Federal Program 11.558 Total				1,100,399	0	
11.609	Measurement & Engineering Research & Stand		6990	9,911	0	

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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
Federal Program 11.609 Total				9,911	0	
11.999	Department of Commerce - Undetermined		3600	3,989	0	
11.999			4770	1,067,617	0	
11.999		None	4770	21,713	0	PT
Federal Program 11.999 Total				1,093,319	0	
Dept of Commerce Total				59,917,837	26,312,454	

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Federal Programs Not Clustered

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	#415/422 and 486	6990	21,967	0	
12.000		FA4620-11-C-A001	6990	516,229	0	
12.000		FA4620-11-C-A003	6990	949,244	0	
12.000		FA4620-11-P-A038	6990	37,251	0	
12.000		W911S810D0022	6990	249,858	0	
Federal Program 12.000 Total				1,774,549	0	
12.101	Beach Erosion Control Projects		4770	1,259	0	
Federal Program 12.101 Total				1,259	0	
12.112	Payments to States In Lieu of Real Estate Taxes		0050	18,237	0	
Federal Program 12.112 Total				18,237	0	
12.400	Military Construction, National Guard		2450	16,236,592	0	
12.400		2022 AM02/PO#669610	3600	192,870	0	PT
Federal Program 12.400 Total				16,429,462	0	
12.401	Natl Guard Military Oper & Maint		2450	18,954,982	0	
Federal Program 12.401 Total				18,954,982	0	
12.404	National Guard Civilian Youth Opportunities		2450	2,569,874	0	
Federal Program 12.404 Total				2,569,874	0	
12.900	Language Grant Program		3600	14,353	0	
Federal Program 12.900 Total				14,353	0	
12.901	Mathematical Sciences Grants Program		3600	85,066	0	
Federal Program 12.901 Total				85,066	0	
12.999	Department of Defense - Undetermined		3600	(431,097)	0	
12.999			4770	142,972	0	
12.999		None	4770	35,199	0	PT
Federal Program 12.999 Total				(252,926)	0	
Dept of Defense Total				39,594,856	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	133,292	0	PT
14.000		WSU002082	3650	11,196	0	PT
Federal Program 14.000 Total				144,488	0	
14.169	Housing Counseling Assistance Program		1480	249,016	201,151	
Federal Program 14.169 Total				249,016	201,151	
14.171	Manufactured Home Construction and Safety Standard		2350	82,913	0	
Federal Program 14.171 Total				82,913	0	
14.231	Emergency Shelter Grants Program		1030	1,299,639	1,297,625	
Federal Program 14.231 Total				1,299,639	1,297,625	
14.235	Supportive Housing Program		1030	125,681	0	
Federal Program 14.235 Total				125,681	0	
14.239	Home Investment Partnerships Program		1030	5,165,506	4,515,360	
14.239		HK Arch 2012	1480	16,759	0	PT
14.239		HK Bremerton 2012	1480	3,338	0	PT
14.239		HKPS FY 2012	1480	478,970	0	PT
Federal Program 14.239 Total				5,664,573	4,515,360	
14.241	Housing Opportunities for Persons With AIDS		1030	1,292,739	1,272,478	
Federal Program 14.241 Total				1,292,739	1,272,478	
14.257	ARRA - Homeless Prev & Rapid Re-Housing Prog		1030	3,531,958	3,143,086	
Federal Program 14.257 Total				3,531,958	3,143,086	
14.258	ARRA - Tax Credit Assistance Program		1480	1,154,211	1,154,211	
Federal Program 14.258 Total				1,154,211	1,154,211	
14.323	Emergency Homeowners' Loan Program	EHLG Grant	1480	180,724	0	PT
Federal Program 14.323 Total				180,724	0	
14.401	Fair Housing Assistance Program_state and Local		1200	356,462	0	
Federal Program 14.401 Total				356,462	0	
14.514	Hispanic-Serving Institutions Assisting Communitie		6990	190,610	0	
Federal Program 14.514 Total				190,610	0	
14.703	Sustainable Communities Regional Planning Grant	2012-08	3600	243,647	0	PT

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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 14.703 Total				243,647	0	
14,704	Community Challenge/DOT Tiger II Planning Grants	UW BUD# 663992	3600	18,426	0	PT
Federal Program 14.704 Total				18,426	0	
Housing & Urban Development Total				14,535,087	11,583,911	

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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	10100-0-J001MOD4	3600	146	0	
15.000		1434-04HQRU1587 WO90	3600	22,023	0	
15.000		F12AC00135	3600	31,691	0	
15.000		G04AC00037	3600	26,331	0	
15.000		G11PX00936 MOD0002	3600	20,537	0	
15.000		G11PX01470	3600	(1)	0	
15.000		G11PX90018 MOD02	3600	17,969	0	
15.000		G12PX00444	3600	546	0	
15.000		H8W07060001J8W07100003	3600	13,282	0	
15.000		J8W07090024	3600	49,569	0	
15.000		J8W07090030H8W07060001	3600	25,992	0	
15.000		J8W07090031 MOD02	3600	12,656	0	
15.000		L10PX03421/0010029154	3600	8,793	0	
15.000		PO OHM-466	3600	11,780	0	PT
15.000		RC051-S3 AM02	3600	151,306	0	PT
15.000		TAJ8W07060008H82070600	3600	3,046	0	
15.000		UW BUD# 639239	3600	(1,941)	0	PT
15.000		UW BUD# 639484	3600	(24)	0	PT
15.000		UW BUD# 661026	3600	27,347	0	PT
15.000		101818M799	3650	6,688	0	
15.000		134209J939	3650	2,727	0	
15.000		601819Z301	3650	4,250	0	
15.000		AB133F10SE2353	3650	5,741	0	
15.000		F08AC00281	3650	27,721	0	
15.000		F09PX75690	3650	8,046	0	
15.000		F10PX75709	3650	22,877	0	
15.000		F11PX02915	3650	4,005	0	
15.000		F11PX05501	3650	5,310	0	
15.000		G10PX02445	3650	8,259	0	
15.000		G11PX01218	3650	15,467	0	
15.000		G11PX01472	3650	11,008	0	
15.000		H1200090004	3650	2,344	0	
15.000		H8W07060001	3650	3,167	0	
15.000		L09PX00628	3650	(170)	0	
15.000		L10PX02164	3650	4,564	0	
15.000		L11PX01038	3650	4,300	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	L11PX01617	3650	3,985	0	
15.000		P11AP10502	3650	40,902	0	
15.000		P11AT10531	3650	28,425	0	
15.000		13562-8-J109	3700	2,736	0	
15.000		10ARAE068	3750	65,353	0	
15.000		H9453070012	3750	24,728	0	
15.000		J8W07100001	3750	31,757	0	
15.000		H9453070004	3760	5,410	0	
15.000		020-10330-ISA-FISH	4770	901	0	PT
15.000		10154-6-J107	4770	39,529	0	
15.000		IPA-IW-138	4770	70,322	0	
Federal Program 15.000 Total				871,400	0	
15.033	Road Maintenance Indian Roads		4050	267	0	
Federal Program 15.033 Total				267	0	
15.114	Indian Education_higher Education Grant Program		3650	442,574	0	
Federal Program 15.114 Total				442,574	0	
15.225A	ARRA - Recreational Resources Management		4610	40,444	0	
Federal Program 15.225A Total				40,444	0	
15.226	Payments In Lieu of Taxes		0050	871,400	0	
Federal Program 15.226 Total				871,400	0	
15.227	Distribution of Receipts to State and Local Govern		0050	22,452	0	
Federal Program 15.227 Total				22,452	0	
15.228	National Fire Plan - Wildland Urban Interface Comm		3600	63,197	0	
15.228			4900	55,914	0	
Federal Program 15.228 Total				119,111	0	
15.231	Fish Wildlife & Plant Conserv Res Mgt		3600	34,820	0	
15.231			3650	30,209	0	
15.231			3800	13,412	0	
15.231			4610	13,331	0	
Federal Program 15.231 Total				91,772	0	
15.231A	ARRA - Fish Wildlife & Plant Conserv Res Mgt		3600	18,623	0	
15.231A			4610	65,974	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
Federal Program 15.231A Total				84,597	0	
15.232	Wildland Fire Research and Studies Program		3600	(3,242)	0	
15.232			3650	23,407	0	
15.232		L0152BB	3650	8,297	0	PT
Federal Program 15.232 Total				28,462	0	
15.233	Forests & Woodlands Resource Mgmt		3600	91,893	0	
Federal Program 15.233 Total				91,893	0	
15.238	Challenge Cost Share		3600	8,143	0	
15.238			3650	72,914	0	
15.238			4770	3,865	0	
Federal Program 15.238 Total				84,922	0	
15.255	Applied Science Program Cooperative Agreements Rel		3600	70,829	0	
15.255			3650	21,100	1,425	
Federal Program 15.255 Total				91,929	1,425	
15.423	Minerals Management Service (Mms) Environmental ST	DI068AA	3650	3,465	0	PT
Federal Program 15.423 Total				3,465	0	
15.512	Central Valley Proj Imprv Act, Title Xxxi		3600	33,436	0	
Federal Program 15.512 Total				33,436	0	
15.524	Recreation Resources Management		4650	72,048	0	
Federal Program 15.524 Total				72,048	0	
15.530	Water Conservation Field Services Program (Wcfsp)		3600	5,191	0	
Federal Program 15.530 Total				5,191	0	
15.531	Yakima Rv Basin Water Enhanc Proj(Yrbwep)		4610	54,696	0	
Federal Program 15.531 Total				54,696	0	
15.608	Fish and Wildlife Management Assistance		3600	235,919	125,745	
15.608			3650	58,768	0	
15.608		201000060075	3650	88,460	0	PT
15.608		20100060075	3650	53,608	0	PT
15.608			3800	3,482	0	
15.608			4770	722,878	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
Federal Program 15.608 Total				1,163,115	125,745	
15.612	Dept of the Interior		4900	7,992	0	
Federal Program 15.612 Total				7,992	0	
15.614	Coastal Wetlands Planning, Protection and Restorat		4610	1,069,847	0	
15.614			4770	541,891	0	
15.614			4900	125,437	0	
Federal Program 15.614 Total				1,737,175	0	
15.615	Cooperative Endangered Species Conservation Fund	438401-OC, AM06	3600	41,593	0	PT
15.615		438401-OC, AM08	3600	233,588	0	PT
15.615			4770	6,648,658	0	
15.615			4900	2,112,981	0	
Federal Program 15.615 Total				9,036,820	0	
15.616	Clean Vessel Act		4650	1,673,432	0	
Federal Program 15.616 Total				1,673,432	0	
15.620	African Elephant Conservation Fund		3600	39,860	0	
Federal Program 15.620 Total				39,860	0	
15.622	Sportfishing and Boating Safety Act		4670	1,331,440	1,302,779	
Federal Program 15.622 Total				1,331,440	1,302,779	
15.623	North American Wetlands Conservation Fund		4770	131,905	0	
Federal Program 15.623 Total				131,905	0	
15.630	Coastal Program		4670	3,000	0	
15.630			4770	5,589	0	
15.630			4780	6,000	0	
Federal Program 15.630 Total				14,589	0	
15.631	Partners for Fish and Wildlife		4670	357,156	0	
15.631			4770	1,611,744	0	
15.631			4950	93,406	0	
Federal Program 15.631 Total				2,062,306	0	
15.633	Dept of the Interior		4770	713,929	0	
Federal Program 15.633 Total				713,929	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
15.634	State Wildlife Grants		4770	1,568,288	0	
	Federal Program 15.634 Total			1,568,288	0	
15.635	Neotropical Migratory Bird Conservation		4770	22,548	0	
	Federal Program 15.635 Total			22,548	0	
15.639	Tribal Wildlife Grants Program	UW BUD# 663703	3600	4,171	0	PT
	Federal Program 15.639 Total			4,171	0	
15.644	Federal Junior Duck Stamp Conservation and Design	WAC1107250090	3750	22,990	0	PT
	Federal Program 15.644 Total			22,990	0	
15.647	Migratory Bird Conservation		4770	80,236	0	
	Federal Program 15.647 Total			80,236	0	
15.649	Service Training and Technical Assistance (Generic	WDFW10-1610	3760	14,423	0	PT
15.649			4770	75,076	0	
	Federal Program 15.649 Total			89,499	0	
15.655	Migratory Bird Monitoring, Assessment and Conserva	Wa S110602-165	3760	8,476	0	PT
15.655			4770	7,570	0	
	Federal Program 15.655 Total			16,046	0	
15.657	Endangered Species Conservation		3600	102,561	0	
15.657			3650	9,484	0	
15.657		WA-C-2011-022 O	3760	6,026	0	PT
15.657			4770	92,566	0	
15.657			4900	47,909	0	
	Federal Program 15.657 Total			258,546	0	
15.660	Endangered Species - Candidate Conservation Action		4770	171,148	0	
15.660			4900	37,991	0	
	Federal Program 15.660 Total			209,139	0	
15.661	Lower Snake River Compensation Plan		4770	3,260,571	0	
	Federal Program 15.661 Total			3,260,571	0	
15.809	National Spatial Data Infrastructure Cooperative A	4600008876	3600	26,095	0	PT
	Federal Program 15.809 Total			26,095	0	
15.810	National Cooperative Geologic Mapping Program		3650	8,325	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
15.810	National Cooperative Geologic Mapping Program		3750	13,714	0	
15.810			4900	225,710	0	
Federal Program 15.810 Total				247,749	0	
15.811	Gap Analysis Program		4770	5,580	0	
Federal Program 15.811 Total				5,580	0	
15.814	National Geological and Geophysical Data Preservat		4900	25,423	0	
Federal Program 15.814 Total				25,423	0	
15.820	National Climate Change and Wildlife Service Cente		3600	95,960	0	
15.820		GS240B-B AM01	3600	158,175	0	PT
15.820		SUBGRANT NO GS254A-A	3600	881	0	PT
Federal Program 15.820 Total				255,016	0	
15.904	Historic Preservation Fund Grants-In-Aid		3550	1,120,161	0	
15.904			3800	79,301	0	
Federal Program 15.904 Total				1,199,462	0	
15.916	Outdoor Recreation_acquisition, Development and Pl		4670	1,871,671	1,830,531	
Federal Program 15.916 Total				1,871,671	1,830,531	
15.921	Rivers, Trails and Conservation Assistance		4050	33,185	0	
15.921			4770	157,449	0	
Federal Program 15.921 Total				190,634	0	
15.931A	ARRA - Conserv Activities By Youth Service Orga		4610	135,758	0	
Federal Program 15.931A Total				135,758	0	
15.999	Department of Interior - Undetermined		3600	134,738	0	
15.999			4770	14,997	0	
15.999		None	4770	4,374	0	PT
Federal Program 15.999 Total				154,109	0	
Dept of the Interior Total				30,566,153	3,260,480	

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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	206,619	0	
16.000		C050439FED-TFA8	2250	13,555	0	
16.000		C080692FED-GET1	2250	13,771	0	
16.000		C090226FED-TFE1	2250	16,070	0	
16.000		C110156FED-TFF5	2250	6,598	0	
16.000		C110174FED-TFF6	2250	4,915	0	
16.000		C110175FED-TFF7	2250	7,009	0	
16.000		C110176FED-TFF8	2250	7,633	0	
16.000		C110239FED-TFF9	2250	4,992	0	
16.000		C110241FED-HIDE	2250	1,500	0	
16.000		C110241FED-OIX1	2250	9,313	0	
16.000		C110241FED-OIX2	2250	1,157	0	
16.000		C110241FED-OUST	2250	9,450	0	
16.000		C110253FED-TFG1	2250	2,590	0	
16.000		C110601FED-MJ11	2250	1,047,735	0	
16.000		C110886FED-TFH1	2250	9,562	0	
16.000		C120169FED-TFH6	2250	12,712	0	
16.000		C120170FED-TFH5	2250	12,566	0	
16.000		C120171FED-TFH4	2250	15,694	0	
16.000		C120172FED-TFH3	2250	11,242	0	
16.000		C120173GSC-TFH2	2250	14,270	0	
16.000		C120195FED-TFH7	2250	17,202	0	
16.000		C120365FED-TFH9	2250	4,683	0	
16.000		C120553FED-TFJ3	2250	604	0	
16.000		C120770FED-MJ12	2250	128,310	0	
16.000		Federal Seizure(LF141)	2250	275,932	0	
16.000		2010DDBX0661	3650	127,530	0	
16.000		2011DNBXXK549	3650	40,066	0	
16.000		WSU002168	3650	10,354	0	PT
Federal Program 16.000 Total				2,033,634	0	
16.004	Law Enforcement Assistance_narcotics and Dangerous		3650	15,508	0	
Federal Program 16.004 Total				15,508	0	
16.017	Sexual Assault Services Program		1030	208,035	194,703	
Federal Program 16.017 Total				208,035	194,703	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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
16.203	Comprehensive Approaches to Sex Offender Managemen		1030	74,028	73,727	
	Federal Program 16.203 Total			74,028	73,727	
16.523	Juvenile Accountability Block Grants		3000	1,023,747	753,242	
	Federal Program 16.523 Total			1,023,747	753,242	
16.525	Grants to Reduce Domestic Violence, Dating Violenc		3650	26,849	0	
	Federal Program 16.525 Total			26,849	0	
16.540	Juvenile Justice and Delinquency Prevention_alloca		3000	480,977	0	
	Federal Program 16.540 Total			480,977	0	
16.548	Title V_delinquency Prevention Program		3000	2,123	0	
	Federal Program 16.548 Total			2,123	0	
16.550	State Justice Statistics Program for Statistical A		1050	237,867	0	
16.550			1550	21,157	0	
	Federal Program 16.550 Total			259,024	0	
16.554	National Criminal History Improvement Program (Nch		2250	276,534	0	
	Federal Program 16.554 Total			276,534	0	
16.575	Crime Victim Assistance		1030	10,974,443	7,503,615	
	Federal Program 16.575 Total			10,974,443	7,503,615	
16.576	Crime Victim Compensation		2350	4,163,125	0	
	Federal Program 16.576 Total			4,163,125	0	
16.580	Edward Byrne Memorial State and Local Law Enforcem	C080195FED-WQA8	2250	35,385	0	PT
	Federal Program 16.580 Total			35,385	0	
16.585	Drug Court Discretionary Grant Program		3000	95,462	0	
16.585		2010DCBX0097	3650	6,440	0	PT
	Federal Program 16.585 Total			101,902	0	
16.588	Violence Against Women - Form Grnts		1030	2,816,765	2,397,419	
	Federal Program 16.588 Total			2,816,765	2,397,419	
16.590	Grants to Encourage Arrest Policies and Enforcemen		1030	488,750	428,245	
	Federal Program 16.590 Total			488,750	428,245	
16.593	Residential Substance Abuse Treatment for State Pr		3000	270,548	265,808	

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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 16.593 Total				270,548	265,808	
16.606	State Criminal Alien Assistance Program		3100	1,662,000	0	
Federal Program 16.606 Total				1,662,000	0	
16.609	Community Prosecution and Project Safe Neighborhoo		1030	63,915	50,743	
Federal Program 16.609 Total				63,915	50,743	
16.710	Pub Safety Partn & Comm Policing Grnt		2250	5,251	0	
16.710		C110930FED-SSC1	2250	33,463	0	PT
16.710			3650	249,016	0	
16.710		290F619-01	3700	7,373	0	PT
Federal Program 16.710 Total				295,103	0	
16.727	Enforcing Underage Drinking Laws Program		3000	224,136	7,500	
Federal Program 16.727 Total				224,136	7,500	
16.730	Reduction and Prevention of Children's Exposure To		3650	101,484	23,139	
16.730		9920110126	3650	6,770	0	PT
16.730		115314-G002990	6990	61,970	0	PT
Federal Program 16.730 Total				170,224	23,139	
16.741	Forensic DNA Backlog Reduction Program		2250	1,539,715	0	
Federal Program 16.741 Total				1,539,715	0	
16.742	Paul Coverdell Forensic Sciences Improvement Grant		1030	75,052	7,920	
16.742			2250	412,893	0	
Federal Program 16.742 Total				487,945	7,920	
16.745	Criminal and Juvenile Justice and Mental Health Co		3100	26,859	0	
Federal Program 16.745 Total				26,859	0	
16.746	Capital Case Litigation		3600	34,475	0	
Federal Program 16.746 Total				34,475	0	
16.754	Harold Rogers Prescription Drug Monitoring Program		3030	281,178	181,628	
Federal Program 16.754 Total				281,178	181,628	
16.801A	ARRA - State Victim Assist Formula Grant		1030	38,458	38,458	
Federal Program 16.801A Total				38,458	38,458	
16.808	ARRA - Edwd Byrne Mem Comp Grant		2250	119,205	0	

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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 16.808 Total				119,205	0	
16.812	Second Chance Act Prisoner Reentry Initiative		3000	7,131	0	
16.812			3100	36,963	0	
Federal Program 16.812 Total				44,094	0	
16.816	John R Justice Prosecutors & Defenders Inc Act		3430	208,340	186,002	
Federal Program 16.816 Total				208,340	186,002	
Dept of Justice Total				28,447,024	12,112,149	

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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	164-119F-2012/435162	3600	2,625	0	
17.000		TC-22490-11-60-A-53	6990	70,102	0	
17.000		TC-22520	6990	39,458	0	PT
Federal Program 17.000 Total				112,185	0	
17.002	Labor Force Statistics		2350	124,366	0	
17.002			5400	3,204,935	0	
Federal Program 17.002 Total				3,329,301	0	
17.005	Compensation and Working Conditions		2350	352,657	0	
Federal Program 17.005 Total				352,657	0	
17.225	Unemployment Insurance		5400	2,972,684,878	0	
Federal Program 17.225 Total				2,972,684,878	0	
17.225A	ARRA - Unemployment Insurance		5400	123,378	0	
Federal Program 17.225A Total				123,378	0	
17.235	Senior Comm Service Empl Pgm		3000	1,609,495	1,448,272	
Federal Program 17.235 Total				1,609,495	1,448,272	
17.245	Trade Adjustment Assistance		5400	11,273,117	0	
Federal Program 17.245 Total				11,273,117	0	
17.257	One-Stop Career Center Initiative		5400	677,933	0	
Federal Program 17.257 Total				677,933	0	
17.261	WIA Pilots, Demonstrations, and Research Projects		3000	2,276,744	1,396,871	
17.261			3540	158,547	0	
17.261			6990	223,392	0	
17.261		12-ABA-192	6990	11,981	0	PT
Federal Program 17.261 Total				2,670,664	1,396,871	
17.268	H-1b Job Training Grants	T9SSC-476-ROW	6990	5,716	0	PT
Federal Program 17.268 Total				5,716	0	
17.269	Community Based Job Training Grants		6990	3,201,323	0	
17.269		CB-20566-10-60-A-53	6990	387,087	0	PT
Federal Program 17.269 Total				3,588,410	0	
17.271	Work Opportunity Tax Credit Program (Wotc)		5400	461,101	0	

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Dept of Labor

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Federal Program 17.271 Total				461,101	0	
17.273	Temporary Labor Certification for Foreign Workers		5400	117,659	0	
Federal Program 17.273 Total				117,659	0	
17.274	Youthbuild	11-EVC-X-087-YB	6990	62,315	0	PT
17.274		YB-19042-09-60-A-53	6990	29,999	0	PT
Federal Program 17.274 Total				92,314	0	
17.275	ARRA - Comp Grants for Worker Train		3540	3,849,339	0	
17.275			5400	158,393	0	
17.275		7370	5400	10,814	0	PT
17.275		09-EDC-O-761-YB	6990	68,005	0	PT
17.275		09-EDC-O-783-SEED	6990	122,049	0	PT
17.275		10-EVC-X-038-SESP	6990	23,589	0	PT
17.275		10/304-COM	6990	140,630	0	PT
17.275		10/502-POP	6990	268,778	0	PT
17.275		10/527-SEE	6990	7,168	0	PT
17.275		10/528-SEE	6990	35,276	0	PT
17.275		10/530-POP	6990	110,064	0	PT
17.275		11-EDC-X-078-SESP	6990	73,005	0	PT
17.275		CCS:SCC-SESP	6990	457,168	0	PT
17.275		GJ-20079-10-60-A-53	6990	54,801	0	PT
17.275		KC-349-10	6990	8,284	0	PT
Federal Program 17.275 Total				5,387,363	0	
17.276	ARRA - Health Coverage Tax Credit (Hctc)		5400	150,051	0	
Federal Program 17.276 Total				150,051	0	
17.277	Workforce Investment Act (Wia) National Emergency		5400	2,619,829	2,603,249	
Federal Program 17.277 Total				2,619,829	2,603,249	
17.282	Trade Adjustment Assist Comm College & Career Trng		6990	1,263,561	0	
Federal Program 17.282 Total				1,263,561	0	
17.502	Occupational Safety and Health_susan Harwood Train		3600	27,942	0	
17.502		SHTG-FY-10-01	3600	7,297	0	PT
17.502		UW OSP# A68925	3600	29,562	0	PT
Federal Program 17.502 Total				64,801	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 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
17.503	Occupational Safety & health State Prog		2350	7,344,771	0	
Federal Program 17.503 Total				7,344,771	0	
17.600	Mine Health and Safety Grants		3700	30,093	0	
Federal Program 17.600 Total				30,093	0	
17.805	Homeless Veterans Reintegration Project		3050	425,658	0	
Federal Program 17.805 Total				425,658	0	
Dept of Labor Total				3,014,384,935	5,448,392	

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 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	12-SBA-16	3600	57,550	0	PT
19.000		31597.100.001/UWLS	3600	31,764	0	PT
19.000		5654109866PO2001325395	3600	19,678	0	PT
19.000		645-11-100-3010-20	3600	25,502	0	PT
19.000		AID 1233-01702-LPS A1	3600	(18,069)	0	PT
19.000		AID136507476CRTAM01	3600	148,441	0	PT
19.000		PO2000635588 MOD08	3600	45,981	0	PT
19.000		PPA-10-069 AM03	3600	232,899	0	PT
19.000		SH1113 TO01 AM02	3600	25,865	0	PT
19.000		SIAPS-2011-003	3600	26,330	0	PT
19.000		SIAPS-2011-003 AM02	3600	41,313	0	PT
19.000		SIAPS-2011-003 TO# 03	3600	33,630	0	PT
19.000		SIAPS-2011-003 TO01	3600	7,564	0	PT
19.000		SINLEC08CA0009-A003	3600	1,816,056	0	
19.000		SLMAQM-10-GR-055 A001	3600	147,961	0	
19.000		SPS-08009 AM10	3600	122,173	0	PT
19.000		UW-RX2050-958-12-E	3600	13,811	0	PT
19.000		UWRX205093310EAM01	3600	12,739	0	PT
19.000		SAF20011GR035	3650	776,428	776,428	
19.000		SET10011GR100	3650	6,771	0	
19.000		WSU001303	3650	12,340	0	
Federal Program 19.000 Total				3,586,727	776,428	
19.009	Academic Exchange Programs - Undergraduate Program		3650	223,507	0	
19.009			3700	121,701	0	
19.009			6990	2,081,272	0	
19.009		EVT94660-67007	6990	7,121	0	PT
19.009		EVT94662-67007	6990	15,309	0	PT
19.009		EVT94680-67007	6990	119,587	0	PT
Federal Program 19.009 Total				2,568,497	0	
19.010	Academic Exchange Programs - Humphrey Fellowship P	S-ECAAS-10-CA-044	3600	(6)	0	PT
19.010		UW BUD# 807317	3600	229,225	0	PT
Federal Program 19.010 Total				229,219	0	
19.014	One-Time International Exchange Grant Program	UW BUD# 674143	3600	1,993	0	PT
19.014		UW BUD# 674144	3600	13,000	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 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
19.014	One-Time International Exchange Grant Program		6990	3,068	0	
	Federal Program 19.014 Total			18,061	0	
19.017	Environmental and Scientific Partnerships and Prog		3600	125,930	0	
	Federal Program 19.017 Total			125,930	0	
19.500	Middle East Partnership Initiative (Mepi)		3600	(1)	0	
	Federal Program 19.500 Total			(1)	0	
19.501	Public Diplmacy Programs for Afghanistand & Pakist		3650	370,570	0	
	Federal Program 19.501 Total			370,570	0	
19.703	Criminal Justice Systems		3600	37,507	0	
	Federal Program 19.703 Total			37,507	0	
	Dept of State Total			6,936,510	776,428	

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
20.000	DOT - Contract Number Only Provided	DTNH22-07-H-00153	2280	98,461	0	
20.000		DTNH22-09-H-00263	2280	420,106	420,106	
20.000		DTNH22-12-H-00153	2280	55,197	0	
20.000		08500	3600	9,535	0	PT
20.000		101219SB1E TO01	3600	17,090	0	PT
20.000		276700 C01	3600	308	0	PT
20.000		7877 MOD02	3600	12,699	0	PT
20.000		939844 REV01	3600	64,486	0	PT
20.000		DAILEY 28-11-IPA-4830	3600	167,405	0	
20.000		DTFH70-08-E00016 AM05	3600	137,624	33,908	
20.000		DTNH2206H00063MOD06	3600	7,104	0	
20.000		L00002500013TRAC00MOD0	3600	16,000	0	PT
20.000		DTFAAC11A00003	3650	73,192	0	
20.000		GF40511	3650	47,272	0	PT
20.000		HR0436	3650	148,434	0	PT
20.000		HR0949A	3650	205,977	0	PT
20.000		M025 57012032	3650	43,996	0	PT
20.000		M025 57012034	3650	21,714	0	PT
20.000		M025 57012038	3650	129,665	0	PT
20.000		M025 57022008	3650	(136)	0	PT
20.000		T0013GA	3650	35,284	0	PT
20.000		WSU000305	3650	16,857	0	PT
20.000		WSU001	3650	1,043	0	PT
Federal Program 20.000 Total				1,729,313	454,014	
20.106	Airport Improvement Program		4050	937,398	0	
Federal Program 20.106 Total				937,398	0	
20.215	Highway Training and Education		3650	159	0	
20.215		1213	3650	15,593	0	PT
20.215			3700	26,895	0	
20.215			6990	15,000	0	
Federal Program 20.215 Total				57,647	0	
20.218	National Motor Carrier Safety		2250	4,725,044	0	
20.218			4050	219,764	0	
Federal Program 20.218 Total				4,944,808	0	

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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
20.232	Commercial Driver License State Programs		2400	827,038	0	
	Federal Program 20.232 Total			827,038	0	
20.239	Motor Carrier Research and Technology Programs	425942-19124 MOD03	3600	162,869	0	PT
	Federal Program 20.239 Total			162,869	0	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Eff		2400	72,194	0	
	Federal Program 20.240 Total			72,194	0	
20.303	Grants-In-Aid for Railroad Safety_state Participat		4050	(21,489)	3,710	
	Federal Program 20.303 Total			(21,489)	3,710	
20.314	Railroad Development		4050	98,427	98,427	
	Federal Program 20.314 Total			98,427	98,427	
20.317	Capital Assistance to States - Intercity Passenger		4050	26,175	26,175	
	Federal Program 20.317 Total			26,175	26,175	
20.319	High Speed Rail Corr & Passenger Rail Cap		4050	4,379,588	0	
	Federal Program 20.319 Total			4,379,588	0	
20.319A	ARRA - High Speed Rail Corr & Passenger Rail Cap		4050	2,777,466	0	
	Federal Program 20.319A Total			2,777,466	0	
20.320	Rail Line Relocation and Improvement		4050	3,866,693	3,866,693	
	Federal Program 20.320 Total			3,866,693	3,866,693	
20.505	Federal Transit Metropolitan Planning		4050	559,805	32,814	
	Federal Program 20.505 Total			559,805	32,814	
20.509	Formula Grants for Other Than Urbanized		4050	9,302,911	8,505,389	
	Federal Program 20.509 Total			9,302,911	8,505,389	
20.509A	ARRA - Formula Grants for Other Than Urbanized		4050	1,568,114	1,550,315	
	Federal Program 20.509A Total			1,568,114	1,550,315	
20.608	Minimum Penalties for Repeat Offenders for Driving		2280	1,120,491	1,120,491	
	Federal Program 20.608 Total			1,120,491	1,120,491	
20.614	Nhtsa Discretionary Safety Grants		3600	532,755	0	
	Federal Program 20.614 Total			532,755	0	
20.700	Pipeline Safety Program Base Grants		2150	1,041,710	0	

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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 20.700 Total				1,041,710	0	
20.701	University Transportation Centers Program		3600	591,884	77,226	
20.701		KLK722SB001	3650	60,553	0	PT
20.701		UAF080032	3650	(3,602)	0	PT
20.701		UAF100095	3650	123,354	0	PT
20.701		UAF120024	3650	2,273	0	PT
Federal Program 20.701 Total				774,462	77,226	
20.703	Interagency Hazardous Materials Public Sector Trai		2450	397,496	393,906	
Federal Program 20.703 Total				397,496	393,906	
20.932	ARRA - Surface Trans Discretionary Grants for Cap		4050	9,493,506	9,493,506	
Federal Program 20.932 Total				9,493,506	9,493,506	
20.933	Surface Transportation Infrastructure Disc. Grants		4050	40,022,519	39,682,820	
Federal Program 20.933 Total				40,022,519	39,682,820	
Dept of Transportation Total				84,671,896	65,305,486	

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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	PL112-1095X1350	1480	460,308	0	PT
21.000		Training	1480	6,655	0	PT
Federal Program 21.000 Total				466,963	0	
21.008	Low-Income Taxpayer Clinics		3600	92,031	0	
Federal Program 21.008 Total				92,031	0	
21.999	Department of Treasury - Undetermined		1030	4,701,453	0	
21.999			1170	1,559,905	0	
Federal Program 21.999 Total				6,261,358	0	
Dept of the Treasury Total				6,820,352	0	

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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		1000	46	0	NC
39.003			1790	2,745	0	NC
39.003			2350	115	0	NC
39.003			3650	4,786	0	NC
39.003			4050	1,541	0	NC
39.003			4770	195,319	0	NC
39.003			6990	104,634	0	NC
Federal Program 39.003 Total				309,186	0	
General Services Administration Total				309,186	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

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	69,078	0	
Federal Program 42.999 Total				69,078	0	
Library of Congress Total				69,078	0	

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**State of Washington
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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	00001601 MOD04	3600	90,938	0	PT
43.000		08-964 AM07	3600	57,103	0	PT
43.000		0995-S-NB097 AM02	3600	84,568	0	PT
43.000		12006827 A 00	3600	10,696	0	PT
43.000		1303809 MOD10	3600	44,016	0	PT
43.000		1318943MOD13NMO711006	3600	82,093	0	PT
43.000		1318945 MOD13	3600	119,061	0	PT
43.000		1359623 MOD06	3600	16,370	0	PT
43.000		1369586 MOD07	3600	22,756	0	PT
43.000		1375272, MOD054	3600	11,397	0	PT
43.000		1377557 MOD 03	3600	85,777	0	PT
43.000		1380685 MOD01	3600	13,481	0	PT
43.000		1397667 MOD01	3600	955	0	PT
43.000		1409394 MOD02	3600	1,604	0	PT
43.000		1420479 MOD05	3600	130,530	0	PT
43.000		1430444	3600	48,649	0	PT
43.000		1451183	3600	5,709	0	PT
43.000		2-1087551 MOD02	3600	103,371	0	PT
43.000		4-10067-4051 AM11	3600	83,098	0	PT
43.000		4200402442-NNM12AA49P	3600	3,000	0	
43.000		435-SC01 MOD01	3600	71,627	0	PT
43.000		46508	3600	30,846	0	PT
43.000		50102	3600	(11,082)	0	PT
43.000		51326-9484 AMENDMENT 1	3600	58,070	0	PT
43.000		646 MOD01	3600	23,791	0	PT
43.000		74781	3600	2,468	0	PT
43.000		970344 AM02	3600	30,430	0	PT
43.000		AR9-0015X AM04	3600	39,466	0	PT
43.000		ARO-11014X, AM.1	3600	9,780	0	PT
43.000		BLO1301 AM05	3600	32,128	0	PT
43.000		GO0-11032B	3600	3,881	0	PT
43.000		GO0-11036B AM01	3600	6,601	0	PT
43.000		GO0-11129B AM01	3600	1,262	0	PT
43.000		GO1-12118X AM01	3600	34,513	0	PT
43.000		GO9-0011X AM01	3600	358	0	PT
43.000		GO90126XNAS803060AM02	3600	2,226	0	PT

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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	HST GO 11163 01-A AM02	3600	26,468	0	PT
43.000		HST-AR-10945.01-A AM05	3600	5,853	0	PT
43.000		HST-AR-11767.03-A	3600	313	0	PT
43.000		HST-GO-10500.01-A AM05	3600	3,044	0	PT
43.000		HST-GO-10889.05-AAM02	3600	34,971	0	PT
43.000		HST-GO-10915.01-A AM05	3600	2,009	0	PT
43.000		HST-GO-11162.01-A AM02	3600	3,388	0	PT
43.000		HST-GO-11214.05-A AM02	3600	6	0	PT
43.000		HST-GO-11233.01-A AM03	3600	1,412	0	PT
43.000		HST-GO-11359.02-A AM01	3600	21,548	0	PT
43.000		HST-GO-11580.01-A AM03	3600	37,123	0	PT
43.000		HST-GO-11633.08-A	3600	4,869	0	PT
43.000		HST-GO-11639.01-A AM01	3600	48,438	0	PT
43.000		HST-GO-11677.09-A AMO1	3600	3,103	0	PT
43.000		HST-GO-11688.01-A AM01	3600	2,491	0	PT
43.000		HST-GO-11719.01-A AM02	3600	44,138	0	PT
43.000		HST-GO-11732.02-A	3600	26,476	0	PT
43.000		HST-GO-11739.07-A	3600	6,122	0	PT
43.000		HST-GO-11986.01-A AM02	3600	66,271	0	PT
43.000		HST-GO-12055.01-A AM02	3600	695,895	0	PT
43.000		HST-GO-12178.01-A	3600	9,821	0	PT
43.000		HST-GO-12196.01-A	3600	51,864	0	PT
43.000		HST-GO-12213	3600	29,767	0	PT
43.000		HST-GO-12231.01-A	3600	11,362	0	PT
43.000		HST-GO-12311.06-A	3600	17,816	0	PT
43.000		HST-HF-51273.01-A	3600	92,547	0	PT
43.000		HSTGO1122101AAM01	3600	1,239	0	PT
43.000		HSTGO1205501AAMEND1	3600	39,028	0	PT
43.000		MA01603 AM02	3600	168,674	0	PT
43.000		MA01603 AM05	3600	97,247	0	PT
43.000		MA01604	3600	3,232	0	PT
43.000		NAS1-99105,AM24	3600	(7,218)	0	
43.000		NNC04CA99C	3600	(5,480)	0	PT
43.000		NNG06GG00GS05	3600	16,129	0	
43.000		NNX-06AI03G	3600	22,510	0	
43.000		NNX07AE50A SUP05	3600	10,626	0	

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National Aeronautics & Space Admin

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43.000	Nasa - Contract Number Only Provided	NNX07AJ59G	3600	14,482		0
43.000		NNX07AL78G SUPP 05	3600	3,634		0
43.000		NNX07AP66G SUP03	3600	(23)		0
43.000		NNX07AQ89G S05	3600	(4)		0
43.000		NNX07AR18G	3600	66,777	40,100	
43.000		NNX07AR44G	3600	24,585		0
43.000		NNX08AD12G S03	3600	31,321		0
43.000		NNX08AD19G SO4	3600	190,409	108,835	
43.000		NNX08AD64G 000004	3600	66,729		0
43.000		NNX08AF21A S04	3600	85,242		0
43.000		NNX08AF66G	3600	40,321	40,321	
43.000		NNX08AF66G SUP03	3600	4,638		0
43.000		NNX08AG08G	3600	(57)		0
43.000		NNX08AG84G SUP03	3600	43,975		0
43.000		NNX08AH62G MOD03	3600	(112)		0
43.000		NNX08AH97G	3600	141,291		0
43.000		NNX08AI73G	3600	123,879		0
43.000		NNX08AJ72G S000004	3600	94,971		0
43.000		NNX08AJ80G S03	3600	10,245		0
43.000		NNX08AK49G SUP05	3600	42,876		0
43.000		NNX08AN58G S05	3600	120,308	12,122	
43.000		NNX08AP56G S04	3600	21,919		0
43.000		NNX08AP63G S03	3600	21,845		0
43.000		NNX08AQ07G SUP03	3600	1,061		0
43.000		NNX08AQ51G SUP02	3600	26,612		0
43.000		NNX08AR16G S03	3600	97,090		0
43.000		NNX08AR30G MOD000007	3600	45,830		0
43.000		NNX08AR30G S000008	3600	246,522		0
43.000		NNX08AT73G S05	3600	15,037		0
43.000		NNX08AT87G S000007	3600	95,436		0
43.000		NNX08AU68G MOD04	3600	448,365	213,622	
43.000		NNX08AU82HS02	3600	6,175		0
43.000		NNX08AU96H	3600	2,719		0
43.000		NNX08AX59HS02	3600	(1,946)		0
43.000		NNX08BA58G SUP07	3600	155,565		0
43.000		NNX08BA82H S000003	3600	19,276		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 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	NNX09AB32GS03	3600	103,081		0
43.000		NNX09AC77G S05	3600	105,640		0
43.000		NNX09AE47G S05	3600	84,508		0
43.000		NNX09AE65G S02	3600	60,534		0
43.000		NNX09AF87G SUP01	3600	33		0
43.000		NNX09AF89G S02	3600	4,722		0
43.000		NNX09AH73G S04	3600	237,470		0
43.000		NNX09AI48G SUP03	3600	75,916	21,383	
43.000		NNX09AK08H	3600	(501)		0
43.000		NNX09AK57G S03	3600	118,670		0
43.000		NNX09AK84GS03	3600	74,809		0
43.000		NNX09AK89G S01	3600	59,776		0
43.000		NNX09AK89G S03	3600	45,470	599	
43.000		NNX09AL02GSUP03	3600	84,275		0
43.000		NNX09AM73G S000003	3600	27,524		0
43.000		NNX09AN90H S000002	3600	31,828		0
43.000		NNX09AO22H SUP000002	3600	26,775		0
43.000		NNX09AQ95GSUPPL000002	3600	102,965		0
43.000		NNX09AU71G	3600	32,423		0
43.000		NNX09AU71G, 00003	3600	162,473		0
43.000		NNX09AU73G S000006	3600	194,850		0
43.000		NNX09AV78G S000002	3600	66,279		0
43.000		NNX10AC88G 000003	3600	192,510	95,990	
43.000		NNX10AE59G	3600	(9)		0
43.000		NNX10AE98G AM02	3600	91,445		0
43.000		NNX10AF48A	3600	182,202		0
43.000		NNX10AG04G S03	3600	183,231	79,227	
43.000		NNX10AG51G S02	3600	171,908	48,512	
43.000		NNX10AG87G SUP02	3600	109,053	55,761	
43.000		NNX10AH70G S02	3600	138,877		0
43.000		NNX10AI33G	3600	4,526		0
43.000		NNX10AI89G S02	3600	144,722		0
43.000		NNX10AK64H S000003	3600	629,714	203,398	
43.000		NNX10AK96G SUP000001	3600	68,975		0
43.000		NNX10AK96G SUP02	3600	3,550	509	
43.000		NNX10AM63G	3600	22,082		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

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	NNX10AN66G	3600	60,034	0	
43.000		NNX10AO35G	3600	368	0	
43.000		NNX10AQ33G S02	3600	128,428	0	
43.000		NNX10AQ90G S000004	3600	50,231	0	
43.000		NNX10AR01G SUP03	3600	143,566	0	
43.000		NNX10AV15G SUP01	3600	33,774	0	
43.000		NNX11AC23G SUP01	3600	19,127	0	
43.000		NNX11AE78G S02	3600	579,378	0	
43.000		NNX11AO63G 000002	3600	78,999	0	
43.000		NNX11AQ61H	3600	22,318	0	
43.000		PO#NNM11AA61P	3600	93	0	
43.000		PO2023778547974MOD02	3600	(1,092)	0	PT
43.000		PY-2426-22727-D AM22	3600	185,787	0	PT
43.000		RC508-G1	3600	850	0	PT
43.000		RSA 1434690	3600	2,459	0	PT
43.000		RSA NO 1368483 MOD02	3600	5	0	PT
43.000		RSA1368471MOD01NM07100	3600	6,565	0	PT
43.000		SMST01601 AM.05	3600	247,252	0	PT
43.000		SMST01601 AM04	3600	39,221	0	PT
43.000		SMST01601 AMD 2	3600	55,285	0	PT
43.000		SVO80010NNX09AT12GC01	3600	7,571	0	
43.000		UW BUD# 663172	3600	46,906	0	PT
43.000		UW BUD# 801329	3600	6,166	0	PT
43.000		Z11-92259 MODM01	3600	59	0	PT
43.000		3890	3650	94,452	0	PT
43.000		909046	3650	117,998	0	PT
43.000		HSTGO1091101A	3650	(286)	0	PT
43.000		NNX07AH47G	3650	(991)	0	
43.000		NNX09AI82G	3650	106,647	0	
43.000		NNX09AJ28G	3650	88,186	0	
43.000		SUB2011003	3650	56,225	0	PT
43.000		ELS0025143	3750	573	0	PT
43.000		NNX10AD15G S01	3750	23,507	0	
Federal Program 43.000 Total				11,093,599	920,379	
43.001	Aerospace Education Services Program		3600	4,654,222	898,286	

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 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
43.001	Aerospace Education Services Program	510 AM01	3600	31,775	0	PT
43.001		510 AM06	3600	31,714	0	PT
43.001		AR2-13005X	3600	22,603	0	PT
43.001		AR2-13008X	3600	4,921	0	PT
43.001		HST-AR-12619.07-A	3600	1,907	0	PT
43.001		HST-AR-12628.01-A	3600	3,218	0	PT
43.001		HST-EO-12512.06-A	3600	4,116	0	PT
43.001		HST-GO-12605.06-A	3600	10,929	0	PT
43.001		PO# 56043	3600	18,538	0	PT
43.001			3650	127,321	10,349	
43.001		361090335	3650	41,218	0	PT
43.001		GNK013SB001	3650	45,104	0	PT
43.001		WSU001014	3650	1	0	PT
43.001		WSU001261	3650	63,154	0	PT
43.001		P502180	3800	17,096	0	PT
Federal Program 43.001 Total				5,077,837	908,635	
43.002	Technology Transfer	1548572	3600	21,404	0	PT
43.002		60016653RF01120294AM07	3600	35,823	0	PT
Federal Program 43.002 Total				57,227	0	
National Aeronautics & Space Admin Total				16,228,663	1,829,014	

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

*** See Subdivision**

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
45.024	Promo Grant Arts to Org		3760	55,819	0	
Federal Program 45.024 Total				55,819	0	
45.129	Promotion of the Humanities_federal/State Partners	4465-GS11	3700	7,500	0	PT
Federal Program 45.129 Total				7,500	0	
45.149	Promotion of the Humanities_division of Preservati	237541A	3760	33,530	0	PT
Federal Program 45.149 Total				33,530	0	
* See Subdivision Total				96,849	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
47.000	Nsf - Contract Number Only Provided	1120959-214342 AM4	3600	17,160	0	PT
47.000		1696REUMOD01PO95000103	3600	8,976	0	PT
47.000		51250002512500036080PO	3600	12,325	0	PT
47.000		808-10	3600	10,959	0	PT
47.000		C44068L AM002	3600	109,101	0	PT
47.000		EPS-1135462-01	3600	133,482	0	
47.000		PO P1195670	3600	19,653	0	PT
47.000		PO# 367199	3600	1,499	0	PT
47.000		UW BUD# 637341	3600	8,079	0	PT
47.000		162630	3650	1,068	0	PT
47.000		75ADV1090486	3650	47,053	0	PT
47.000		CHE0723997	3650	11,976	0	
47.000		DBI0605016	3650	291,493	0	
47.000		WSU000831	3650	(1,858)	0	PT
47.000		WSU002087	3650	10,344	0	PT
47.000		WSU002106	3650	10,000	0	PT
47.000		WSU002323	3650	1,665	0	PT
47.000		WSU002349	3650	664	0	PT
47.000		No Contract	3750	1,500	0	PT
Federal Program 47.000 Total				695,139	0	
47.041	Engineering Grants	260118A	6990	18,729	0	PT
Federal Program 47.041 Total				18,729	0	
47.049	Mathematical and Physical Sciences	DUE 0532618	6990	4,963	0	PT
Federal Program 47.049 Total				4,963	0	
47.050	Geosciences		6990	24,550	0	
Federal Program 47.050 Total				24,550	0	
47.076	Education and Human Resources		6990	2,738,077	0	
47.076		677551- Mesa Stem	6990	36,210	0	PT
47.076		DUE 0702912	6990	15,250	0	PT
47.076		G530/G531	6990	26,560	0	PT
Federal Program 47.076 Total				2,816,097	0	
47.082	ARRA - Trans-Nsf Recovery Act Research Supp		6990	270,712	0	
Federal Program 47.082 Total				270,712	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
47.999	Nsf - Undetermined		3600	216,995	0	
Federal Program 47.999 Total				216,995	0	
National Science Foundation Total				4,047,185	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

Railroad Retirement Board

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
57.001	Social Insurance for Railroad Workers		3800	50,773	0	
Federal Program 57.001 Total				50,773	0	
Railroad Retirement Board Total				50,773	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	(4,673)	0	
59.000		SBAHQ-11-I-0043	3700	57,505	0	
Federal Program 59.000 Total				52,832	0	
59.037	Small Business Development Centers		3650	2,804,774	150,000	
Federal Program 59.037 Total				2,804,774	150,000	
59.050	Prime Technical Assistance		6990	90,876	0	
Federal Program 59.050 Total				90,876	0	
59.061	State Trade & Export Promotion Pilot Grant Program		1030	837,428	17,500	
Federal Program 59.061 Total				837,428	17,500	
Small Business Administration Total				3,785,910	167,500	

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

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	36,895	0	
Federal Program 62.000 Total				36,895	0	
Tennessee Valley Authority Total				36,895	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	663-C11559	3600	35,435	0	
64.000		663-C11568	3600	6,953	0	
64.000		663-C21521	3600	53,501	0	
64.000		663-C21529	3600	14,548	0	
64.000		663-C21898	3600	14,461	0	
64.000		663/151	3600	34,593	0	
64.000		6631125310001V663C1155	3600	52,606	0	
64.000		6631125310002V663C1157	3600	97,647	0	
64.000		AMENDMENT	3600	70,264	0	
64.000		CROSSIPAPO663D20191	3600	19,824	0	
64.000		GS08T11BPC0245	3600	211,783	0	
64.000		HCRPOIFCAPPOVA663C1169	3600	4,086	0	
64.000		HCRPOPOVA663C11557	3600	26,974	0	
64.000		HCRPOPOVA663C11763	3600	71,346	0	
64.000		IPA	3600	2,784	0	
64.000		IPA 2009-2011	3600	23,125	0	
64.000		IPA FOR BLOUGH R&D 151	3600	9,558	0	
64.000		IPA RASKIND	3600	18,664	0	
64.000		PAULEYIPAPO663D20190	3600	19,954	0	
64.000		PO # 663-C21465	3600	11,466	0	
64.000		PO # 663-D20154	3600	25,043	0	
64.000		PO #518-C11221	3600	7,110	0	
64.000		PO 663-C20045	3600	(5,241)	0	
64.000		PO 663C11386	3600	46,036	0	
64.000		PO C00021	3600	168,778	0	
64.000		PO VA663-C21916	3600	6,250	0	
64.000		PO# 518-C11221	3600	28,310	0	
64.000		PO# 663-C11558 MOD06	3600	94,663	0	
64.000		PO# 663-C21894	3600	47,862	0	
64.000		PO# 663D20159	3600	12,729	0	
64.000		PO# 663D20198	3600	30,587	0	
64.000		PO# C21400	3600	17,146	0	
64.000		PO# C21449	3600	53,440	0	
64.000		PO# VA663-C21530 MOD01	3600	204,654	0	
64.000		PO# VA663-C21532	3600	132,963	0	
64.000		PO#663C11426	3600	12,912	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

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	PO#663C11560	3600	36,935	0	
64.000		PO#663D20101	3600	2,607	0	
64.000		PO#VA663-C21896	3600	65,583	0	
64.000		V346P-4895 (SA/#17)	3600	(31,233)	0	
64.000		V636SM1628	3600	42,931	0	PT
64.000		V663-C11567	3600	44,361	0	
64.000		V663C11567PO663C21533	3600	88,722	0	
64.000		V663P-5195	3600	(22,815)	0	
64.000		VA-260-07-RQ-0034 AM02	3600	(3,012)	0	
64.000		VA24312P1211PO526C2032	3600	25,754	0	
64.000		VA260-12-P-0159	3600	34,441	0	
64.000		VA260-12-P-1070	3600	164,264	0	
64.000		VA260-P-0188, AM09	3600	75,145	0	
64.000		VA260-P-0716	3600	2,339	0	
64.000		VA260-P-0716 AM03	3600	7,408	0	
64.000		VA260-P-0875 MOD04	3600	229,564	0	
64.000		VA260-P-0931 P00001	3600	62,103	0	
64.000		VA26012P1082663C21905	3600	33,640	0	
64.000		VA260P0112 AM 01 & 02	3600	(2,404)	0	
64.000		VA260P0536663C21556MOD	3600	77,562	0	
64.000		VA260P0718663D22009AM0	3600	75,157	0	
64.000		VA260P0718VA663D11511	3600	27,782	0	
64.000		VA260P0736VA663D06022	3600	37,374	0	
64.000		VA260P0741VA663D10008A	3600	29,199	0	
64.000		VA260P0741VA663D22002	3600	31,233	0	
64.000		VA260P0743VA663C21631	3600	16,584	0	
64.000		VA260P0753663D22010	3600	29,002	0	
64.000		VA260P0871VA663D22006A	3600	20,069	0	
64.000		VA260P0873PO663D22004	3600	10,844	0	
64.000		VA260P0874P0663D22005	3600	31,892	0	
64.000		VA260P0875POVA663D1601	3600	54,535	0	
64.000		VA260P0903POVA663D1605	3600	31,103	0	
64.000		VA260P0931POVA663C1205	3600	75,851	0	
64.000		VA260P207PO663C11558	3600	47,343	0	
64.000		VA360P0874P0663D16018	3600	10,573	0	
64.000		VA663 D16026	3600	19,836	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	VA663-C00013	3600	(1)	0	
64.000		VA663-C11563	3600	171,689	0	
64.000		VA663-C11807 A01	3600	17,403	0	
64.000		VA663-C11816	3600	33,788	0	
64.000		VA663-C12075	3600	17,716	0	
64.000		VA663-C21522	3600	28,923	0	
64.000		VA663-C21523	3600	70,681	0	
64.000		VA663-C21524	3600	328,248	0	
64.000		VA663-C21528	3600	67,283	0	
64.000		VA663-C21785	3600	16,894	0	
64.000		VA663P-5935	3600	(2,275)	0	
64.000		YARNYKHIPAPO663D20196	3600	10,439	0	
Federal Program 64.000 Total				3,925,874	0	
64.012	Veterans Prescription Service		3050	220,207	0	
Federal Program 64.012 Total				220,207	0	
64.014	Veterans State Domiciliary Care		3050	142,486	0	
Federal Program 64.014 Total				142,486	0	
64.015	Veterans State Nursing Home Care		3050	18,893,923	0	
Federal Program 64.015 Total				18,893,923	0	
64.024	VA Homeless Providers Grant and Per Diem Program		3050	691,477	0	
Federal Program 64.024 Total				691,477	0	
64.027	ARRA - Post 911 Veterans Educational Assistance		6990	1,949,956	0	
Federal Program 64.027 Total				1,949,956	0	
64.101	Burial Expenses Allowance for Veterans		3050	195,800	0	
Federal Program 64.101 Total				195,800	0	
64.110	Veterans Dependency and Indemnity Compensation For		6990	5,060	0	
Federal Program 64.110 Total				5,060	0	
64.116	Vocational Rehabilitation for Disabled Veterans		6990	8,029	0	
Federal Program 64.116 Total				8,029	0	
64.117	Survivors and Dependents Educational Assistance		6990	59,089	0	
Federal Program 64.117 Total				59,089	0	

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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
64.124	All-Volunteer Force Educational Assistance		3430	301,431	0	
64.124			3540	170,354	0	
64.124			6990	1,432	0	
Federal Program 64.124 Total				473,217	0	
64.999	Veterans Affairs - Undetermined		3600	1,881,070	0	
64.999			6990	1,412,172	0	
Federal Program 64.999 Total				3,293,242	0	
Department of Veterans Affairs Total				29,858,360	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	C796 AM04	3600	233,230	0	PT
66.000		D39477D AM01	3600	19,752	0	PT
66.000		HQ-571-09-11N	3600	1,717	0	
66.000		UW BUD# 638165	3600	13,397	0	PT
66.000		UW BUD# 673689	3600	2,547	0	PT
66.000		EP117000239	3650	38,732	0	
66.000		WSU000847	3650	4,890	0	PT
66.000		WSU002003	3650	8	0	PT
66.000		WSU002282	3650	10,304	0	PT
Federal Program 66.000 Total				324,577	0	
66.032	State Indoor Radon Grants		3030	40,035	0	
Federal Program 66.032 Total				40,035	0	
66.034	Surveys, Studies, Research, Investigations, Demons		3030	108,118	0	
Federal Program 66.034 Total				108,118	0	
66.039	National Clean Diesel Funding Assist		4610	343,860	0	
Federal Program 66.039 Total				343,860	0	
66.040	State Clean Diesel Grant Program		4610	747,616	0	
Federal Program 66.040 Total				747,616	0	
66.040A	ARRA - State Clean Diesel Grant Program		4610	56,649	0	
Federal Program 66.040A Total				56,649	0	
66.120	Puget Sound Watershed Management Assistance	ORGU2181ACCT741190ACTU	3600	23,991	0	PT
66.120		UW BUD# 639923	3600	100,924	0	PT
66.120		C20110493	3650	3,200	0	PT
Federal Program 66.120 Total				128,115	0	
66.122	Puget Sound Action Agenda Outreach, Edu Steward Su		4780	786,669	0	
Federal Program 66.122 Total				786,669	0	
66.123	Ps Action Agenda: Tech Investigations & Implement		3030	977,472	464,589	
66.123			3600	835,782	0	
66.123		WA-S-110210-105-0	3600	61,438	0	PT
66.123			4610	2,268,250	0	
66.123		C011030	4610	3,128	0	PT
66.123			4770	668,343	0	

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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
66.123	Ps Action Agenda: Tech Investigations & Implement		4780	1,741,450	0	
	Federal Program 66.123 Total			6,555,863	464,589	
66.202	Congressionally Mandated Projects		1030	324,754	0	
66.202		EPA83438801-340 AM0A	3600	13,592	0	PT
66.202			4610	29,390	0	
	Federal Program 66.202 Total			367,736	0	
66.418	Construction Grants for Wastewater Treatmen		4610	11,903	0	
	Federal Program 66.418 Total			11,903	0	
66.419	Water Pollution Control State, Interstate, and Tri		3030	282,657	0	
66.419			4610	546,209	0	
	Federal Program 66.419 Total			828,866	0	
66.432	State Public Water System Supervision		3030	3,350,771	0	
	Federal Program 66.432 Total			3,350,771	0	
66.436	Surveys, Studies, Investigations, Demonstrations,		4610	34,529	0	
	Federal Program 66.436 Total			34,529	0	
66.439	Targeted Watersheds Grants	429-46-06 AM01	3600	279	0	PT
	Federal Program 66.439 Total			279	0	
66.454	Water Quality Mgmt Planning		4610	298,378	0	
	Federal Program 66.454 Total			298,378	0	
66.454A	ARRA - Water Quality Mgmt Planning		4610	93,215	0	
	Federal Program 66.454A Total			93,215	0	
66.456	National Estuary Program	2012-04 AM01	3600	37,500	0	PT
66.456		IAC 2011-14AM02	3600	37,282	0	PT
66.456			4610	1,064,875	0	
66.456			4670	8,611	0	
66.456			4780	2,036,658	0	
	Federal Program 66.456 Total			3,184,926	0	
66.458	Cap Grnts for Clean Water ST Revolving Funds		4610	23,041,600	0	
	Federal Program 66.458 Total			23,041,600	0	
66.458A	ARRA - Cap Grnts for Clean Water ST Revolving Fund		4610	9,113,561	0	

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Federal Program 66.458A Total				9,113,561	0	
66.460	Nonpoint Source Implementation Grants		4610	3,795,650	0	
Federal Program 66.460 Total				3,795,650	0	
66.461	Regional Wetland Program Development Grants		4610	93,458	0	
66.461			4770	10,301	0	
66.461			4900	85,379	0	
Federal Program 66.461 Total				189,138	0	
66.468	Cap Grants for Drink Water State Rev		3030	19,500,068	15,863,882	
Federal Program 66.468 Total				19,500,068	15,863,882	
66.468A	ARRA - Cap Grants for Drink Water State Rev		3030	1,462,478	1,445,135	
Federal Program 66.468A Total				1,462,478	1,445,135	
66.472	Beach Monitoring and Notification Program Implemen		4610	312,924	0	
Federal Program 66.472 Total				312,924	0	
66.474	Water Protection Grants to the States		3030	87,081	0	
Federal Program 66.474 Total				87,081	0	
66.510	Surveys, Studies, Investigations and Special Purpo		3600	60,855	0	
Federal Program 66.510 Total				60,855	0	
66.517	Regional Applied Research Efforts (Rare)		3650	2,212	0	
Federal Program 66.517 Total				2,212	0	
66.605	Performance Partnership Grants	C794	3650	91,023	0	PT
66.605			4610	8,797,537	0	
Federal Program 66.605 Total				8,888,560	0	
66.608	Environmental Information Exchange Network Grant P		4610	257,739	0	
66.608			4670	378,531	195,100	
Federal Program 66.608 Total				636,270	195,100	
66.700	Consolidated Pesticide Enforcement Cooperative Agr		4950	577,789	0	
Federal Program 66.700 Total				577,789	0	
66.708	Pollution Prevention Grants Program		4610	292,329	0	
Federal Program 66.708 Total				292,329	0	

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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
66.716	Research, Development, Monitoring, Public Education		3030	30,820	0	
	Federal Program 66.716 Total			30,820	0	
66.801	Hazardous Waste Management State Program Support		4610	1,888,909	0	
	Federal Program 66.801 Total			1,888,909	0	
66.802	Superfund State Political Subdivision & Ind		4610	339,549	0	
	Federal Program 66.802 Total			339,549	0	
66.804	State and Tribal Underground Storage Tanks Program		4610	553,698	0	
	Federal Program 66.804 Total			553,698	0	
66.805	Leaking Underg Stor Tank Trust Fund		4610	907,155	0	
	Federal Program 66.805 Total			907,155	0	
66.805A	ARRA - Leaking Underg Stor Tank Trust Fund		4610	622,641	0	
	Federal Program 66.805A Total			622,641	0	
66.808	Solid Waste Management Assistance Grants		3030	66,605	0	
	Federal Program 66.808 Total			66,605	0	
66.809	Superfund State and Indian Tribe CORE Program Coop		4610	71,115	0	
	Federal Program 66.809 Total			71,115	0	
66.814	Brownfields Training, Research, and Technical Assi	S11209	3650	2,853	0	PT
	Federal Program 66.814 Total			2,853	0	
66.817	State and Tribal Response Program Grants	C1100171	3760	3,333	0	PT
66.817			4610	830,316	0	
	Federal Program 66.817 Total			833,649	0	
66.818	Brownfields Assess & Cleanup Coop Agmt		1030	1,260,210	1,245,641	
	Federal Program 66.818 Total			1,260,210	1,245,641	
66.818A	ARRA - Brownfields Assess & Cleanup Coop Agmt		1030	740,009	682,742	
	Federal Program 66.818A Total			740,009	682,742	
66.940	Environmental Policy and State Innovation Grants		4610	58,467	0	
	Federal Program 66.940 Total			58,467	0	
66.951	Environmental Education Grants		3500	18,775	7,011	
	Federal Program 66.951 Total			18,775	7,011	
	Environmental Protection Agency Total			92,617,075	19,904,100	

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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	(487)	0	
77.006			6990	107,862	0	
Federal Program 77.006 Total				107,375	0	
77.007	U.S. Nuclear Regulatory Commission Minority Servin		6990	86,798	0	
Federal Program 77.007 Total				86,798	0	
77.008	U.S. Nuclear Regulatory Commission Scholarship And		6990	1,108	0	
Federal Program 77.008 Total				1,108	0	
Nuclear Regulatory Commission Total				195,281	0	

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Dept of Energy

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81.000	Energy - Contract Number Only Provided	28302	1030	2,282,588	1,967,252	
81.000		00044719	3600	300	0	
81.000		00049069	3600	102,714	0	
81.000		00049070	3600	67,745	0	
81.000		00050066	3600	260,160	0	
81.000		00052791	3600	126,166	0	
81.000		00053041	3600	84,883	0	
81.000		00054022 MOD01	3600	39,228	0	
81.000		00054439	3600	218,372	0	
81.000		00055454	3600	143,303	0	
81.000		00055905	3600	243,671	0	
81.000		00056906	3600	13,608	0	
81.000		00102644	3600	194,663	0	PT
81.000		04-2011	3600	22,575	0	PT
81.000		101126 MOD 2	3600	13,909	0	PT
81.000		1038388	3600	17,012	0	PT
81.000		1038388 MOD 3	3600	11,865	0	PT
81.000		112830	3600	21,475	0	PT
81.000		117744 MOD03	3600	46,947	0	PT
81.000		125454-1	3600	11,589	0	PT
81.000		154406	3600	14,176	0	PT
81.000		156075 MOD02	3600	55,442	0	PT
81.000		156079 MOD02	3600	18,945	0	PT
81.000		170669 MOD03	3600	54,178	0	PT
81.000		172543	3600	26,313	0	PT
81.000		188680-1	3600	21,925	0	PT
81.000		19-25876 MOD01	3600	1,681	0	PT
81.000		2003-1389AM24	3600	687	0	PT
81.000		21701 MOD10	3600	73,542	0	PT
81.000		2F-31381	3600	339	0	PT
81.000		32449-001-06 MOD04	3600	(886)	0	PT
81.000		3481-4700190350	3600	48,502	0	PT
81.000		4000093555 MOD05	3600	264,784	0	PT
81.000		44955	3600	9,215	0	PT
81.000		50065	3600	114,294	0	
81.000		55490	3600	182,620	0	

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81.000	Energy - Contract Number Only Provided	57195	3600	5,331	0	
81.000		57469, AM.1	3600	37,811	0	PT
81.000		57469, AMEND.1	3600	64,957	0	PT
81.000		61661	3600	534,065	0	PT
81.000		6700882, MOD14	3600	509,771	0	PT
81.000		6853597 MOD04	3600	46,715	0	PT
81.000		889186-874J AM07	3600	101,025	0	PT
81.000		A45221/AM04	3600	33,971	0	PT
81.000		AC717130	3600	15,604	0	PT
81.000		AC8198900 CO01	3600	186,690	0	PT
81.000		AGN-0-40308-01	3600	8,135	0	PT
81.000		B598717	3600	30,868	0	PT
81.000		CONTRACT96824MOD03MA75	3600	262,705	0	PT
81.000		IGC 50337	3600	71,344	0	
81.000		MASTER#75501/TO#145280	3600	13,814	0	PT
81.000		MASTER75501TO141073MOD	3600	2,247	0	PT
81.000		MASTER75501TO80477MOD0	3600	104,361	0	PT
81.000		OF-34961 MOD01	3600	15,013	0	PT
81.000		PO 172497 MOD01	3600	50,770	0	PT
81.000		PO#1145626	3600	10,095	0	PT
81.000		PO#1192789	3600	30,000	0	PT
81.000		T.O. 152224	3600	(4,202)	0	PT
81.000		T.O. 152883 MOD01	3600	94,708	0	PT
81.000		T071981	3600	(7,175)	0	PT
81.000		TASK ORDER 136564	3600	458	0	PT
81.000		TASK ORDER# 161937	3600	1,769	0	PT
81.000		TASKORDER161937MOD01	3600	16,823	0	PT
81.000		TO 108989 MOD02	3600	69,891	0	PT
81.000		TO 135292 MOD02	3600	270,530	0	PT
81.000		TO 148455 MOD02	3600	36,240	0	PT
81.000		TO 150819	3600	5,398	0	PT
81.000		TO# 153266	3600	39,516	0	PT
81.000		TO#160891 MASTER#75501	3600	61,090	0	PT
81.000		TO#177999	3600	9,016	0	PT
81.000		TO129343AM02MASTER7550	3600	458	0	PT
81.000		TO135319MOD04MA75501	3600	133,764	0	PT

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Dept of Energy

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81.000	Energy - Contract Number Only Provided	TO147338MASTER75501	3600	15,095	0	PT
81.000		TO168689	3600	9,941	0	PT
81.000		TO178887	3600	8,845	0	PT
81.000		UW BUD# 639228	3600	174	0	PT
81.000		UW BUD# 663146	3600	218,017	0	PT
81.000		UW BUD# 663913	3600	76,174	0	PT
81.000		UW BUD# 664880	3600	1,654	0	PT
81.000		UW BUD# 667317	3600	(10,060)	0	PT
81.000		UW BUD# 807280	3600	34,874	0	PT
81.000		UW BUD# 807394	3600	48,903	0	PT
81.000		00021287-00006	3650	(1,222)	(1,214)	
81.000		00050029	3650	860,673	122,497	
81.000		00050447	3650	159	0	
81.000		00052438	3650	36,791	0	
81.000		00053907	3650	10,000	0	
81.000		00054565	3650	4,805	0	
81.000		00055415	3650	1,888	0	
81.000		00056811	3650	2,501	0	
81.000		0040	3650	(2,924)	0	PT
81.000		0099	3650	10,989	0	PT
81.000		01019W01062	3650	930,305	0	PT
81.000		09211	3650	(33)	0	PT
81.000		101758	3650	(519)	0	PT
81.000		102042	3650	44,402	0	PT
81.000		104976	3650	70,265	0	PT
81.000		1072147	3650	23,784	0	PT
81.000		107993	3650	1,967	0	PT
81.000		109061	3650	58,616	0	PT
81.000		109822	3650	138,549	0	PT
81.000		109823	3650	97,637	0	PT
81.000		110613	3650	80,174	0	PT
81.000		110804	3650	68,871	0	PT
81.000		1127609	3650	15,000	0	PT
81.000		113635	3650	(2,062)	0	PT
81.000		114428	3650	(214)	0	PT
81.000		118074	3650	136,825	0	PT

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81.000	Energy - Contract Number Only Provided	120402	3650	143,521	0	PT
81.000		1225319	3650	5,980	0	PT
81.000		1233946	3650	566	0	PT
81.000		123751	3650	59,643	0	PT
81.000		124475	3650	47,623	0	PT
81.000		130236	3650	259	0	PT
81.000		131023	3650	64,404	0	PT
81.000		132925	3650	69,178	0	PT
81.000		133476	3650	(5,659)	0	PT
81.000		137572	3650	18,496	0	PT
81.000		1380551	3650	115,139	0	PT
81.000		14002	3650	458,566	0	PT
81.000		140227	3650	2,658	0	PT
81.000		141214	3650	36,101	0	PT
81.000		141353	3650	4,624	0	PT
81.000		142104	3650	7,997	0	PT
81.000		142361	3650	142,348	0	PT
81.000		144527	3650	2,845	0	PT
81.000		145672	3650	16,624	0	PT
81.000		1511WSU01	3650	22,651	0	PT
81.000		154955	3650	72,643	0	PT
81.000		1566121	3650	3,325	0	PT
81.000		162817	3650	39,030	0	PT
81.000		163232	3650	6,300	0	PT
81.000		166705	3650	36,777	0	PT
81.000		169039	3650	13,217	0	PT
81.000		170586	3650	6,140	0	PT
81.000		171377	3650	50,835	0	PT
81.000		172660	3650	33,330	0	PT
81.000		172682	3650	5,265	0	PT
81.000		179251	3650	9,629	0	PT
81.000		24590NPPOAHXYG00121	3650	4,897	0	PT
81.000		400112928	3650	3,202	0	PT
81.000		46722	3650	50,000	0	PT
81.000		4792600109	3650	72,191	0	PT
81.000		48558	3650	(2,115)	0	PT

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81.000	Energy - Contract Number Only Provided	651102	3650	54,217	0	PT
81.000		663719	3650	(9,348)	0	PT
81.000		67114	3650	(1)	0	PT
81.000		68131	3650	16,531	0	PT
81.000		6833311	3650	15,392	0	PT
81.000		6962257	3650	3,937	0	PT
81.000		7496200109	3650	39,568	0	PT
81.000		75387	3650	54,133	0	PT
81.000		78069	3650	(8,937)	0	PT
81.000		8446100110	3650	96,624	0	PT
81.000		888552	3650	(1)	0	PT
81.000		93547	3650	44,715	0	PT
81.000		9W011WAPA0201	3650	275	0	PT
81.000		AC695370	3650	7,897	0	PT
81.000		AC695380	3650	(966)	0	PT
81.000		B595680	3650	58,807	0	PT
81.000		DEAC0707ID60679	3650	1,182	0	PT
81.000		DEAF6510WA45295	3650	195,315	0	
81.000		DENE0000495	3650	1,436	0	
81.000		ER15820	3650	135,475	0	
81.000		ER20225	3650	227,936	0	
81.000		GUAR56012484	3650	5,322	0	PT
81.000		M262_41771708	3650	(6)	0	PT
81.000		M285_29400075	3650	(147)	0	PT
81.000		M285_30287320	3650	(1,585)	0	PT
81.000		OSE1018	3650	140,549	0	PT
81.000		RELEASE00018	3650	64,931	0	PT
81.000		WSU000905	3650	909	0	PT
81.000		WSU001940	3650	60,115	0	PT
81.000		WSU002053	3650	15,781	0	PT
81.000		WSU002128	3650	12,531	0	PT
81.000		WSU002135	3650	14,604	0	PT
81.000		WSU002136	3650	14,747	0	PT
81.000		WSU002255	3650	11,536	0	PT
81.000		XFA11165201	3650	311,240	0	PT
81.000		XFT888521010	3650	69,702	0	PT

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Dept of Energy

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81.000	Energy - Contract Number Only Provided	(BPA) 00051087 (ARRA)	3750	69,347	0	
81.000		43810 (BPA) 00039095	3750	952	0	
81.000		43810 (BPA) 00057651	3750	1,960	0	
81.000		090-1289-ISA-FISH	4770	521,561	0	PT
81.000		11-55	4770	4,212	0	PT
81.000		12-108	4770	246,393	0	PT
81.000		12-109	4770	5,076	0	PT
81.000		12-46	4770	24,229	0	PT
81.000		12-68	4770	44,374	0	PT
81.000		12-76	4770	25,944	0	PT
81.000		12-77	4770	11,983	0	PT
81.000		24190599	4770	86,699	0	
81.000		44851	4770	126,929	0	
81.000		47336	4770	4,225	0	
81.000		47626	4770	18,133	0	
81.000		48948	4770	950,312	0	
81.000		49040	4770	33,549	0	
81.000		49080	4770	42,782	0	
81.000		49149	4770	14,155	0	
81.000		50061	4770	70,429	0	
81.000		50187	4770	52,782	0	
81.000		50204	4770	1,058,094	0	
81.000		50354	4770	217,208	0	
81.000		50444	4770	165,457	0	
81.000		50472	4770	46,467	0	
81.000		50628	4770	103,336	0	
81.000		50683	4770	69,701	0	
81.000		50929	4770	168,388	0	
81.000		50978	4770	163,244	0	
81.000		51112	4770	8,158	0	
81.000		51222	4770	116,152	0	
81.000		51887	4770	39,724	0	
81.000		51995	4770	125,401	0	
81.000		52091	4770	102,989	0	
81.000		52092	4770	41,706	0	
81.000		52093	4770	211,676	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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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	52110	4770	210,947	0	
81.000		52151	4770	184,201	0	
81.000		52152	4770	50,270	0	
81.000		52153	4770	100,340	0	
81.000		52290	4770	117,969	0	
81.000		52771	4770	122,630	0	
81.000		52949	4770	52,910	0	
81.000		53084	4770	168,944	0	
81.000		53250	4770	592,108	0	
81.000		53279	4770	1,055,273	0	
81.000		53444	4770	116,503	0	
81.000		53865	4770	198,028	0	
81.000		53956	4770	136,567	0	
81.000		54130	4770	172,235	0	
81.000		54137	4770	320,997	0	
81.000		54272	4770	141,054	0	
81.000		54273	4770	221,271	0	
81.000		54420	4770	86,804	0	
81.000		54461	4770	141,778	0	
81.000		54636	4770	23,341	0	
81.000		54788	4770	162,080	0	
81.000		54831	4770	472,958	0	
81.000		54906	4770	131,196	0	
81.000		55038	4770	150,588	0	
81.000		55102	4770	202,523	0	
81.000		55402	4770	177,183	0	
81.000		55446	4770	37,574	0	
81.000		55548	4770	180,093	0	
81.000		55732	4770	26,126	0	
81.000		56238	4770	7,777	0	
81.000		56424	4770	79,763	0	
81.000		56432	4770	99,284	0	
81.000		56535	4770	85,358	0	
81.000		56538	4770	120,522	0	
81.000		56540	4770	44,362	0	
81.000		56758	4770	98,987	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 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	56772	4770	24,794	0	
81.000		56787	4770	34,583	0	
81.000		56940	4770	62,366	0	
81.000		57287	4770	70,843	0	
81.000		00051166	6990	66,281	0	
81.000		00056233	6990	43,674	0	
Federal Program 81.000 Total				25,522,408	2,088,535	
81.000A	ARRA - Energy Contract Number Only Provided	01019W01062	3650	1,470,009	0	PT
81.000A		133177	3650	107,545	0	PT
81.000A		136898	3650	42,768	0	PT
81.000A		141375	3650	101,340	0	PT
81.000A		OSE1145	3650	33,902	0	PT
81.000A		WSU001294	3650	30,902	0	PT
81.000A		ZFT040644012	3650	367,794	0	PT
Federal Program 81.000A Total				2,154,260	0	
81.041	State Energy Program		1030	1,716,141	87,080	
Federal Program 81.041 Total				1,716,141	87,080	
81.041A	ARRA - State Energy Program		1030	27,691,605	16,279,713	
Federal Program 81.041A Total				27,691,605	16,279,713	
81.042	Weatherization Assist - Low Inc		1030	3,626,098	3,180,946	
Federal Program 81.042 Total				3,626,098	3,180,946	
81.042A	ARRA - Weatherization Assist - Low Inc		1030	16,794,180	14,897,086	
Federal Program 81.042A Total				16,794,180	14,897,086	
81.104	Office of Environmental Waste Processing		3030	193,832	0	
81.104			6990	701,196	0	
Federal Program 81.104 Total				895,028	0	
81.106	Transport of Transuranic Wastes to the Waste Isola	C120078FED-TWX1	2250	72,649	0	PT
Federal Program 81.106 Total				72,649	0	
81.112	Stewardship Science Grant Program		3600	175,426	0	
81.112			3650	2,216,601	0	
Federal Program 81.112 Total				2,392,027	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
81.117	Energy Efficiency and Renewable Energy Information		1030	71,251	13,000	
Federal Program 81.117 Total				71,251	13,000	
81.119A	ARRA - State Energy Program Special Projects		1030	177,277	0	
Federal Program 81.119A Total				177,277	0	
81.121	Nuclear Energy Research, Development and Demonstra		3650	373,387	194,954	
81.121		MUSC09094	3650	204,935	0	PT
81.121		MUSC12011	3650	3,406	0	PT
81.121			6990	8,769	0	
Federal Program 81.121 Total				590,497	194,954	
81.122	Electricity Delivery & Energy Research		2150	133,497	0	
81.122			3650	357,923	0	
81.122		20100125103	3650	352,706	0	PT
81.122			6990	2,048,354	0	
Federal Program 81.122 Total				2,892,480	0	
81.122A	ARRA - Electricity Delivery & Energy Research		1030	277,530	(94,637)	
81.122A			3650	773,080	200,421	
81.122A		10283474	3650	88,978	0	PT
81.122A		11453	3650	162,609	0	PT
81.122A		A000211585	3650	2,664	0	PT
Federal Program 81.122A Total				1,304,861	105,784	
81.128A	ARRA - Energy Effincy & Conservon Block Grant		1030	4,465,174	3,511,068	
Federal Program 81.128A Total				4,465,174	3,511,068	
81.135	Adv Research & Projects Agency	12006903B00	3650	39,204	0	PT
81.135		653029807	3650	21,953	0	PT
Federal Program 81.135 Total				61,157	0	
81.214	Environmental Monitoring/Cleanup Cultural Rsrc Mgt		3030	590,972	0	
Federal Program 81.214 Total				590,972	0	
81.999	Department of Energy - Undetermined		3600	486,297	0	
81.999		20126087	3650	(14)	0	PT
81.999		20126094	3650	143,354	0	PT
81.999			3700	331	0	

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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 81.999 Total				629,968		0
Dept of Energy Total				91,648,033	40,358,166	

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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	ED-OII-11-Q-0023	3600	92,610	0	PT
84.000		H133A080035	3600	77,628	0	PT
84.000		L031.02.06.01	3600	97,319	0	PT
84.000		PO22A040022ACTION0103	3600	(536)	0	
84.000		UW BUD# 635741	3600	(191)	0	PT
84.000		UW BUD# 802241	3600	2,230	0	PT
84.000		UW BUD# 802319	3600	20,760	0	PT
84.000		UW BUD# 802320	3600	(10,374)	0	PT
84.000		UW BUD# 802414	3600	(31,363)	0	PT
84.000		115448001	3650	46,744	0	PT
84.000		PCS0507	3650	(8,547)	0	PT
Federal Program 84.000 Total				286,280	0	
84.002	Adult Education - Basic Grants to States		6990	8,741,499	6,127,755	
Federal Program 84.002 Total				8,741,499	6,127,755	
84.011	Migrant Education_state Grant Program		3500	16,845,806	16,141,965	
Federal Program 84.011 Total				16,845,806	16,141,965	
84.013	Title I Program for Neglected and Delinquent Child		3500	1,312,644	1,304,289	
Federal Program 84.013 Total				1,312,644	1,304,289	
84.015	National Resource Centers Program for Foreign Lang		3600	3,704,071	109,114	
Federal Program 84.015 Total				3,704,071	109,114	
84.016	Undergraduate International Studies and Foreign La		3600	7,633	0	
84.016			3650	78,168	0	
84.016			3800	20,594	0	
Federal Program 84.016 Total				106,395	0	
84.021	Overseas Programs - Group Projects Abroad		3600	144,520	0	
Federal Program 84.021 Total				144,520	0	
84.031	Higher Education_institutional Aid		6990	4,673,968	0	
Federal Program 84.031 Total				4,673,968	0	
84.048	Career and Technical Education -- Basic Grants To		3540	19,994,774	0	
Federal Program 84.048 Total				19,994,774	0	
84.083	Women's Educational Equity Act Program		3750	21,995	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 84.083 Total				21,995	0	
84.101	Career and Technical Education - Indian Set-Aside	V101A010017-03A	6990	233,040	0	PT
Federal Program 84.101 Total				233,040	0	
84.103	Trio Staff Training Program		3600	754,177	0	
Federal Program 84.103 Total				754,177	0	
84.116	Fund for the Improvement of Postsecondary Educatio		3600	150,415	0	
84.116		A-3	3600	12,500	0	PT
84.116		F5237.01 AMA02	3600	(9,832)	0	PT
84.116		UW BUD# 637745	3600	3,265	0	PT
84.116			3760	171,808	0	
84.116			6990	1,268,750	0	
84.116		09-EDC-O-775-FIPSE	6990	51,496	0	PT
84.116		09-EVC-0-776-FIPSE	6990	2,059	0	PT
84.116		11-EVC-X-090-FIPSE	6990	35,607	0	PT
Federal Program 84.116 Total				1,686,068	0	
84.129	Rehabilitation Long-Term Training		3600	94,280	0	
84.129			3800	263,808	0	
Federal Program 84.129 Total				358,088	0	
84.141	Migrant Education_high School Equivalency Program		3750	460,473	0	
84.141			6990	470,916	0	
Federal Program 84.141 Total				931,389	0	
84.144	Migrant Education_coordination Program		3500	73,353	0	
Federal Program 84.144 Total				73,353	0	
84.149	Migrant Education_college Assistance Migrant Progr		3600	501,101	0	
84.149			3650	96,985	0	
84.149			3700	419,233	0	
84.149			3750	406,246	0	
84.149			6990	783,268	0	
Federal Program 84.149 Total				2,206,833	0	
84.153	Business and International Education Projects		6990	50,913	0	
Federal Program 84.153 Total				50,913	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
84.170	Javits Fellowships		3600	365,129	0	
Federal Program 84.170 Total				365,129	0	
84.184	Safe and Drug-Free Schools and Communities_nationa		3500	53,347	0	
84.184			3650	1,526	0	
84.184			3800	236,425	0	
84.184			6990	241,004	0	
Federal Program 84.184 Total				532,302	0	
84.185	Byrd Honors Scholarships		3500	651,476	651,476	
Federal Program 84.185 Total				651,476	651,476	
84.186	Safe and Drug-Free Schools and Communities_state G		1030	66,552	57,307	
84.186			3500	423,588	365,680	
Federal Program 84.186 Total				490,140	422,987	
84.187	Supported Employment Services for Individuals With		3000	565,265	0	
84.187			3150	90,914	0	
Federal Program 84.187 Total				656,179	0	
84.195	Dept of Education		3800	280,117	0	
Federal Program 84.195 Total				280,117	0	
84.200	Graduate Assistance In Areas of National Need		3600	118,037	0	
84.200			3650	129,606	0	
Federal Program 84.200 Total				247,643	0	
84.213	Even Start_state Educational Agencies		3500	333,355	307,492	
84.213		OSP12	6990	90,311	0	PT
Federal Program 84.213 Total				423,666	307,492	
84.214	Even Start_migrant Education	WSU002044	3650	15,537	0	PT
Federal Program 84.214 Total				15,537	0	
84.215	Fund for the Improvement of Education		3650	2,561	0	
84.215		50847	3650	444	0	PT
84.215		99781101169	3650	19,774	0	PT
Federal Program 84.215 Total				22,779	0	
84.224	Assistive Technology		3600	518,645	53,753	

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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 84.224 Total				518,645	53,753	
84.243	Tech-Prep Education		3540	258,272	0	
Federal Program 84.243 Total				258,272	0	
84.264	Rehabilitation Training_continuing Education		3600	980,301	0	
Federal Program 84.264 Total				980,301	0	
84.265	Rehabilitation Training_state Vocational Rehabilit		3000	19,109	0	
84.265			3150	6,766	0	
Federal Program 84.265 Total				25,875	0	
84.275	Rehabilitation Training_general Training		3750	50	0	
Federal Program 84.275 Total				50	0	
84.287	Twenty-First Century Community Learning Centers		3500	16,162,609	15,455,324	
Federal Program 84.287 Total				16,162,609	15,455,324	
84.323	Special Education - State Personnel Development		3500	1,382,957	532,697	
Federal Program 84.323 Total				1,382,957	532,697	
84.325	Special Education - Personnel Development to Impro		3600	1,109,838	25,068	
84.325		H325T110012-UOW	3600	5,082	0	PT
Federal Program 84.325 Total				1,114,920	25,068	
84.326	Special Education_technical Assistance and Dissemi		3500	174,247	174,247	
84.326			3600	208,751	14,000	
Federal Program 84.326 Total				382,998	188,247	
84.327	Special Education_technology and Media Services Fo		3600	64,063	0	
84.327		007050	3650	8,878	0	PT
84.327		FY2012049	3650	9,014	0	PT
Federal Program 84.327 Total				81,955	0	
84.330	Advanced Placement Program (Advanced Placement Tes		3500	104,658	104,658	
Federal Program 84.330 Total				104,658	104,658	
84.331	Grants to States for Incarcerated Youth Offenders		6990	73,663	73,351	
Federal Program 84.331 Total				73,663	73,351	
84.333	Demonstration Projects to Ensure Students With DIS		3700	188,573	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 84.333 Total				188,573	0	
84.334	Gaining Early Awareness and Readiness for Undergra		3430	3,446,665	1,947,707	
84.334			3600	4,084,248	2,455,512	
84.334			3650	6,754,335	720,165	
84.334			3700	94,638	0	
84.334			3750	761,409	572,835	
84.334			3760	789,545	0	
84.334		G066/G067	6990	101,437	0	PT
Federal Program 84.334 Total				16,032,277	5,696,219	
84.335	Child Care Access Means Parents In School		3650	161,601	0	
84.335			6990	279,769	0	
Federal Program 84.335 Total				441,370	0	
84.337	International Education_technological Innovation A		3600	98,559	48,746	
Federal Program 84.337 Total				98,559	48,746	
84.358	Rural Education		3500	1,102,018	1,057,686	
Federal Program 84.358 Total				1,102,018	1,057,686	
84.359	Early Reading First	DA10-1589AM01	3600	39,461	0	PT
Federal Program 84.359 Total				39,461	0	
84.360	School Dropout Prevention Program	UW BUD# 663947	3600	4,396	0	PT
Federal Program 84.360 Total				4,396	0	
84.365	English Language Acquisition Grants		3500	16,712,452	16,043,347	
84.365			3600	3,073	0	
Federal Program 84.365 Total				16,715,525	16,043,347	
84.366	Mathematics and Science Partnerships		3500	2,363,460	2,202,569	
84.366		UW BUD# 637899	3600	28,508	0	PT
Federal Program 84.366 Total				2,391,968	2,202,569	
84.367	Improving Teacher Quality State Grants		3430	1,376,319	506,324	
84.367			3500	42,648,942	41,861,424	
84.367		900000049.000	3750	15,827	0	PT
84.367		724493,1A11-1A048	3760	13,343	0	PT
Federal Program 84.367 Total				44,054,431	42,367,748	

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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
84.368	Enhanced Assessment Instruments- DOE		3500	80,917	0	
	Federal Program 84.368 Total			80,917	0	
84.369	Grants for State Assessments and Related Activities		3500	3,500,253	0	
	Federal Program 84.369 Total			3,500,253	0	
84.371	Striving Readers		3500	504,235	161,611	
	Federal Program 84.371 Total			504,235	161,611	
84.378	College Access Challenge Grant Program		3430	1,973,098	1,157,311	
84.378		UW BUD# 663993	3600	6,766	0	PT
	Federal Program 84.378 Total			1,979,864	1,157,311	
84.382	Strengthening Minority-Serving Institutions		6990	369,597	0	
	Federal Program 84.382 Total			369,597	0	
84.395	ARRA - Sfsf - Race-To-The-Top		3500	14,522,592	0	
	Federal Program 84.395 Total			14,522,592	0	
84.396	ARRA - Sfsf - What Works and Innovation Fund	A58405	3600	129,415	0	PT
84.396		BSD REF#10-0025	3600	345,090	0	PT
	Federal Program 84.396 Total			474,505	0	
84.407	Transition Programs for Students W/Intellectual DI		6990	220,810	0	
	Federal Program 84.407 Total			220,810	0	
84.410	Education Jobs Fund		3500	20,472,812	20,464,979	
	Federal Program 84.410 Total			20,472,812	20,464,979	
84.412	Race to the Top - Early Learning Challenge		3570	381,985	0	
	Federal Program 84.412 Total			381,985	0	
84.928	National Writing Project	92-WA03	3600	49,883	0	PT
84.928		92-WA03 AM34	3600	48,009	0	PT
84.928		92-WA02	3750	44,186	0	PT
	Federal Program 84.928 Total			142,078	0	
84.999	Department of Education - Undetermined		3600	763	0	
	Federal Program 84.999 Total			763	0	
	Dept of Education Total			210,616,673	130,698,392	

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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	8,580	5,553	
89.003			3600	5,118	0	
Federal Program 89.003 Total				13,698	5,553	
National Archives & Records Admin Total				13,698	5,553	

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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	3,134,020	970,276	
Federal Program 90.401 Total				3,134,020	970,276	
Miscellaneous Commissions Total				3,134,020	970,276	

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 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	#01756	3600	(2,900)	0	PT
93.000		#4554	3600	10,030	0	PT
93.000		0000695859	3600	(2,849)	0	PT
93.000		0000695859 AM01	3600	(1,640)	0	PT
93.000		0000722560	3600	54,710	0	PT
93.000		0000724839	3600	4,373	0	PT
93.000		000404693-002 AM03	3600	(4,524)	0	PT
93.000		000404693007AM3N01HC95	3600	(2,635)	0	PT
93.000		000419431-006 AM06	3600	42,674	0	PT
93.000		000419431-007 AM05	3600	16,008	0	PT
93.000		00240316HHSN2722011000	3600	65,941	0	PT
93.000		01952/05899	3600	11,496	0	PT
93.000		030512	3600	(23,540)	0	PT
93.000		0585312	3600	14,668	0	PT
93.000		06947S02227	3600	14,868	0	PT
93.000		07893	3600	11,504	0	PT
93.000		1 F32 NS 43065-01	3600	(3,521)	0	
93.000		1 R25 DA 03160802 AM01	3600	5,740	0	PT
93.000		10313800	3600	106,241	0	PT
93.000		108151	3600	73,696	0	PT
93.000		10IPA1003435 MOD02	3600	10,916	0	
93.000		10IPA1004004	3600	45,305	0	
93.000		10IPA10194 MOD01	3600	51,699	0	
93.000		10XS175 MOD05	3600	19,171	0	PT
93.000		11138-04, MOD04	3600	(97,514)	0	PT
93.000		1147	3600	14,656	0	PT
93.000		1148	3600	14,401	0	PT
93.000		12-803000-007	3600	23,484	0	PT
93.000		12IPA1206730	3600	27,146	0	
93.000		191999-010	3600	383,033	0	PT
93.000		1RO1AG03026601A201	3600	(47)	0	PT
93.000		200-2008-M-28202 MOD3	3600	22,566	0	
93.000		200-2009-M-29903	3600	(1)	0	
93.000		200-2010-37560	3600	10,592	0	PT
93.000		200-2010-M-34785	3600	12,486	0	
93.000		200-2011-42026	3600	55,132	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 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	200201138322ORDER0002	3600	243,922	0	
93.000		2008113462 MD2	3600	3,018	0	PT
93.000		2008113462 MD5	3600	26,285	0	PT
93.000		2008113462 MOD07	3600	(24,210)	0	PT
93.000		2010-2385 AM 2	3600	30,068	0	PT
93.000		2011-2591AM01	3600	330,978	0	PT
93.000		2011-2593 AM01	3600	367,100	0	PT
93.000		2011-2593AM01	3600	173,767	0	PT
93.000		209YAN147 AM02	3600	27,526	0	PT
93.000		214-2010-M-37096 AM02	3600	47,294	27,088	
93.000		214-2011-M-40551	3600	4,594	0	
93.000		2142009M32223MOD00003	3600	1,810	0	
93.000		223038724TO1MOD3	3600	(11,837)	0	
93.000		263-MD-010581-3 & -4	3600	(1,824)	0	
93.000		282-98-0016, T.O. 14	3600	(6,630)	0	PT
93.000		309 AM02	3600	71,575	0	PT
93.000		31603 AMD 3	3600	16	0	PT
93.000		4221	3600	119,655	0	PT
93.000		5 F32 NS 07985-02	3600	14	0	
93.000		5005011-SERV	3600	27,101	0	PT
93.000		5013	3600	1	0	PT
93.000		5013 AM01	3600	39,489	0	PT
93.000		52158105500000119MOD02	3600	10,722	0	PT
93.000		52158105500000120MOD02	3600	1,823	0	PT
93.000		5579SC AM04	3600	67,343	0	PT
93.000		5579SC, AMD2	3600	578	0	PT
93.000		6119-1117-00-AM	3600	7,902	0	PT
93.000		6216SC AM01	3600	(5,778)	0	PT
93.000		6216SC AM02	3600	94,039	0	PT
93.000		633430-9S-1414, MOD 3	3600	31,100	0	PT
93.000		7008SC	3600	18,021	0	PT
93.000		7500031154	3600	(3,567)	0	PT
93.000		7500031154, AM08	3600	41,722	0	PT
93.000		7500032630MOD03	3600	2,771	0	PT
93.000		8846.02-S04	3600	3,278	0	PT
93.000		A320.63U OF WASH	3600	15,490	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	AM03	3600	19,156	0	PT
93.000		AVGTI0103UOFWKNKATZEAM0	3600	602,903	0	PT
93.000		CC FORM SUB UW#1 MOD04	3600	545,911	0	PT
93.000		CONTRACT #A53625 S01	3600	146,864	0	PT
93.000		CRB-UCLA1-S-10-00052	3600	15,189	0	PT
93.000		D41082D	3600	11,670	0	PT
93.000		EH06201S9N01AG60007CMO	3600	58,274	0	PT
93.000		F025217, AM01	3600	16,002	0	PT
93.000		GMO-100503 MOD02	3600	183,315	0	PT
93.000		GPEDC0036A SAHN AM02	3600	34,470	0	PT
93.000		GPEDC0036A SAHN AM03	3600	18,187	0	PT
93.000		H33B11-02 MOD01	3600	6,224	0	PT
93.000		H33B11-03 MOD01	3600	13,548	0	PT
93.000		HHSF223200720091PREQ10	3600	1	0	
93.000		HHSH230200532040C*	3600	4	0	PT
93.000		HHSI242201100206P	3600	1,057	0	
93.000		HHSN200600006CN01AI600	3600	(5,991)	0	
93.000		HHSN263200700943PREQ35	3600	(1,382)	0	
93.000		HHSN266200500023CMOD08	3600	144,561	87,613	
93.000		HHSN266200600006CMOD07	3600	175,521	0	
93.000		HHSN266200600006CN01AI	3600	2,943,471	0	
93.000		HHSN266200700013CMOD05	3600	1,579,619	166,467	
93.000		HHSN267200603429CMOD03	3600	39,563	39,562	
93.000		HHSN267200700023CMOD06	3600	1,348,275	0	
93.000		HHSN267200700023CMOD10	3600	3,512,164	0	
93.000		HHSN268200448194CAM09	3600	(4,475)	0	
93.000		HHSN268200536173CCOA10	3600	(52,012)	8,451	
93.000		HHSN268200536173CMOD10	3600	202,024	25,353	
93.000		HHSN268200536173CMOD13	3600	146,199	0	
93.000		HHSN268200736195C	3600	49,222	0	
93.000		HHSN268200736195CMOD06	3600	5,702	0	
93.000		HHSN268200800007C AM06	3600	670,519	139,191	
93.000		HHSN268200800020C AM03	3600	32,913	0	PT
93.000		HHSN268201000050C12A	3600	66,841	0	PT
93.000		HHSN268201100037C	3600	3,201,972	0	
93.000		HHSN268201100037C AM01	3600	41,806	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 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	HHSN268201200036C AM01	3600	349,143	0	
93.000		HHSN271200900390PMOD02	3600	(79)	0	
93.000		HHSN271201100243P	3600	(67)	0	
93.000		HHSN271201100645P	3600	15,507	0	
93.000		HHSN272200800060CMOD09	3600	4,892,213	3,423,209	
93.000		HHSN272200900035C	3600	2,143,832	918,184	
93.000		HHSN272201000024C	3600	19,220	0	
93.000		HHSN272201000024CMOD01	3600	685,039	144,708	
93.000		HHSN273200800010CAMD05	3600	342,864	0	
93.000		HHSN27500403370I	3600	33,846	0	
93.000		HHSN275200403370I AM02	3600	133,313	0	
93.000		HHSN275200800015CMOD10	3600	2,787,426	1,519,665	
93.000		HHSN275200800043U AM03	3600	35,918	0	
93.000		HHSN275201100047UTO5MO	3600	30,899	0	
93.000		HHSN276201100008CMOD04	3600	1,787,120	89,898	
93.000		HHSN311201000247P	3600	10,161	0	
93.000		ITN10212-00SC AM02	3600	106,343	0	PT
93.000		JPAPOTG110MUNDIT2SIBCR	3600	7,006	0	PT
93.000		K000121-S01	3600	1,667	0	PT
93.000		KS140PJ11SIBCR	3600	6,981	0	PT
93.000		N01 HC 95159 MOD32	3600	1,839,598	957,344	
93.000		N01 HC 95159-32	3600	1,630,159	218,683	
93.000		N01-AI-05419 MOD03	3600	1,235	0	PT
93.000		N01-CM-37008 WA#01C	3600	16,136	0	
93.000		N01-HC-95159 MOD15	3600	1,397	0	
93.000		N01-HC-95159 MOD18	3600	(350,206)	(290,533)	
93.000		N01-HC-95159 MOD20	3600	(573,094)	(219,590)	
93.000		N01-HC-95159 MOD31	3600	713,743	273,038	
93.000		N01-HC-95159MOD33	3600	317	0	
93.000		N01-HC-95180, MOD#24	3600	(2,746)	(2,595)	
93.000		N01-LM-6-3506 AM#09	3600	82,001	0	
93.000		N01DC60005, MOD11	3600	168,431	0	
93.000		N02-CM-37008 WA#05A	3600	96,666	75,849	
93.000		N02-CM-37008,WA NO 04	3600	45,739	0	
93.000		NHL245-08	3600	4,206	0	PT
93.000		NIH131107261SUBAM08	3600	68,313	0	PT

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 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	NIH131107261SUBAMEND5	3600	33,529	0	PT
93.000		NO.000189671-288 AM02	3600	30,246	0	PT
93.000		NO1-HC-95178 AMEND 16	3600	35,949	0	PT
93.000		NWIC# 24214 MOD02	3600	188,857	0	PT
93.000		OAR-NIH	3600	49,978	0	
93.000		PEHSU	3600	168,694	0	PT
93.000		PHR-SSS-S-11-001633	3600	24,296	0	PT
93.000		PHRSIS01S1000117MOD01	3600	137,777	0	PT
93.000		PJ 8079 TO02	3600	10,503	0	PT
93.000		PO 979166	3600	9	0	PT
93.000		PO#10313800-SUB	3600	72,437	0	PT
93.000		PO#1170364S	3600	33,507	0	PT
93.000		PO323870HHSN2722009000	3600	256,205	0	PT
93.000		PRIME5R01OH00878102AM0	3600	(4,248)	0	PT
93.000		PROJECT # 02434.003	3600	9,324	0	PT
93.000		PSA-201109-STRATTON	3600	39,106	0	PT
93.000		PSA10-BIO-DOM-02/MOD01	3600	5,111	0	PT
93.000		R01 HL071988 AM04	3600	5	0	PT
93.000		R43AI08140001A120091	3600	(14,554)	0	PT
93.000		RES502421 AM05	3600	226,838	0	PT
93.000		S1189-19/21 S001	3600	(817)	0	PT
93.000		S1554-20/21	3600	(5,325)	0	PT
93.000		S3901-27/28	3600	63,703	0	PT
93.000		S3951-28/29	3600	103,477	0	PT
93.000		SA0600356	3600	(24,571)	0	PT
93.000		SA1000698	3600	(4)	0	PT
93.000		SA1100800	3600	4,743	0	PT
93.000		SA1100823	3600	3,851	0	PT
93.000		SA1200850	3600	59,141	0	PT
93.000		SA1200891	3600	21,070	0	PT
93.000		SA1200899	3600	34,136	0	PT
93.000		SPS #162060, SITE 070	3600	4,014	0	PT
93.000		SSSP #50	3600	164	0	PT
93.000		SUB #0790-02731.003	3600	27,911	0	PT
93.000		SUB #486.02731 MOD #2	3600	28,019	0	PT
93.000		TD13MEICHS3SIBCR	3600	36,105	0	PT

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 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	U261HS300293/01	3600	28,417	0	PT
93.000		U26IHS30029301SA03AM04	3600	192,632	0	PT
93.000		UW BUD# 630647	3600	(7,875)	0	PT
93.000		UW BUD# 631409	3600	4,521	0	PT
93.000		UW BUD# 635390	3600	28,238	0	PT
93.000		UW BUD# 635605	3600	19,502	0	PT
93.000		UW BUD# 635740	3600	3,134	0	PT
93.000		UW BUD# 635905	3600	35	0	PT
93.000		UW BUD# 637266	3600	141,583	0	PT
93.000		UW BUD# 637773	3600	35,520	0	PT
93.000		UW BUD# 637810	3600	30,304	0	PT
93.000		UW BUD# 637823	3600	19,333	0	PT
93.000		UW BUD# 638600	3600	63,613	0	PT
93.000		UW BUD# 639399	3600	193,604	0	PT
93.000		UW BUD# 639836	3600	65,340	0	PT
93.000		UW BUD# 639920	3600	20,435	0	PT
93.000		UW BUD# 660119	3600	7,484	0	PT
93.000		UW BUD# 660660	3600	995	0	PT
93.000		UW BUD# 660713	3600	39,596	0	PT
93.000		UW BUD# 661690	3600	12,375	0	PT
93.000		UW BUD# 662157	3600	102,696	0	PT
93.000		UW BUD# 662758	3600	22,089	0	PT
93.000		UW BUD# 663382	3600	159,596	0	PT
93.000		UW BUD# 663790	3600	31,411	0	PT
93.000		UW BUD# 663968	3600	121,142	0	PT
93.000		UW BUD# 664066	3600	2,004	0	PT
93.000		UW BUD# 664128	3600	16,302	0	PT
93.000		UW BUD# 664156	3600	5,898	0	PT
93.000		UW BUD# 664361	3600	1,632	0	PT
93.000		UW BUD# 664407	3600	2,295	0	PT
93.000		UW BUD# 664490	3600	10,717	0	PT
93.000		UW BUD# 664591	3600	4,830	0	PT
93.000		UW BUD# 664638	3600	9,063	0	PT
93.000		UW BUD# 664753	3600	2,581	0	PT
93.000		UW BUD# 664792	3600	2,128	0	PT
93.000		UW BUD# 664793	3600	3,515	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 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# 664794	3600	4,504	0	PT
93.000		UW BUD# 664795	3600	2,903	0	PT
93.000		UW BUD# 664796	3600	10,408	0	PT
93.000		UW BUD# 664797	3600	4,272	0	PT
93.000		UW BUD# 664801	3600	3,171	0	PT
93.000		UW BUD# 664815	3600	3,871	0	PT
93.000		UW BUD# 664934	3600	6	0	PT
93.000		UW BUD# 665234	3600	77,596	0	PT
93.000		UW BUD# 666580	3600	194	0	PT
93.000		UW BUD# 673561	3600	277	0	PT
93.000		UW BUD# 673698	3600	77,224	0	PT
93.000		UW BUD# 673743	3600	6,896	0	PT
93.000		UW BUD# 674006	3600	36,402	0	PT
93.000		UW BUD# 674171	3600	15,731	0	PT
93.000		UW BUD# 807095	3600	1	0	PT
93.000		UW BUD# 807248	3600	219,603	0	PT
93.000		UW BUD# 999998	3600	(18)	0	PT
93.000		UW-1077N MOD06	3600	115,315	0	PT
93.000		UW-1077P MOD05	3600	237,929	0	PT
93.000		UW-1077P MOD06	3600	581,184	0	PT
93.000		VUMC33951 AM02	3600	5	0	PT
93.000		VUMC35637/AM02	3600	6,392	0	PT
93.000		WUHS 30225	3600	21,930	0	PT
93.000		WUHS 30225 AM01	3600	236,205	0	PT
93.000		WUHS 33000 AM04	3600	1,028,537	0	PT
93.000		WUHS GTS 35888 AM06	3600	593,712	0	PT
93.000		200201139650	3650	151,541	9,809	
93.000		2421310421000	3650	46,362	0	PT
93.000		HHSF223200940081P	3650	3,915	0	
93.000		UFEIS0714033WSU	3650	11,222	0	PT
93.000		WSU000335	3650	49,849	0	PT
93.000		10/624-HHS	6990	51,135	0	PT
93.000		10/634-HHS	6990	3,568	0	PT
93.000		10/648-HHA	6990	33,092	0	PT
93.000		11/648-HHS	6990	56,504	0	PT
93.000		145-111-1v08	6990	39,910	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 93.000 Total				42,425,274	7,611,394	
93.000A	ARRA - Hhs - Contract Number Only Provided	140005	3600	1,580	0	PT
93.000A		LOA#03-000076	3600	32,942	0	PT
Federal Program 93.000A Total				34,522	0	
93.041	Special Programs for the Aging_title Vii, Chapter		3000	73,620	73,620	
Federal Program 93.041 Total				73,620	73,620	
93.042	Special Programs for the Aging_title Vii, Chapter		3000	276,150	0	
Federal Program 93.042 Total				276,150	0	
93.043	Special Programs for the Aging_title Iii, Part D_d		3000	401,710	401,710	
Federal Program 93.043 Total				401,710	401,710	
93.048	Spc Prog Aging Title Iv & II Disc Proj		1600	242,158	0	
93.048			3000	346,620	117,186	
Federal Program 93.048 Total				588,778	117,186	
93.051	Alzheimer's Disease Demonstration Grants to States		3000	177,356	128,233	
93.051		130311	3600	41,045	0	PT
Federal Program 93.051 Total				218,401	128,233	
93.052	National Family Caregiver Support, Title Iii, Part		3000	2,622,105	2,530,723	
Federal Program 93.052 Total				2,622,105	2,530,723	
93.067	Global AIDS		3600	4,558,166	836,848	
93.067		001-2 REV01	3600	28,960	0	PT
93.067		0212736G2011002MOD01	3600	51,012	0	PT
93.067		12736-G-FY11-02	3600	16,421	0	PT
93.067		504-10	3600	8,387	0	PT
93.067		5U2GPS001177-04	3600	34,796	0	PT
93.067		5U2GPS0011773BIDMCAMD1	3600	58,638	0	PT
93.067		6293SC	3600	205,389	0	PT
93.067		6293SC AMEND #2	3600	395,895	0	PT
93.067		634-01-SC	3600	2,386	0	PT
93.067		6370SC AM01	3600	204,116	0	PT
93.067		6370SCPRIMEU2GPS001468	3600	3,743	0	PT
93.067		6601SC	3600	19,810	0	PT
93.067		6601SCAM01DPA628015295	3600	38,580	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 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
93.067	Global AIDS	6601SCAM02DPA628015295	3600	126,762	0	PT
93.067		6607SC	3600	7,379	0	PT
93.067		6607SC AM02	3600	19,039	0	PT
93.067		6614SC	3600	15,506	0	PT
93.067		6935SC	3600	126	0	PT
93.067		ITECH 12# 1.0	3600	99,356	0	PT
93.067		ITECH11#1.0	3600	172	0	PT
93.067		ITECH11#1.1	3600	78,171	0	PT
93.067		SUBCONTRACT 001-2	3600	406,376	0	PT
93.067		SUBCONTRACT 002-2	3600	127,165	0	PT
93.067		SUBCONTRACT 003-2	3600	67,292	0	PT
93.067		SUBCONTRACT 004-2	3600	46,131	0	PT
93.067		SUBCONTRACT0011MOD01	3600	41,224	0	PT
93.067		UONUWCDC5U2GPS00118304	3600	193,875	0	PT
93.067		UW BUD# 638927	3600	32,277	0	PT
93.067		UW BUD# 662382	3600	11,843	0	PT
93.067		UW BUD# 664167	3600	19,466	0	PT
Federal Program 93.067 Total				6,918,459	836,848	
93.069	Public Health Emergency Preparedness		3030	12,623,395	7,469,213	
93.069			3600	123,484	5,706	
93.069		134342 AM01	3600	2,961	0	PT
Federal Program 93.069 Total				12,749,840	7,474,919	
93.070	Environmental Public Health and Emergency Response		3030	2,042,076	313,562	
93.070			3600	305,712	0	
93.070		EHS2478	3600	20,832	0	PT
Federal Program 93.070 Total				2,368,620	313,562	
93.072	Lifespan Respite Care Program		3000	58,098	8,206	
Federal Program 93.072 Total				58,098	8,206	
93.088	Advancing System Improvements to Support Targets F	UW-CHC-P2-Y1	3600	52,649	0	PT
Federal Program 93.088 Total				52,649	0	
93.089	Emergency System for Advance Registration of Volun		3030	9,036	0	
Federal Program 93.089 Total				9,036	0	
93.092	Affordable Care Act Personal Resp. Ed Program		3030	707,465	561,965	

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 93.092 Total				707,465	561,965	
93.093	Affordable Care Act Health Profession Opportunity	11/650-HHS	2350	53,948	0	PT
93.093			6990	1,684,839	0	
Federal Program 93.093 Total				1,738,787	0	
93.104	Comprehensive Community Mental Health Services For		3000	166,643	0	
93.104		CMHI UW 10	3600	18,100	0	PT
Federal Program 93.104 Total				184,743	0	
93.107	Model State-Supported Area Health Education Center		3600	367,209	253,465	
Federal Program 93.107 Total				367,209	253,465	
93.110	Maternal and Child Health Federal Consolidated Pro		3030	1,135,551	519,076	
93.110			3600	2,063,445	44,863	
93.110		10301SUB	3600	13,369	0	PT
93.110		10471SUB	3600	20,245	0	PT
93.110		1920 G KB359 AM01	3600	(7)	0	PT
93.110		1920 G KB359 AM04	3600	(3,575)	0	PT
93.110		1920 G KB359 AM05	3600	32,467	0	PT
93.110		P0424035 AM001	3600	10,090	0	PT
Federal Program 93.110 Total				3,271,585	563,939	
93.116	Project Grants and Cooperative Agreements for Tube		3030	1,500,831	675,476	
Federal Program 93.116 Total				1,500,831	675,476	
93.127	Emergency Medical Services for Children		3030	140,978	75,838	
93.127			3600	41	0	
Federal Program 93.127 Total				141,019	75,838	
93.130	Cooperative Agreements to States/Territories for T		3030	219,824	57,000	
Federal Program 93.130 Total				219,824	57,000	
93.136	Injury Prevention and Control Research and State A		3030	1,215,356	782,379	
Federal Program 93.136 Total				1,215,356	782,379	
93.142	Nieh Hazardous Waste Worker Health and Safety Tra	2105 G HB431 AM05	3600	1,844	0	PT
93.142		2105 G NA299	3600	29,669	0	PT
93.142		2105 G NA299 AM01	3600	296,232	0	PT
Federal Program 93.142 Total				327,745	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
93.145	AIDS Education and Training Centers		3600	53,630,859	8,585,704	
	Federal Program 93.145 Total			53,630,859	8,585,704	
93.150	Projects for Assistance In Transition From Homeles		3000	1,246,620	1,035,677	
	Federal Program 93.150 Total			1,246,620	1,035,677	
93.153	Coordinated Services and Access to Research for Wo		3030	665,029	600,601	
93.153		D38477D, AMD 1	3600	(3,385)	0	PT
93.153		D40400D	3600	8,384	0	PT
	Federal Program 93.153 Total			670,028	600,601	
93.161	Health Program for Toxic Substances and Disease Re		3600	103,520	0	
	Federal Program 93.161 Total			103,520	0	
93.165	Grants to States for Loan Repayment Program		3430	540,345	540,346	
	Federal Program 93.165 Total			540,345	540,346	
93.178	Nursing Workforce Diversity		3650	281,832	0	
	Federal Program 93.178 Total			281,832	0	
93.191	Allied Health Special Projects		3600	10,843	0	
	Federal Program 93.191 Total			10,843	0	
93.217	Family Planning_services		3030	4,031,613	3,204,743	
	Federal Program 93.217 Total			4,031,613	3,204,743	
93.231	Epidemiology Cooperative Agreements	NARCHVIU26IHS30041301	3600	67,027	0	PT
93.231		NWIC 24213 104 22000	3600	45,589	0	PT
93.231		U26IHS300107/04 AM2	3600	16,336	0	PT
	Federal Program 93.231 Total			128,952	0	
93.235	Abstinence Education Program		3030	76,375	75,469	
	Federal Program 93.235 Total			76,375	75,469	
93.236	Grants for Dental Public Health Residency Training		3030	393,449	246,390	
	Federal Program 93.236 Total			393,449	246,390	
93.238	Cooperative Agreements for State Treatment Outcome	T03317T	3600	4,937	0	PT
	Federal Program 93.238 Total			4,937	0	
93.240	State Capacity Building		3030	527,311	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 93.240 Total				527,311	0	
93.241	State Rural Hospital Flexibility Program		3030	619,505	455,053	
Federal Program 93.241 Total				619,505	455,053	
93.243	Substance Abuse and Mental Health Services_project		3000	2,109,487	868,069	
93.243			3030	1,101,579	945,934	
93.243			3600	22,730	0	
93.243		1 U79 SM 060393-01	3600	61,086	0	PT
93.243		516838 AMO3	3600	4,725	0	PT
93.243		GPHPM0144-ADAI AM03	3600	14,645	0	PT
93.243		GPHPM0144-ADAI AM04	3600	43,060	0	PT
93.243		T03286T	3600	17,613	0	PT
93.243		T03342T AM01	3600	89,652	0	PT
93.243		T03353T	3600	101,991	0	PT
93.243		UW BUD# 661873	3600	107,061	0	PT
93.243		2011A14	3650	36,668	0	PT
93.243		WSU001129	3650	41	0	PT
93.243		WSU001130	3650	54,213	0	PT
93.243		WSU001170	3650	18,519	0	PT
93.243		WSU002300	3650	499	0	PT
Federal Program 93.243 Total				3,783,569	1,814,003	
93.247	Advanced Education Nursing Grant Program		3600	1,682,392	7,649	
Federal Program 93.247 Total				1,682,392	7,649	
93.250	Geriatric Academic Career Awards		3600	76,362	0	
Federal Program 93.250 Total				76,362	0	
93.251	Universal Newborn Hearing Screening		3030	284,115	92,259	
Federal Program 93.251 Total				284,115	92,259	
93.256	State Planning Grants Health Care Access for the U		1050	1,081,767	391,092	
Federal Program 93.256 Total				1,081,767	391,092	
93.262	Occupational Safety and Health Program	R01 OH009712-02	2350	4,666	0	PT
Federal Program 93.262 Total				4,666	0	
93.266	Rapid Expansion of Antiretroviral Therapy Programs		3600	6,796,225	57	

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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 93.266 Total				6,796,225	57	
93.275	Substance Abuse and Mental Health Services-Access		3000	4,403,956	4,167,201	
Federal Program 93.275 Total				4,403,956	4,167,201	
93.276	Drug-Free Communities Support Program Grants	MOU	3750	3,807	0	PT
Federal Program 93.276 Total				3,807	0	
93.283	Centers for Disease Control and Prevention_investi		3030	12,657,276	5,295,476	
Federal Program 93.283 Total				12,657,276	5,295,476	
93.296	State Partnership Grant Program to Improve Minorit		3030	142,835	0	
Federal Program 93.296 Total				142,835	0	
93.301	Small Rural Hospital Improvement Grant Program		3030	421,187	400,266	
93.301		0000723870	3600	72,678	0	PT
Federal Program 93.301 Total				493,865	400,266	
93.358	Advanced Education Nursing Traineeships		3600	106,526	0	
93.358			3650	55,770	0	
Federal Program 93.358 Total				162,296	0	
93.359	Nurse Education, Practice and Retention Grants		3600	1,071,253	42,518	
93.359		E4915 491423	3600	812	0	PT
93.359		E4915 491423 AM01	3600	66,404	0	PT
Federal Program 93.359 Total				1,138,469	42,518	
93.411	ARRA - Equipment to Enhance Training for Health Pr		3030	30,748	30,748	
93.411			3600	324,047	4,050	
Federal Program 93.411 Total				354,795	34,798	
93.414	ARRA - State Primary Care Offices		3030	111,353	41,000	
Federal Program 93.414 Total				111,353	41,000	
93.416	ARRA - Health Careers Opportunity Program	UW BUD# 674022	3600	24,539	0	PT
Federal Program 93.416 Total				24,539	0	
93.441	Indian Self-Determination	C12-05-PO#20989	3600	49,579	0	PT
93.441		PO#19799	3600	62,204	0	PT
Federal Program 93.441 Total				111,783	0	
93.448	Food Safety and Security Monitoring Project		3030	264,565	0	

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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 93.448 Total				264,565	0	
93.449	Ruminant Feed Ban Support Project		4950	499,793	0	
Federal Program 93.449 Total				499,793	0	
93.500	Pregnancy Assistance Fund Program		3030	1,575,609	1,350,175	
Federal Program 93.500 Total				1,575,609	1,350,175	
93.505	Afford Care Act Maternal/Infant/Early Chdhood Visi		3030	996,068	951,843	
93.505			3570	151,247	0	
Federal Program 93.505 Total				1,147,315	951,843	
93.507	Strengthen Public Health Infrastruct for Imp Healt		3030	397,086	217,191	
Federal Program 93.507 Total				397,086	217,191	
93.511	Affordable Care Act Grants to States Health Prem R		1600	440,213	0	
Federal Program 93.511 Total				440,213	0	
93.514	Affordable Care Act - Expan of Physican Assts Trng		3600	218,000	0	
Federal Program 93.514 Total				218,000	0	
93.516	Affordable Care Act - Public Health Train CTR Prg		3600	659,319	112,604	
Federal Program 93.516 Total				659,319	112,604	
93.518	Affordable Care Act Medicare Improv for Patients &		3000	175,400	175,400	
Federal Program 93.518 Total				175,400	175,400	
93.519	Affordable Care Act - Consumer Assitance Prg Grant		1600	473,466	0	
Federal Program 93.519 Total				473,466	0	
93.520	Centers for Disease Control and Prevention - Aca		3030	50,994	35,615	
Federal Program 93.520 Total				50,994	35,615	
93.521	Afford Care Act IS Elc & EIP Agreements		3030	728,340	59,864	
Federal Program 93.521 Total				728,340	59,864	
93.525	State Planning & Estab Grnt for the Affrd Care Act		1070	9,384,671	0	
Federal Program 93.525 Total				9,384,671	0	
93.531	Pphf 2012: Community Transformation Grants & Natl		3030	843,924	363,800	
Federal Program 93.531 Total				843,924	363,800	
93.539	Pphf 2012: Prevention & Public Health Fund - Aca		3030	416,678	278,251	

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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 93.539 Total				416,678	278,251	
93.544	Patient Protection and Affordable Care Act of 2010		3030	96,295	46,860	
Federal Program 93.544 Total				96,295	46,860	
93.548	Pphf 2012: Nutrition, Physical Activity & Obesity		3030	673,407	208,743	
Federal Program 93.548 Total				673,407	208,743	
93.556	Promoting Safe and Stable Families		3000	6,268,600	0	
93.556		1C087200 Amend#3	3700	205,485	0	PT
Federal Program 93.556 Total				6,474,085	0	
93.563	Child Support Enforcement		3000	85,419,369	27,402,691	
Federal Program 93.563 Total				85,419,369	27,402,691	
93.566	Refugee and Entrant Assistance_state Administered		1070	2,697,446	0	
93.566			3000	9,822,216	0	
Federal Program 93.566 Total				12,519,662	0	
93.568	Low-Income Home Energy Assistance		1030	77,019,581	74,662,037	
Federal Program 93.568 Total				77,019,581	74,662,037	
93.576	Refugee and Entrant Assistance_discretionary Grant		3000	1,271,066	908,234	
Federal Program 93.576 Total				1,271,066	908,234	
93.579	U.S. Repatriation		3000	(37)	0	
Federal Program 93.579 Total				(37)	0	
93.584	Refugee and Entrant Assistance_targeted Assistance		3000	1,383,111	0	
Federal Program 93.584 Total				1,383,111	0	
93.586	State Court Improvement Program		0550	710,696	0	
Federal Program 93.586 Total				710,696	0	
93.590	Community-Based Child Abuse Prevention Grants		3000	469,766	87,520	
Federal Program 93.590 Total				469,766	87,520	
93.597	Grants to States for Access and Visitation Program		3000	185,157	0	
Federal Program 93.597 Total				185,157	0	
93.599	Chafee Education and Training Vouchers Program		3000	679,858	0	
Federal Program 93.599 Total				679,858	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
93.603	Adoption Incentive Payments		3000	1,856,000	0	
	Federal Program 93.603 Total			1,856,000	0	
93.606	Affordable Care Act Preparedness & Emerg Response		3600	467,508	0	
	Federal Program 93.606 Total			467,508	0	
93.617	Voting Access for Individuals With Disabilities_gr		0850	156,241	156,241	
	Federal Program 93.617 Total			156,241	156,241	
93.630	Developmental Disabilities Basic Support and Advoc		1030	40,114	0	
93.630			3030	1,155,742	659,370	
	Federal Program 93.630 Total			1,195,856	659,370	
93.632	University Centers for Excellence In Developmental		3600	540,654	0	
	Federal Program 93.632 Total			540,654	0	
93.643	Children's Justice Grants to States		3000	394,584	0	
	Federal Program 93.643 Total			394,584	0	
93.645	Child Welfare Services_state Grants		3000	5,418,865	0	
	Federal Program 93.645 Total			5,418,865	0	
93.652	Adoption Opportunities	SC3002080525	3600	32,509	0	PT
	Federal Program 93.652 Total			32,509	0	
93.658	Foster Care - Title Iv-E		3000	78,952,828	0	
93.658		KC241000 Amend#5	3700	83,838	0	PT
93.658		KC244100 Amend#1	3700	127,500	0	PT
93.658		KC247400 RFP KCB1001	3700	110,935	0	PT
93.658		KC247500 RFP KCB1001	3700	100,794	0	PT
93.658		KC247600 RFP KCB1001	3700	143,885	0	PT
93.658		KC247700 RFP KCB1103	3700	372,417	0	PT
	Federal Program 93.658 Total			79,892,197	0	
93.658A	ARRA - Foster Care - Title Iv-E		3000	(18,235)	0	
	Federal Program 93.658A Total			(18,235)	0	
93.659	Adoption Assistance		3000	48,960,437	0	
	Federal Program 93.659 Total			48,960,437	0	
93.659A	ARRA - Adoption Assistance		3000	(19)	0	

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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 93.659A Total				(19)	0	
93.667	Social Services Block Grant		3000	44,612,951	0	
Federal Program 93.667 Total				44,612,951	0	
93.669	Child Abuse and Neglect State Grants		3000	473,815	0	
Federal Program 93.669 Total				473,815	0	
93.670	Child Abuse and Neglect Discretionary Activities		3000	19,739	0	
93.670		200225608	3650	76,492	0	PT
Federal Program 93.670 Total				96,231	0	
93.671	Family Violence Prevention and Services/Grants For		3000	1,801,510	1,723,655	
Federal Program 93.671 Total				1,801,510	1,723,655	
93.674	Chafee Foster Care Independence Program		3000	2,647,136	2,380,436	
Federal Program 93.674 Total				2,647,136	2,380,436	
93.713	ARRA - Child Care & Dev - Block Grant		3570	106,696	0	
93.713		UW BUD# 203840	3600	300,000	0	PT
Federal Program 93.713 Total				406,696	0	
93.715	Recovery Act - Comparative Effectiveness Research		3600	8,727,846	3,690,833	
93.715		UW BUD# 203859	3600	7,390	0	PT
Federal Program 93.715 Total				8,735,236	3,690,833	
93.717	ARRA - Preventing Healthcare-Associated Infe		3030	315,677	72,461	
Federal Program 93.717 Total				315,677	72,461	
93.718	ARRA - Health Information Tech Regional Extension	REC009A	3600	3,936	0	PT
Federal Program 93.718 Total				3,936	0	
93.719	ARRA - WA ST Ehealth Collaborative Enterprise		1070	1,261,050	951,634	
93.719		CHECK#1902	3600	95,826	0	PT
Federal Program 93.719 Total				1,356,876	951,634	
93.721	ARRA - Health IT Professionals In Health Care		6990	3,727,412	0	
Federal Program 93.721 Total				3,727,412	0	
93.723	ARRA - Prevent/Wellness-St, Terr, PAC Islands		3030	471,749	293,640	
Federal Program 93.723 Total				471,749	293,640	

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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
93.724	ARRA - Prevention & Wellness - Communities Putting		3030	58,897	0	
93.724		D40221D	3600	43,217	0	PT
93.724		D40394D HEAL 1590	3600	92,401	0	PT
93.724		D40396D TOB1591	3600	73,387	0	PT
93.724		D40447D	3600	144,931	0	PT
93.724		D40457D	3600	83,209	0	PT
93.724		D40528D	3600	195,812	0	PT
93.724		D40536D	3600	34,528	0	PT
93.724		T03288T	3600	(1,279)	0	PT
93.724		T03290T	3600	1,279	0	PT
93.724		UW BUD# 203669	3600	64,722	0	PT
93.724		D40527D	3650	87,273	0	PT
Federal Program 93.724 Total				878,377	0	
93.725	ARRA - Communities Putting Preven to Work Chronic		3000	344,301	290,384	
Federal Program 93.725 Total				344,301	290,384	
93.727	Arra- Health Technology Beacon Communities	N18609	3030	138,227	0	PT
Federal Program 93.727 Total				138,227	0	
93.729	ARRA - Health IT and Public Health		3030	513,351	223,390	
Federal Program 93.729 Total				513,351	223,390	
93.767	State Children's Insurance Program		1070	124,100,723	0	
93.767			3000	1,393,293	0	
Federal Program 93.767 Total				125,494,016	0	
93.768	Medicaid Infrastructure Grants to Support the Comp		1070	450,558	0	
93.768			3000	218	0	
Federal Program 93.768 Total				450,776	0	
93.789	Alternatives to Psychiatric Residential Treatment	PO# SR00001218 MOD03	3600	174,773	0	PT
93.789		SR00002171	3600	197,392	0	PT
Federal Program 93.789 Total				372,165	0	
93.824	Basic/CORE Area Health Education Centers	G227-12-W3750	3600	5,545	0	PT
93.824		G267-10-W2821 AM01	3600	24,388	0	PT
93.824		PO427777	3600	5,473	0	PT
93.824		UW BUD# 674203	3600	3,068	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 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 93.824 Total				38,474	0	
93.859	Biomedical Research and Research Training	681978-Bldg	6990	34,111	0	PT
Federal Program 93.859 Total				34,111	0	
93.884	Grants for Training In Primary Care Medicine and D		3600	491,389	0	
Federal Program 93.884 Total				491,389	0	
93.887	Health Care and Other Facilities		6990	136	0	
Federal Program 93.887 Total				136	0	
93.888	Specially Selected Health Projects		3650	348,812	0	
Federal Program 93.888 Total				348,812	0	
93.889	National Bioterrorism Hospital Preparedness Progra		3030	6,662,836	4,521,509	
93.889		D37914D AM02	3600	(7,941)	0	PT
Federal Program 93.889 Total				6,654,895	4,521,509	
93.912	Rural Health Care Services Outreach and Rural Heal	WSU002073	3650	27,227	0	PT
93.912		N/A	3700	614	0	PT
Federal Program 93.912 Total				27,841	0	
93.913	Grants to States for Operation of Offices of Rural		3030	181,524	0	
Federal Program 93.913 Total				181,524	0	
93.917	HIV Care Formula Grants		3030	15,197,874	10,936,123	
Federal Program 93.917 Total				15,197,874	10,936,123	
93.924	Ryan White HIV/AIDS Dental Reimbursements\communit		3600	16,603	0	
Federal Program 93.924 Total				16,603	0	
93.928	Special Projects of National Significance		3030	44,288	14,650	
Federal Program 93.928 Total				44,288	14,650	
93.931	Health & Human Services Dept		3600	7	0	
Federal Program 93.931 Total				7	0	
93.938	Cooperative Agreements to Support Comprehensive Sc		3500	641,907	11,500	
Federal Program 93.938 Total				641,907	11,500	
93.940	HIV Prevention Activities_health Department Based		3030	3,293,640	2,536,298	
Federal Program 93.940 Total				3,293,640	2,536,298	

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
93.941	HIV Demonstration, Research, Public and Profession		3030	1,502,803	776,982	
	Federal Program 93.941 Total			1,502,803	776,982	
93.944	Human Immunodeficiency Virus (Hiv)/Acquired Immuno		3030	389,149	190,195	
	Federal Program 93.944 Total			389,149	190,195	
93.945	Assistance Programs for Chronic Disease Prevention	10283SUBPRIME1U18DP002	3600	5,776	0	PT
93.945		10397SUB	3600	23,865	0	PT
93.945		WUHS11240U01DP000250A	3600	12,379	0	PT
	Federal Program 93.945 Total			42,020	0	
93.946	Cooperative Agreements to Support State-Based Safe		3030	240,479	23,070	
	Federal Program 93.946 Total			240,479	23,070	
93.958	Block Grants for Community Mental Health Services		3000	8,797,543	6,811,900	
93.958		841305	3000	27,473	0	PT
93.958		2011-SOW-10.01-PIER	6990	3,969	0	PT
	Federal Program 93.958 Total			8,828,985	6,811,900	
93.959	Block Grants for Prevention and Treatment of Subst		3000	35,603,703	11,896,715	
93.959		D40283D	3650	2,652	0	PT
	Federal Program 93.959 Total			35,606,355	11,896,715	
93.969	Geriatric Education Centers		3600	184,900	0	
	Federal Program 93.969 Total			184,900	0	
93.975	National All Schedules Prescription Electronic Rep		3030	62,672	41,304	
	Federal Program 93.975 Total			62,672	41,304	
93.977	Preventive Health Services_sexually Transmitted DI		3030	2,406,885	898,906	
93.977			3600	123,421	0	
	Federal Program 93.977 Total			2,530,306	898,906	
93.991	Preventive Health and Health Services Block Grant		3030	548,083	296,852	
	Federal Program 93.991 Total			548,083	296,852	
93.994	Maternal and Child Health Services Block Grant To		3030	7,973,669	6,089,953	
	Federal Program 93.994 Total			7,973,669	6,089,953	
93.999	Hhs - Undetermined		3600	167,918	0	
93.999		None	3760	100,000	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 93.999 Total				267,918		0
Dept of Health & Human Services Total				795,115,349	211,845,594	

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State of Washington
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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	51,974	0	
94.002			6990	55,508	0	
Federal Program 94.002 Total				107,482	0	
94.003	State Commissions		1050	260,724	0	
Federal Program 94.003 Total				260,724	0	
94.004	Learn and Serve America_school and Community Based		3500	164,532	107,391	
Federal Program 94.004 Total				164,532	107,391	
94.005	Learn and Serve America_higher Education	54571-P AM01	3600	2,099	0	PT
94.005			3800	156,097	0	
Federal Program 94.005 Total				158,196	0	
94.006	Americorps		1050	15,433,590	4,047,377	
94.006		480200	3600	185,193	0	PT
94.006			3760	238,715	0	
94.006			3800	1,219,055	0	
94.006			6990	461,763	0	
Federal Program 94.006 Total				17,538,316	4,047,377	
94.007	Planning and Program Development Grants		1050	45,613	0	
94.007			3650	64,047	50,253	
Federal Program 94.007 Total				109,660	50,253	
94.009	Training and Technical Assistance		1050	48,422	0	
Federal Program 94.009 Total				48,422	0	
94.013	Volunteers In Service to America		3800	10,228	0	
94.013			5400	858,414	0	
Federal Program 94.013 Total				868,642	0	
94.021	Volunteer Generation Fund		1050	185,251	164,256	
94.021		201136 & 551	3750	4,325	0	PT
Federal Program 94.021 Total				189,576	164,256	
Corp for National & Community Service Total				19,445,550	4,369,277	

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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	244,985	0	
Federal Program 96.008 Total				244,985	0	
Social Security Administration Total				244,985	0	

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State of Washington
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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	26-0201-15 UOW	3600	15,000	0	PT
97.000		3001657166 AM02	3600	45,026	0	PT
97.000		HSHQDC-09-P-00209 P01	3600	(1)	0	
97.000		TO# UWA-PTS-001 MOD03	3600	188,165	0	PT
97.000		WSU000938	3650	46,243	0	PT
Federal Program 97.000 Total				294,433	0	
97.004	State Domestic Preparedness Equipment Support Prog		2450	14,120,089	13,401,843	
Federal Program 97.004 Total				14,120,089	13,401,843	
97.005	State and Local Homeland Security Training Program	10425 FEMA	6990	17,838	0	PT
97.005		10466 FEMA	6990	66,973	0	PT
Federal Program 97.005 Total				84,811	0	
97.008	Urban Areas Security Initiative		2450	9,839,491	9,650,266	
Federal Program 97.008 Total				9,839,491	9,650,266	
97.012	Boating Safety Financial Assistance		4650	3,487,517	0	
Federal Program 97.012 Total				3,487,517	0	
97.017	Homeland Security		2450	(1,354)	(1,354)	
Federal Program 97.017 Total				(1,354)	(1,354)	
97.023	Community Assistance Program State Support Service		4610	153,818	0	
Federal Program 97.023 Total				153,818	0	
97.029	Flood Mitigation Assistance		2450	167,447	165,553	
Federal Program 97.029 Total				167,447	165,553	
97.036	Disaster Grants - Public Assistance (Presidentiall		2450	21,288,830	21,139,935	
97.036		D12-024	6990	1,241	0	PT
Federal Program 97.036 Total				21,290,071	21,139,935	
97.039	Hazard Mitigation Grant		2450	8,451,232	8,067,040	
97.039		E-10-198	3760	720,357	0	PT
97.039		FEMA 1817-E11-144	3760	463,418	0	PT
97.039		NONE	3760	14,920	0	PT
Federal Program 97.039 Total				9,649,927	8,067,040	
97.040	Chemical Stockpile Emergency Preparedness Program		2450	2,764,584	990,103	

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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 97.040 Total				2,764,584	990,103	
97.041	National Dam Safety Program		4610	173,237	0	
Federal Program 97.041 Total				173,237	0	
97.042	Emergency Management Performance Grants		2450	6,875,558	4,148,328	
Federal Program 97.042 Total				6,875,558	4,148,328	
97.043	State Fire Training Systems Grants		2250	14,995	0	
Federal Program 97.043 Total				14,995	0	
97.045	Cooperating Technical Partners		4610	146,742	0	
Federal Program 97.045 Total				146,742	0	
97.046	Fire Management Assistance Grant		2450	95,616	95,616	
Federal Program 97.046 Total				95,616	95,616	
97.047	Pre-Disaster Mitigation		2450	411,532	337,072	
Federal Program 97.047 Total				411,532	337,072	
97.052	Emergency Operations Centers		2450	1,536,854	1,536,492	
Federal Program 97.052 Total				1,536,854	1,536,492	
97.053	Citizen Corps		2450	253,996	253,996	
Federal Program 97.053 Total				253,996	253,996	
97.055	Interoperable Communications Equipment		2450	608,574	584,757	
Federal Program 97.055 Total				608,574	584,757	
97.056	Port Security Grant Program		2250	438,988	0	
97.056			4050	844,798	0	
Federal Program 97.056 Total				1,283,786	0	
97.061	Centers for Homeland Security	S11198.01 MOD01	3600	38,780	0	PT
97.061		Y503225 MOD5	3600	43,133	0	PT
97.061		504928P0902320	3650	203,877	0	PT
Federal Program 97.061 Total				285,790	0	
97.065	Homeland Security Advanced Research Projects Agenc	P0005219	3650	66,763	0	PT
Federal Program 97.065 Total				66,763	0	
97.067	Homeland Security Grant Program		2450	1,439,033	1,439,033	

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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 97.067 Total				1,439,033	1,439,033	
97.071	Metropolitan Medical Response System		2450	603,468	595,071	
Federal Program 97.071 Total				603,468	595,071	
97.075	Rail and Transit Security Grant Program		2450	637,514	590,262	
Federal Program 97.075 Total				637,514	590,262	
97.077	Homeland Security Research Testing, Evaluation, An		3650	323,127	0	
97.077		WSU001066	3650	170,207	0	PT
Federal Program 97.077 Total				493,334	0	
97.078	Buffer Zone Protection Program (Bzpp)		2450	1,135,815	1,098,941	
Federal Program 97.078 Total				1,135,815	1,098,941	
97.082	Earthquake Consortium		2450	71,319	1,026	
Federal Program 97.082 Total				71,319	1,026	
97.089	Real Id Program		2400	1,007,063	0	
Federal Program 97.089 Total				1,007,063	0	
97.110	Severe Loss Repetitive Program		2450	552,270	530,057	
Federal Program 97.110 Total				552,270	530,057	
97.111	Regional Catastrophic Preparedness Grant Program (		2450	893,433	810,130	
Federal Program 97.111 Total				893,433	810,130	
97.999	Homeland Security - Undetermined		4770	7,510	0	
Federal Program 97.999 Total				7,510	0	
Dept of Homeland Security Total				80,445,036	65,434,167	

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

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	A197-2011-03-ITECH	3600	226,006	0	PT
98.001			3650	15,122	0	
98.001		4044087D	3650	105,141	0	PT
98.001		42597619276	3650	31,044	0	PT
98.001		PGAP280179	3650	23,295	0	PT
98.001		RQ000351	3650	2,586	0	PT
98.001		WSU001162	3650	264,101	0	PT
Federal Program 98.001 Total				667,295	0	
U.S. Agency for International Development Total				667,295	0	

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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	0000716165	3600	257,367	0	PT
99.000		10PO3420000196362AM01	3600	(26)	0	
99.000		10PO3420000196365AM01	3600	54,582	0	
99.000		119449	3600	39,536	0	PT
99.000		11AQ3700007	3600	127,957	0	PT
99.000		3001316273 AM01	3600	7,046	0	PT
99.000		4112-31804, AM07	3600	2,068	0	PT
99.000		9000000069	3600	22,017	0	PT
99.000		DJJ-11W-ENR01-0522	3600	57,045	0	
99.000		FABLD-11-031	3600	3	0	PT
99.000		FS11004M	3600	22,448	0	
99.000		HR 03-96 MOD02	3600	60,259	0	PT
99.000		M10PC00093	3600	6,262	0	
99.000		M10PC00093 MOD03	3600	117,591	0	
99.000		NRCHQ11C040020MOD07	3600	184,227	0	
99.000		PO 6832JSB01.04.10	3600	1,798	0	PT
99.000		UW BUD# 631156	3600	(17,953)	0	PT
99.000		UW BUD# 662497	3600	130,302	0	PT
99.000		UW BUD# 664484	3600	9,664	0	PT
99.000		USTDA200511025B	3650	11,202	0	PT
99.000		00048768 1994-04300	3700	28,871	0	PT
99.000		145444	3700	52,321	0	PT
99.000		2007-246-00 4733	3700	111,535	0	PT
99.000		200800700	3700	106,136	0	PT
99.000		BPA 2007-246-00	3700	3,266	0	PT
99.000		BPA Proj#1994-043-00	3700	136,890	0	PT
99.000		BPA#200800700	3700	17,695	0	PT
99.000		BPA2007-246-00 #47330	3700	11,513	0	PT
99.000		C011011	4610	30,543	0	PT
99.000		C012035	4610	100,911	0	PT
Federal Program 99.000 Total				1,693,076	0	
99.999	Undetermined Federal Agency	1656	3650	47,408	0	PT
99.999		1889	3650	138,598	0	PT
99.999		227868	3650	21,776	0	PT
Federal Program 99.999 Total				207,782	0	

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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
Undetermined Fed Agency Total				1,900,858	0	
Federal Programs Not Clustered Total				4,905,306,914	689,487,370	

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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	82,556	0	
Federal Program 06.161 Total				82,556	0	
National Endowment for the Humanities Total				82,556	0	
National Endowment for the Humanities Total				82,556	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	273,460	0	
10.001			3650	1,931,960	0	
10.001		201118169-02	3650	55,835	0	PT
10.001		BJKH65SB001	3650	4,399	0	PT
10.001		RC064684J	3650	3,073	0	PT
10.001			3750	18,190	0	
10.001			6990	16,823	0	
Federal Program 10.001 Total				2,303,740	0	
Agricultural Research Service Total				2,303,740	0	
10.200	Grants for Agricultural Research, Special Research		3600	661,229	358,209	
10.200		38631, AMEND #1	3600	(954)	0	PT
10.200		UAF110073POFP12759	3600	19,840	0	PT
10.200			3650	2,276,414	834,805	
10.200		07010ETX	3650	2	0	PT
10.200		09002101WSU4	3650	6,129	0	PT
10.200		200912415FUWSU1	3650	42,515	0	PT
10.200		200912415FUWSU5	3650	48,750	0	PT
10.200		200912415OHWSU4	3650	26,153	0	PT
10.200		201117720WSU1	3650	803	0	PT
10.200		201117720WSU2	3650	4,000	0	PT
10.200		201117720WSU3	3650	4,005	0	PT
10.200		AFE742346	3650	1,618	0	PT
10.200		BAK306SB002	3650	293	0	PT
10.200		BAK464	3650	303	0	PT
10.200		BAK465SB001	3650	2,199	0	PT
10.200		BAK466SB001	3650	35,436	0	PT
10.200		BJK910SB001	3650	9,554	0	PT
10.200		C0400AA	3650	(3,808)	0	PT
10.200		C0417AE	3650	41,507	0	PT
10.200		C0427AA	3650	103,774	0	PT
10.200		GPk205SB0012	3650	24,527	0	PT
10.200		GPk584SB001	3650	76,198	0	PT
10.200		GUAR30463398	3650	339	0	PT
10.200		SA7580	3650	(231)	0	PT
10.200		SA7653	3650	11,102	0	PT

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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
10.200	Grants for Agricultural Research, Special Research	SL063AA	3650	1,988	0	PT
10.200		UAF110074	3650	22,643	0	PT
10.200		USDA 2010-34558-21128	3750	36,704	0	PT
Federal Program 10.200 Total				3,453,032	1,193,014	
10.202	Cooperative Forestry Research		3600	598,358	0	
10.202			3650	413,691	0	
Federal Program 10.202 Total				1,012,049	0	
10.203	Payments to Agricultural Experiment Stations Under		3650	4,798,754	0	
Federal Program 10.203 Total				4,798,754	0	
10.206	Grants for Agricultural Research_competitive Resea		3600	68,763	26,266	
10.206		FOR34FT-01 AM03	3600	11,418	0	PT
10.206			3650	900,162	85,856	
10.206		42204819276	3650	29,634	0	PT
10.206		4362WSUUUSDA8710	3650	52,857	0	PT
10.206		60015822	3650	25,281	0	PT
10.206		RC2935023843688	3650	25,394	0	PT
10.206		S10200	3650	13,609	0	PT
10.206			3800	15,733	0	
Federal Program 10.206 Total				1,142,851	112,122	
10.207	Animal Health and Disease Research		3650	78,085	0	
Federal Program 10.207 Total				78,085	0	
10.215	Sustainable Agriculture Research and Education	080861009	3650	51,356	0	PT
10.215		080861059	3650	6,988	0	PT
10.215		090758003	3650	40,245	0	PT
10.215		090758039	3650	5,241	0	PT
10.215		090758043	3650	22,035	0	PT
10.215		100893004	3650	56,658	0	PT
10.215		110892004	3650	36,246	0	PT
Federal Program 10.215 Total				218,769	0	
10.219	Biotechnology Risk Assessment Research		3600	33,284	0	
10.219		AG 201033522219668 UOG	3750	31,667	0	PT
Federal Program 10.219 Total				64,951	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
10.227	1994 Institutions Research Program	41661466	3650	(46)	0	PT
10.227		WSU002241	3650	4,250	0	PT
10.227		NONE	3800	4,299	0	PT
Federal Program 10.227 Total				8,503	0	
National Institute of Food and Agriculture Total				10,776,994	1,305,136	
10.250	Agricultural and Rural Economic Research		3650	60,066	0	
Federal Program 10.250 Total				60,066	0	
Economic Research Service Total				60,066	0	
10.307	Organic Agriculture Research and Extension Initiat		3650	971,646	81,733	
10.307		C0440AA	3650	17,446	0	PT
Federal Program 10.307 Total				989,092	81,733	
10.310	Agriculture and Food Research Initiative (Afri)		3600	2,319,169	1,226,102	
10.310		C0435ABPRIME2011670033	3600	77,528	0	PT
10.310			3650	6,665,487	1,764,314	
10.310		101474002	3650	138,930	0	PT
10.310		20101571807	3650	190,920	0	PT
10.310		20101573903	3650	7,808	0	PT
10.310		223K974	3650	28,511	0	PT
10.310		238391A	3650	1,346	0	PT
10.310		2563210212002	3650	126,717	0	PT
10.310		50300805500000108	3650	84,879	0	PT
10.310		614202A	3650	4,992	0	PT
10.310		BDK275SB001	3650	16,696	0	PT
10.310		BJKH55SB001	3650	30,749	0	PT
10.310		BJKL03SB002	3650	1,342,359	0	PT
10.310		C000315874	3650	4,654	0	PT
10.310		C0414CB	3650	14,508	0	PT
10.310		H000972009	3650	190	0	PT
10.310		RC2933654693938	3650	52,517	0	PT
10.310		S110072	3650	642,703	0	PT
10.310		S11011	3650	(705)	0	PT
10.310		SUB2011128	3650	3,651	0	PT
Federal Program 10.310 Total				11,753,609	2,990,416	

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
10.320	Sun Grant Program	C0432GB	3650	65,502	0	PT
Federal Program 10.320 Total				65,502	0	
National Institute of Food and Agriculture Total				12,808,203	3,072,149	
10.652	Forestry Research		3600	392,819	0	
10.652			3650	34,328	0	
10.652			3800	13,704	0	
Federal Program 10.652 Total				440,851	0	
10.680	Forest Health Protection		3650	127,231	0	
10.680			4900	462,802	0	
10.680			4950	268,858	0	
Federal Program 10.680 Total				858,891	0	
Forest Service Total				1,299,742	0	
10.961	Scientific Cooperation and Research		3650	76,288	0	
Federal Program 10.961 Total				76,288	0	
Foreign Agricultural Service Total				76,288	0	
Dept of Agriculture Total				27,325,033	4,377,285	

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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	3,404,748	107,998	
11.417		NA2233-B, AM01	3600	52,429	0	PT
11.417		R/CONT-217PD	3600	10,625	0	PT
11.417		R/FISH-208 MOD	3600	24,466	0	PT
11.417		R/FISH-208MOD	3600	1,650	0	PT
11.417		RFISH208MODSUB10305312	3600	61,227	0	PT
Federal Program 11.417 Total				3,555,145	107,998	
11.420	Coastal Zone Management Estuarine Research Reserve		3600	43,292	0	
11.420			4610	707,825	0	
Federal Program 11.420 Total				751,117	0	
11.427	Fisheries Development and Utilization Research And		3600	212,138	0	
11.427		UW BUD# 660350	3600	21,811	0	PT
11.427			4770	172,301	0	
Federal Program 11.427 Total				406,250	0	
11.430	Undersea Research	UAF 08-0119 MOD 4	3600	8,124	0	PT
Federal Program 11.430 Total				8,124	0	
11.431	Climate and Atmospheric Research		3600	1,203,222	0	
11.431		NA221A-F	3600	1,840	0	PT
11.431		NA226B-D AM01	3600	37,779	0	PT
11.431		S08-67883 MOD02	3600	3,602	0	PT
11.431		S08-67883 MOD03	3600	114,806	0	PT
Federal Program 11.431 Total				1,361,249	0	
11.432	Office of Oceanic and Atmospheric Research (Oar) J		3600	12,267,866	48,000	
11.432		10312770	3600	1,152	0	PT
11.432		PO#3001446790 AM02	3600	100,684	0	PT
11.432		Z972055 AM01	3600	21,730	0	PT
Federal Program 11.432 Total				12,391,432	48,000	
11.440	Environmental Sciences, Applications, Data, and Ed	UW BUD# 663275	3600	33,682	0	PT
Federal Program 11.440 Total				33,682	0	
11.455	Cooperative Science and Education Program		3600	1,197	0	
Federal Program 11.455 Total				1,197	0	
11.467	Meteorologic and Hydrologic Modernization Developm		2450	947,242	303,048	

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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
11.467	Meteorologic and Hydrologic Modernization Developm	Z10-81101 MOD02	3600	15,657	0	PT
11.467		Z10-81101, MOD02	3600	15,788	0	PT
Federal Program 11.467 Total				978,687	303,048	
11.468	Applied Meteorological Research		2450	3,531	3,531	
11.468			3600	130,347	0	
Federal Program 11.468 Total				133,878	3,531	
11.472	Unallied Science Program		3600	966	0	
11.472		#1006	3600	77,624	0	PT
11.472		1009, F4009	3600	125,679	0	PT
11.472		1016	3600	134,816	0	PT
11.472		1103	3600	11,040	0	PT
11.472		B 53	3600	7,539	0	PT
11.472		B 59 AM02	3600	82,191	0	PT
11.472		B 70 AM03	3600	139,057	0	PT
11.472		B 73 AMEND #2	3600	102,987	0	PT
11.472		B52	3600	8,770	0	PT
11.472		B61 AM01	3600	82,167	0	PT
11.472		B62 AM02	3600	25,531	0	PT
11.472		B69 AM01	3600	7,011	0	PT
11.472		F2628-01	3600	1,825	0	PT
11.472		F2871-01	3600	(29)	0	PT
11.472		G82	3600	99,272	0	PT
11.472		G83	3600	193,745	0	PT
11.472		G84	3600	9,712	0	PT
11.472		G84/F5184-01	3600	7,203	0	PT
11.472		NA09NMF4720159	3800	94,736	0	PT
11.472			4770	205,030	0	
11.472		020-10258-ISA-FISH	4770	212,775	0	PT
11.472		020-10259-ISA-FISH	4770	284,941	0	PT
Federal Program 11.472 Total				1,914,588	0	
National Oceanic and Atmospheric Administration (N Total)				21,535,349	462,577	
11.609	Measurement & Engineering Research & Stand		3600	166,287	58,427	
11.609			3650	140,587	0	

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Federal Program 11.609 Total				306,874	58,427	
11.609A	ARRA - Measurement & Engineering Research & Stand	10305702	3650	147,009	0	PT
Federal Program 11.609A Total				147,009	0	
National Institute of Standards and Technology (Ni Total				453,883	58,427	
Dept of Commerce Total				21,989,232	521,004	

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Dept of Defense

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12.000	Dod - Contract Number Only Provided	#27-001389	3600	261,208	0	PT
12.000		0000105660	3600	47,578	0	PT
12.000		02454	3600	29,195	0	PT
12.000		06-C-0025-01	3600	(7,016)	0	PT
12.000		09S590001114C1MOD02	3600	10,306	0	PT
12.000		1011078-259568 AM05	3600	87,787	0	PT
12.000		106314 MOD01	3600	67,765	0	PT
12.000		12S-14765-LB10, MOD.01	3600	12,581	0	PT
12.000		2008.0006-PO22732 AM05	3600	140,550	0	PT
12.000		27-001340 MOD08	3600	57,252	0	PT
12.000		27-001341 MOD06	3600	284,176	0	PT
12.000		29030420-50473-B	3600	47,464	0	PT
12.000		3001719205	3600	9,614	0	PT
12.000		3002148124	3600	50,704	0	PT
12.000		321715 CHANGE#10	3600	12,049	0	PT
12.000		36435	3600	90,000	0	PT
12.000		69-000535	3600	273,035	0	PT
12.000		69-000535 MOD2	3600	216,462	0	PT
12.000		70000878667000029701CH	3600	49,887	0	PT
12.000		744450-6	3600	65,888	0	PT
12.000		782590	3600	87,283	0	PT
12.000		9500009783 MOD11	3600	416,721	0	PT
12.000		955492 MOD06	3600	85,796	0	PT
12.000		A66831	3600	69,512	0	PT
12.000		A69823	3600	54,273	0	PT
12.000		A73523	3600	9,690	0	PT
12.000		AM014	3600	127	0	
12.000		AMENDMENT NO.10	3600	17,515	0	PT
12.000		APS-11-12 MOD06	3600	207,970	0	PT
12.000		CLPERS12D1HEX5080	3600	223,553	0	
12.000		F2011-001	3600	45,792	0	PT
12.000		FA3300-08-P-0152	3600	9,500	0	
12.000		FA3300-09-P-0153	3600	10,604	0	
12.000		FA3300-11-P-0167	3600	6,334	0	
12.000		FA8750-12-C-0174	3600	5,283	0	
12.000		FA95500910298P00002	3600	32,396	0	

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12.000	Dod - Contract Number Only Provided	GRANT PT100068	3600	12,889	0	PT
12.000		H98230-10-C-0289, P01	3600	85,446	0	
12.000		H9823010C02630000AMP00	3600	122,238	0	
12.000		HDTRA1-11-C-0026 AM02	3600	351,575	0	PT
12.000		HU0001061TS10MOD6N06P1	3600	198,367	0	PT
12.000		KG112GEORGESJISIBCR	3600	13,991	0	PT
12.000		KQ6678, MOD #2	3600	(41,740)	0	PT
12.000		LS-C09110011 REV02	3600	78,848	0	PT
12.000		N-00014-11-1-0436-001	3600	58,129	0	PT
12.000		N000014-09-D-0584	3600	14,200	0	PT
12.000		N00014-01-G-0460/0049	3600	3,956	0	
12.000		N00014-07-G-0557/0001	3600	45	0	
12.000		N00014-07-G-0557/0009	3600	431,309	0	
12.000		N00014-07-G-0557/0010	3600	2,069	0	
12.000		N00014-07-G-0557/0011	3600	2,587,408	0	
12.000		N00014-07-G-0557/0012	3600	232,336	0	
12.000		N00014-07-G-0557/0016	3600	33	0	
12.000		N00014-07-G-0557/0018	3600	247,451	0	
12.000		N00014-07-G-0557/0019	3600	53,092	0	
12.000		N00014-07-G-0557/0022	3600	1,159,871	0	
12.000		N00014-07-G-0557/0023	3600	72,275	0	
12.000		N00014-07-G-0557/0024	3600	77,672	0	
12.000		N00014-07-G-0557/0025	3600	1,637	0	
12.000		N00014-07-G-0557/0026	3600	1,134	0	
12.000		N00014-07-G-0557/0027	3600	9,035	0	
12.000		N00014-07-G-0557/0028	3600	216,958	0	
12.000		N00014-07-G-0557/0029	3600	191,526	0	
12.000		N00014-07-G-0557/0031	3600	221,999	0	
12.000		N00014-07-G-0557/0032	3600	297,603	0	
12.000		N00014-07-G-0557/0033	3600	49,963	0	
12.000		N00014-07-G-0557/0035	3600	18,729	0	
12.000		N00014-12-C-0158	3600	465,423	0	
12.000		N00014-12-G-0078	3600	7,713	0	
12.000		N00014-12-G-0078/0002	3600	19,186	0	
12.000		N00014-12-G-0078/0003	3600	6,192	0	
12.000		N00024-02-D-6602	3600	471,460	0	

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12.000	Dod - Contract Number Only Provided	N00024-02-D-6602/0050	3600	158,649	9,951	
12.000		N00024-02-D-6602/0077	3600	23	0	
12.000		N00024-02-D-6602/0082	3600	108,989	0	
12.000		N00024-02-D-6602/0095	3600	153	0	
12.000		N00024-02-D-6602/0103	3600	67,441	0	
12.000		N00024-02-D-6602/0110	3600	339,758	0	
12.000		N00024-02-D-6602/0113	3600	27,084	0	
12.000		N00024-02-D-6602/0115	3600	149,209	0	
12.000		N00024-02-D-6602/0118	3600	346,862	0	
12.000		N00024-02-D-6602/0121	3600	208,329	0	
12.000		N00024-10-D-6318/0002	3600	2,855	0	
12.000		N00024-10-D-6318/0004	3600	90,152	0	
12.000		N00024-10-D-6318/0005	3600	25,790	0	
12.000		N00024-10-D-6318/0006	3600	461,860	(5,711)	
12.000		N00024-10-D-6318/0008	3600	67,500	0	
12.000		N00024-10-D-6318/0009	3600	93,364	0	
12.000		N00024-10-D-6318/0010	3600	214,764	0	
12.000		N00024-10-D-6318/0011	3600	228,870	70,398	
12.000		N00024-10-D-6318/0012	3600	752,920	0	
12.000		N00024-10-D-6318/0013	3600	45,208	0	
12.000		N00024-10-D-6318/0014	3600	48,824	0	
12.000		N00024-10-D-6318/0015	3600	214,764	0	
12.000		N00024-10-D-6318/0017	3600	174,942	0	
12.000		N00024-10-D-6318/0018	3600	314,712	205,221	
12.000		N00024-10-D-6318/0019	3600	10,874	0	
12.000		N00024-10-D-6318/0020	3600	57,209	0	
12.000		N00167-10-D-0002/0001	3600	977,910	0	
12.000		N00167-10-D-0002/0002	3600	673,530	0	
12.000		N00167-10-D-0002/0003	3600	333,596	0	
12.000		N00167-10-D-0002/0004	3600	1,323,605	0	
12.000		N00167-10-D-0002/0005	3600	1,079,228	0	
12.000		N00167-10-D-0002/0006	3600	420,761	0	
12.000		N00167-10-D-0002/0007	3600	22,684	0	
12.000		N00167-10-D-0002/0008	3600	157,793	0	
12.000		N00259-10-P-1789	3600	20,922	0	
12.000		N66001-09-C-2004	3600	156,898	0	

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12.000	Dod - Contract Number Only Provided	NBCHC050137 MOD 10	3600	(6)	0	
12.000		NOOO24-10-D-6318/0004	3600	64,858	0	
12.000		PO #10291495-004	3600	361,937	0	PT
12.000		PO 416996 CHANGE03	3600	107,358	0	PT
12.000		PO MRI-2005-12-001	3600	(88,878)	0	PT
12.000		PO# 10313249	3600	727,489	0	PT
12.000		PO# 28300	3600	31,461	0	PT
12.000		PO# 28458	3600	4,274	0	PT
12.000		PO#2000859125 MOD02	3600	112,167	0	PT
12.000		PO-20110120	3600	24,824	0	PT
12.000		PO36434FA865004D1712AM	3600	44,640	0	PT
12.000		PRIME W911QX-11-C-0005	3600	14,938	0	PT
12.000		PROJECT #802UW	3600	47,047	0	PT
12.000		RM102A-B	3600	1,406	0	PT
12.000		RS100297 MOD03	3600	(211)	0	PT
12.000		RS111029	3600	8,514	0	PT
12.000		RS120383MOD1	3600	5,555	0	PT
12.000		S-40001T	3600	(9,566)	0	PT
12.000		S95-0079 AM02	3600	74,635	0	PT
12.000		SPM7M9-10-M-3074	3600	14	0	
12.000		SPM7M9-11-M-1804	3600	25	0	
12.000		SPM7M9-12-M-2529	3600	382	0	
12.000		UW BUD# 630063	3600	(18,678)	0	PT
12.000		UW BUD# 630630	3600	(15,931)	0	PT
12.000		UW BUD# 634021	3600	65,108	0	PT
12.000		UW BUD# 634257	3600	4,088	0	PT
12.000		UW BUD# 635677	3600	2,814	0	PT
12.000		UW BUD# 637561	3600	7,843	0	PT
12.000		UW BUD# 638300	3600	92,873	0	PT
12.000		UW BUD# 638538	3600	1,413	0	PT
12.000		UW BUD# 660244	3600	(29,117)	0	PT
12.000		UW BUD# 660715	3600	2,981	0	PT
12.000		UW BUD# 662494	3600	28,664	0	PT
12.000		UW BUD# 662524	3600	(32,955)	0	PT
12.000		UW BUD# 662979	3600	25,303	0	PT
12.000		UW BUD# 664226	3600	12,538	0	PT

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12.000	Dod - Contract Number Only Provided	UW BUD# 664319	3600	8,816	0	PT
12.000		UW BUD# 664477	3600	46,365	0	PT
12.000		UW BUD# 667879	3600	(17,880)	0	PT
12.000		W68MD920591335	3600	44,596	0	
12.000		W81XWH-11-1-0588 MOD02	3600	57,324	0	
12.000		W81XWH-11-2-0037	3600	441,022	0	
12.000		W911NF-09-C-0131	3600	62,157	0	
12.000		W911NF09C0131P00003	3600	172,981	29,198	
12.000		W911SD-09-P-0627 AM01	3600	641	0	
12.000		W912EF-12-C0008	3600	27,260	0	
12.000		W912HQ-09-C-0027	3600	51,710	0	
12.000		W912HQ-10-C-0070	3600	212,852	0	
12.000		W912HQ-11-C-0053	3600	249,772	0	
12.000		W912HQ-12-C-0016	3600	146,038	0	
12.000		W912HQ-12-C-0049	3600	23,702	0	
12.000		W912HQ06C0037MODP0002	3600	7,839	2,919	
12.000		W912HQ08C0050P00004	3600	467,085	288,478	
12.000		W912HQ10C0014AMP00003	3600	324,695	198,625	
12.000		W912HZ11C0033P00001	3600	52,927	0	
12.000		W91WAW09C0087MODP00003	3600	363,436	0	
12.000		0000255710	3650	36,151	0	PT
12.000		112833	3650	587	0	
12.000		113700	3650	(686)	0	PT
12.000		113970	3650	(2,967)	0	PT
12.000		114373001	3650	1,600	0	
12.000		1232	3650	30	0	PT
12.000		131685040927	3650	91,437	0	PT
12.000		1316985040927	3650	70,259	0	PT
12.000		2010315	3650	(111)	0	PT
12.000		54680	3650	86,684	0	PT
12.000		61000802	3650	(2,180)	0	PT
12.000		739623	3650	54,825	0	PT
12.000		F54301007SC0600	3650	1,790	0	PT
12.000		N0025310P0037	3650	3,961	0	
12.000		N0025311P0019	3650	4,499	0	
12.000		N0025311P0127	3650	5,761	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	N0025312P0168	3650	6,268	0	
12.000		N0040610P8803	3650	367	0	
12.000		N0040611P1398	3650	184	0	
12.000		N0040611P5945	3650	8,184	0	
12.000		N0040611P6035	3650	8,116	0	
12.000		N0040612P1064	3650	8,000	0	
12.000		N0040612P1173	3650	5,970	0	
12.000		N6133112P5002	3650	8,567	0	
12.000		P010058810	3650	277,139	0	PT
12.000		SP470108D001	3650	45,381	0	
12.000		W81K0010PM100	3650	(12,288)	0	
12.000		W9113M09C0075	3650	1,007,264	5,467	
12.000		W911NF1020112	3650	35,779	0	
12.000		W911QY07C0080	3650	(10,268)	5,229	
12.000		W911QY11P0183	3650	40,000	0	
12.000		W912EF09C0001	3650	43,722	0	
12.000		W912EF10C0012	3650	6,079	6,071	
12.000		W912HQ07C0003	3650	4,547	0	
12.000		W912HQ09C0005	3650	4,218	0	
12.000		W91CRB11C0165	3650	109,220	0	
12.000		WAFO161052907	3650	112	0	PT
12.000		WSU002	3650	27,530	0	PT
12.000		WSU003	3650	17,409	0	PT
12.000		WSU005	3650	1,621	0	PT
12.000		12-85	4770	3,331	0	PT
12.000		12-86	4770	4,769	0	PT
12.000		12-87	4770	17,152	0	PT
12.000		WA-S-2012-0002-0	4770	28,900	0	PT
Federal Program 12.000 Total				26,678,942	815,846	
12.000A	ARRA - Dod - Contract Number Only Provided	6407-001-001-CS-S	3600	34,851	0	PT
12.000A		W912EF09P015	3650	296	0	
12.000A		W912EF10P5066	3650	(796)	0	
Federal Program 12.000A Total				34,351	0	
Dod Contract Number Only Provided Total				26,713,293	815,846	

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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		3600	19,362,796	2,032,243	
12.300		1010542 AM02	3600	65,240	0	PT
12.300		10276960-MOD11	3600	77,063	0	PT
12.300		1141207-236198 AM06	3600	159,511	0	PT
12.300		2008-2038 AM05	3600	79,954	0	PT
12.300		421-23-01-AM05	3600	7,560	0	PT
12.300		5710002230 MOD010	3600	97,442	0	PT
12.300		66654TAM01	3600	1,383	0	PT
12.300		A100587 AM03	3600	5,613	0	PT
12.300		A100615	3600	(31,574)	0	PT
12.300		F012919 AM12	3600	47,152	0	PT
12.300		K9643H-A	3600	762	0	PT
12.300		N000141110450UWAMOD02	3600	11,328	0	PT
12.300		UAF 08-0047MOD06	3600	21,665	0	PT
12.300		UW BUD# 638557	3600	1,486	0	PT
12.300			3650	2,123,766	0	
12.300		5710002043	3650	224,714	0	PT
12.300		KKK696SB001	3650	47,057	0	PT
12.300		KKK745SB001	3650	(145)	0	PT
12.300		KKK760SB0012	3650	(129)	0	PT
12.300		KKK800SB01	3650	(16)	0	PT
Federal Program 12.300 Total				22,302,628	2,032,243	
12.350	Department of Defense HIV/AIDS Prevention Program		3600	1,066,244	0	
Federal Program 12.350 Total				1,066,244	0	
Department of the Navy, Office of the Chief of Nav Total				23,368,872	2,032,243	
12.351	Basic Scientific Research - Combating Weapons of M		3600	1,100,007	0	
12.351		28545260-52123-A	3600	116,926	0	PT
12.351		UTA11-000762	3600	94,595	0	PT
12.351			3650	1,108,706	165,629	
Federal Program 12.351 Total				2,420,234	165,629	
Office of the Secretary of Defense Total				2,420,234	165,629	
12.420	Military Medical Research and Development		3600	6,655,373	473,086	
12.420		0000697387 AM02	3600	51,007	0	PT
12.420		0520106201S1137PO58029	3600	(8,072)	0	PT

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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
12.420	Military Medical Research and Development	10274SUB	3600	25,634	0	PT
12.420		10313538-001	3600	6,060	0	PT
12.420		10313538-SUB	3600	5,902	0	PT
12.420		364271-SUB 2	3600	175,186	0	PT
12.420		671800 MOD01	3600	(4,598)	0	PT
12.420		6749SC	3600	23,642	0	PT
12.420		ABAUNDERPRIMEW81XWH092	3600	44,770	0	PT
12.420		ARM333	3600	160,920	0	PT
12.420		DAMD-01-1-0764 AMD#2	3600	(15,758)	0	PT
12.420		JPAPOKG112MILLEJ1SIBCR	3600	5,728	0	PT
12.420		JPAPORM160OCONNJSIBCR	3600	34,153	0	PT
12.420		JPAPOWC19SIKKEC1SIBCR	3600	28,454	0	PT
12.420		KG112-SEYEDALL-2	3600	7,912	0	PT
12.420		KG112-SRISUWAN-2	3600	6,111	0	PT
12.420		MIC.UW01.0911	3600	109,754	0	PT
12.420		PO669701AGR2076MOD03	3600	483,162	0	PT
12.420		PO713003AGR2252MOD02	3600	284,406	0	PT
12.420		R01477	3600	197,312	0	PT
12.420		W81XWH-10-1-1039	3600	56,445	0	PT
12.420		WC19-SIKKEC-2-SIBCR	3600	11,932	0	PT
12.420			3650	1,242,527	0	
12.420		S119001	3650	10,277	0	PT
Federal Program 12.420 Total				9,598,239	473,086	
U.S. Army Medical Command Total				9,598,239	473,086	
12.431	Basic Scientific Research		3600	2,066,457	735,555	
12.431		11-IARPA-1009 MOD01	3600	341,495	0	PT
12.431		28D 1083900 MOD06	3600	128,515	0	PT
12.431		G-2308-1 AM02	3600	852,772	0	PT
12.431		UW BUD# 639632	3600	245,874	0	PT
12.431		UW BUD# 660341	3600	121,992	0	PT
12.431		Z848401	3600	61,453	0	PT
12.431		Z848401 AM I	3600	65,162	0	PT
12.431			3650	156,449	0	
12.431		ARL10NWMISU120610	3650	50,448	0	PT

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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
Federal Program 12.431 Total				4,090,617	735,555	
U.S. Army Materiel Command Total				4,090,617	735,555	
12.630	Basic, Applied, & Adv Resch In Sci & Eng		3600	524,963	0	
12.630		4500000027 AM06	3600	259,483	0	PT
12.630		1156	3650	1,715	0	PT
12.630		1196	3650	2,600	0	PT
12.630		NBCHC090054	3650	22,729	0	PT
Federal Program 12.630 Total				811,490	0	
Office of the Secretary of Defense Total				811,490	0	
12.800	Air Force Defense Resch Sciences Program		3600	3,478,714	537,259	
12.800		10-219AM03	3600	21,644	0	PT
12.800		11-708B-00 AM02	3600	251,474	0	PT
12.800		2 (ACCT. #5-22395)	3600	5,228	0	PT
12.800		36071	3600	31,382	0	PT
12.800		60429	3600	(182)	0	PT
12.800		7H-1090612 AM01	3600	497,886	0	PT
12.800		A62823	3600	12,312	0	PT
12.800		FA7014-08-0002	3600	25,924	0	PT
12.800		RB250-G3 AM01	3600	144,252	0	PT
12.800		RB250-G3 AM05	3600	107,333	0	PT
12.800		UND-201563 AM04	3600	132,685	0	PT
12.800		UW BUD# 635403	3600	39,870	0	PT
12.800		UW BUD# 664826	3600	28,955	0	PT
12.800		UW BUDGET# 664122	3600	14,174	0	PT
12.800			3650	295,920	0	
12.800		14932002008207	3650	54,817	0	PT
12.800		45011919276	3650	4,038	0	PT
Federal Program 12.800 Total				5,146,426	537,259	
Department of the Air Force, Materiel Command Total				5,146,426	537,259	
12.902	Information Security Grant Program		3600	23,280	0	
Federal Program 12.902 Total				23,280	0	
National Security Agency Total				23,280	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
12.910	Research and Technology Development		2270	80,704	0	
12.910			3600	3,729,516	1,846,914	
12.910		0000736836	3600	1,059	0	PT
12.910		25969810-50204-A	3600	166,870	0	PT
12.910		25969810-50204-A AM01	3600	175,892	0	PT
12.910		554995 AM01	3600	175,402	0	PT
12.910		A65164	3600	77,875	0	PT
12.910		RA231-G2 AM04	3600	133,010	0	PT
12.910		RA231G2W31P4Q0910012AM	3600	222,686	0	PT
12.910			3650	2,203,064	850,880	
Federal Program 12.910 Total				6,966,078	2,697,794	
Advanced Research Projects Agency Total				6,966,078	2,697,794	
Dept of Defense Total				79,138,529	7,457,412	

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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	294,797	17,006	
15.650		1102-046	3600	880	0	PT
15.650		WA-S-110321-117 AM02	3600	9,628	0	PT
15.650			3650	181,604	0	
15.650			4770	254,690	0	
Federal Program 15.650 Total				741,599	17,006	
15.664	Fish & Wildlife Coordination & Assistance Programs		3600	64,394	0	
Federal Program 15.664 Total				64,394	0	
Fish and Wildlife Service Total				805,993	17,006	
15.805	Assistance to State Water Resources Research Insti		3650	137,379	0	
Federal Program 15.805 Total				137,379	0	
15.807	Earthquake Hazards Reduction Program		3600	863,653	0	
15.807			3750	247,040	0	
15.807			4900	47,361	0	
Federal Program 15.807 Total				1,158,054	0	
15.807A	ARRA - Eartquake Hazards Reduction Program		3600	171,986	0	
Federal Program 15.807A Total				171,986	0	
15.808	U.S. Geological Survey_ Research and Data Collecti		2450	5,551	0	
15.808			3600	634,409	0	
15.808			3650	65,279	0	
15.808			3700	24,477	0	
15.808			4610	27,020	0	
15.808			4770	97,552	0	
Federal Program 15.808 Total				854,288	0	
15.812	Cooperative Research Units Program		3600	487,286	0	
15.812			3800	18,992	0	
Federal Program 15.812 Total				506,278	0	
15.818	Volcano Hazards Prog Res & Monitoring		4900	31,050	0	
Federal Program 15.818 Total				31,050	0	
15.818A	ARRA - Volcano Hazards Prog Res & Monitoring		3600	74,223	0	
Federal Program 15.818A Total				74,223	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
U.S. Geological Survey Total				2,933,258	0	
15,945	Cooperative Research & Training Pgrom Resources Na		3600	619,779	0	
15,945			3750	972	0	
15,945			3800	16,727	0	
Federal Program 15.945 Total				637,478	0	
National Park Service Total				637,478	0	
Dept of the Interior Total				4,376,729	17,006	

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		3600	415,777	0	
Federal Program 16.560 Total				415,777	0	
National Institute of Justice Total				415,777	0	
Dept of Justice Total				415,777	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	415,010	0	
Federal Program 20.109 Total				415,010	0	
Federal Aviation Administration (Faa) Total				415,010	0	
20.200	Highway Research and Development Program		3600	154,106	0	
20.200		A67853	3600	100,592	0	PT
20.200		FABLD-09-171 AM02	3600	10,188	0	PT
20.200		KLK262-SB-004 AM03	3600	108,975	0	PT
20.200			3650	317,384	0	
20.200		KLK262SB003	3650	30,991	0	PT
20.200			3700	275,754	0	
Federal Program 20.200 Total				997,990	0	
Federal Highway Administration (Fhwa) Total				997,990	0	
20.761	Biobased Transportation Research	T0013GA	3650	53,274	0	PT
20.761		T0013RB	3650	39,301	0	PT
Federal Program 20.761 Total				92,575	0	
Federal Motor Carrier Safety Administration Total				92,575	0	
20.931	Transportation Planning, Research and Education		3800	226,052	0	
Federal Program 20.931 Total				226,052	0	
Research and Innovative Technology Administration Total				226,052	0	
Dept of Transportation Total				1,731,627	0	

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Research and Development

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
43.009	Cross Agency Support		3600	50,505	0	
Federal Program 43.009 Total				50,505	0	
National Aeronautic & Space Administration Total				50,505	0	
National Aeronautics & Space Admin Total				50,505	0	

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*** See Subdivision**

Federal Catalog No.	Federal Program Title	Award/Contract Control Number	State Agency No.	Expenditure Amount	Expend Amts Passed Through to Subrecipients	See Note E
45.163	Promotion of the Humanities_professional Developme		3800	3,834	0	
Federal Program 45.163 Total				3,834	0	
Unknown Total				3,834	0	
* See Subdivision Total				3,834	0	

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Research and Development

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	8,793,970	731,675	
47.041		130323 AM01	3600	134,705	0	PT
47.041		205-01	3600	31,741	0	PT
47.041		44771-7473	3600	149,398	0	PT
47.041		44771-7473 AM18	3600	487,355	0	PT
47.041		478496-19124	3600	77,938	0	PT
47.041		5710002247	3600	67,886	0	PT
47.041		E-20-L05-G3 AMD 2	3600	(726)	0	PT
47.041		E-20-L05-G7 AMO3	3600	13,531	0	PT
47.041		IIP-1127360	3600	92,109	0	PT
47.041		NEES-4101-31868 AM06	3600	56,366	0	PT
47.041		R3D381	3600	82,700	0	PT
47.041		UW BUD# 638771	3600	112,441	0	PT
47.041			3650	1,958,856	31,867	
47.041		115126 001	3650	36	0	PT
47.041		WSU002184	3650	42,535	0	PT
47.041			3700	43,068	0	
47.041			3800	90,533	0	
Federal Program 47.041 Total				12,234,442	763,542	
47.049	Mathematical and Physical Sciences		3600	15,703,088	3,340,112	
47.049		2009-01366-01 AM03	3600	323,463	0	PT
47.049		20090136601A2860085556	3600	213,296	0	PT
47.049		201231AMO1PRIMEPHY0715	3600	216,214	0	PT
47.049		5-54861/ AMD1	3600	478	0	PT
47.049		7443-2307, AMEND5	3600	16,469	0	PT
47.049		7443-2307AM	3600	42,301	0	PT
47.049		C44009L AM07	3600	326,586	0	PT
47.049		C44036L AM04	3600	203,285	0	PT
47.049		FP044186 PHY-1003940	3600	83,079	0	PT
47.049		IAS-EHR-0314808	3600	147	0	PT
47.049		S0183165PRIMEPHY103917	3600	157,416	0	PT
47.049		S1235A-A	3600	82,078	0	PT
47.049			3650	3,037,926	0	
47.049		RUB12942ST09	3650	4,407	0	PT
47.049		SA0906011	3650	54,373	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
47.049	Mathematical and Physical Sciences		3700	56,258	0	
47.049			3750	68,160	0	
47.049			3760	23,000	0	
47.049			3800	632,736	0	
Federal Program 47.049 Total				21,244,760	3,340,112	
47.050	Geosciences		3600	21,181,512	186,177	
47.050		154-5822 MOD02	3600	107,860	0	PT
47.050		208991B AM01	3600	14,277	0	PT
47.050		45DMSPRIMCOOPEAR106347	3600	65,211	0	PT
47.050		5-24452 AM4	3600	68,028	0	PT
47.050		A100582 AM04	3600	60,498	0	PT
47.050		BA-85 POT334A85	3600	24,170	0	PT
47.050		G-3045-5 AM05	3600	294	0	PT
47.050		G-3045-5 AM06	3600	21,724	0	PT
47.050		G-3624-12AM06	3600	68,567	0	PT
47.050		GSTCN0001A7.UW	3600	5,834	0	PT
47.050		GSTCN0001A7.UW MOD08	3600	52,800	0	PT
47.050		GSTCN010652UWAPLAM1	3600	451,876	0	PT
47.050		GSTCN0106S6-UW AM01	3600	85,525	0	PT
47.050		PO# 10323788-001	3600	5,425	0	PT
47.050		RB701-G1	3600	16,933	0	PT
47.050		S-000375	3600	3,566	0	PT
47.050		SA 9-09	3600	4,324,699	0	PT
47.050		SA 9-09 MOD	3600	4,620	0	PT
47.050		SA 9-09 MOD 12	3600	808,710	0	PT
47.050		SA 9-09 MOD 18	3600	78,762	0	PT
47.050		SA 9-09 MOD 2	3600	(3,309)	0	PT
47.050		SA 9-09 MOD 5	3600	24,426,206	0	PT
47.050		SA 9-09 MOD 6	3600	2,689,830	0	PT
47.050		SUB2009186503ATM093459	3600	(3)	0	PT
47.050			3650	1,224,483	14,211	
47.050			3750	239,030	12,533	
47.050		EAR-0453975-04	3750	163,432	0	PT
47.050			3800	605,779	0	
47.050		207391C	3800	114,383	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
Federal Program 47.050 Total				56,910,722	212,921	
47.070	Computer and Information Science and Engineering		3600	9,473,332	149,357	
47.070		58007-9069 AM03	3600	161,568	0	PT
47.070		A31928/FA18338 AM06	3600	258,543	0	PT
47.070		AM02	3600	271	0	PT
47.070		CIF-364	3600	351	0	PT
47.070		CIF-A-364 AM01	3600	38,419	0	PT
47.070		CIF-B-58 AM01	3600	97,210	0	PT
47.070		CIF-B-64 AM01	3600	39,489	0	PT
47.070		CIF-C-58	3600	35,317	0	PT
47.070		CIF-C-64	3600	91,176	0	PT
47.070		CIF-D-002	3600	115,981	0	PT
47.070		CIFA288AM02	3600	30,532	0	PT
47.070		EQ2012-36	3600	4,156	0	PT
47.070		PO 10311160-SUB MOD02	3600	119,465	0	PT
47.070		PO#9500009460 MOD06	3600	31,047	0	PT
47.070		S1065A-A	3600	(166)	0	PT
47.070			3650	1,054,974	107,836	
47.070		20050451002	3650	(26,719)	0	PT
Federal Program 47.070 Total				11,524,946	257,193	
47.074	Biological Sciences		3600	7,725,379	350,055	
47.074		211025UWPRIMEIOS111853	3600	9,168	0	PT
47.074		252F195 AM02	3600	140,844	0	PT
47.074		61-2075UW AM03	3600	448,065	0	PT
47.074		61-207SUW AM03	3600	92,428	0	PT
47.074		6110567/RFS900119 AM03	3600	78,559	0	PT
47.074		63655-9675	3600	90,317	0	PT
47.074		FY2008-84, MOD 02	3600	(181)	0	PT
47.074		Y561909	3600	1,045	0	PT
47.074			3650	4,893,119	1,513,415	
47.074		4204071F	3650	10,688	0	PT
47.074		602479191	3650	17,445	0	PT
47.074			3750	214,568	7,500	
47.074		FY2011-099	3750	46,762	0	PT
47.074			3760	99,373	0	

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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
47.074	Biological Sciences		3800	316,217	0	
Federal Program 47.074 Total				14,183,796	1,870,970	
47.075	Social, Behavioral, and Economic Sciences		3600	4,221,084	932,799	
47.075		0000021057	3600	7,052	0	PT
47.075		09030336	3600	19,489	0	PT
47.075		11-471	3600	12,465	0	PT
47.075		PO 10321094-SUB	3600	44,876	0	PT
47.075			3650	474,665	2,400	
47.075			3750	52,358	0	
47.075			3800	30,882	0	
Federal Program 47.075 Total				4,862,871	935,199	
47.076	Education and Human Resources		3600	12,797,313	1,022,559	
47.076		10-087	3600	58,523	0	PT
47.076		1546952 MOD01	3600	11,051	0	PT
47.076		201ERV282 AM01	3600	15,469	0	PT
47.076		420-28-03D AM01	3600	32,558	0	PT
47.076		5060 S09-088 MOD04	3600	51,486	0	PT
47.076		527631-004	3600	3,696	0	PT
47.076		FY09.455.001 U WA YR1	3600	(817)	0	PT
47.076		FY10.455.001_AMD1	3600	(914)	0	PT
47.076		FY11.455.001_AMD02_UWA	3600	72,767	0	PT
47.076		GKA10-0032	3600	93,212	0	PT
47.076		RC101209UWPRIMEDRL1228	3600	60,209	0	PT
47.076		UR ACCT#5-23450 AM1	3600	3,205	0	PT
47.076		UW BUD# 637528	3600	9,010	0	PT
47.076			3650	4,216,090	206,446	
47.076		1200651622	3650	4,619	0	PT
47.076		201202Q	3650	19,108	0	PT
47.076		208090102847	3650	(137)	0	PT
47.076		3558WSUNSF3747	3650	2,700	0	PT
47.076		4202803E	3650	10,464	0	PT
47.076		667378	3650	13,309	0	PT
47.076		NSFATEDUE1002931	3650	47,323	0	PT
47.076		RC101209WSU	3650	60,336	0	PT
47.076			3700	289,392	0	

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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
47.076	Education and Human Resources		3750	1,002,399	0	
47.076		DUE-1125331	3750	668	0	PT
47.076		SA 1208005	3750	14,915	0	PT
47.076			3760	428,853	0	
47.076			3800	563,202	0	
47.076		NONE	3800	4,030	0	PT
Federal Program 47.076 Total				19,884,039	1,229,005	
47.078	Polar Programs		3600	6,991,487	492,733	
47.078		FP20590	3600	4,315	0	PT
47.078		FY2011-025 MOD02	3600	95,564	0	PT
47.078		D001872701	3650	8,908	0	PT
47.078			3750	132,918	0	
47.078		3778-CWU-NSF-2136	3750	28,748	0	PT
47.078			3800	68,818	0	
Federal Program 47.078 Total				7,330,758	492,733	
47.079	International Science and Engineering (Oise)		3600	97,945	0	
47.079		RUB1-2946-PU-09	3600	1,926	0	PT
47.079		S1315A-C	3600	2,418	0	PT
47.079		S1315A-C AM01	3600	60,862	0	PT
47.079		RUB2982ST10	3650	6,334	0	PT
47.079			3750	60,856	1,735	
Federal Program 47.079 Total				230,341	1,735	
47.080	Office of Cyberinfrastructure		3600	723,324	18,878	
47.080		2010-07196-04	3600	6,494	0	PT
47.080		2010-07196-04 AM01	3600	76,171	0	PT
47.080		2611220020002UTA110001	3600	27,468	0	PT
Federal Program 47.080 Total				833,457	18,878	
47.082	ARRA - Trans-Nsf Recovery Act Research Supp		3600	9,632,602	118,162	
47.082		0000007899	3600	25,684	0	PT
47.082		14-1622-9957	3600	90,212	0	PT
47.082		1833G, MOD.#1	3600	56,024	0	PT
47.082		235583	3600	16,153	0	PT
47.082		340021543002310382	3600	9,006	0	PT
47.082		730013/712683	3600	52,063	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
47.082	ARRA - Trans-Nsf Recovery Act Research Supp	7H-1090663	3600	79,237	0	PT
47.082		CONTRACTNO1696MOD1	3600	20,084	0	PT
47.082		SA 9-09	3600	3,557,672	0	PT
47.082		SC360025-10-07	3600	2,458	0	PT
47.082		SUB24957PRIMENSF072497	3600	52,006	0	PT
47.082			3650	2,030,818	17,081	
47.082			3750	54,236	0	
47.082			3800	456,793	0	
Federal Program 47.082 Total				16,135,048	135,243	
National Science Foundation Total				165,375,180	9,257,531	
National Science Foundation Total				165,375,180	9,257,531	

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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	UW BUD# 673993	3600	2,946	0	PT
66.034		XA-96069801-0-SUBAWARD	3600	7	0	PT
66.034			3650	43,022	0	
66.034		HC710500	3650	329	0	PT
66.034			4610	732,901	0	
Federal Program 66.034 Total				779,205	0	
Office of Air and Radiation Total				779,205	0	
66.509	Science to Achieve Results (Star) Research Program		3600	7,286,301	4,048,176	
66.509		07-003825-02 AM02	3600	39,194	0	PT
66.509			3650	61,055	0	
66.509		68F1088313	3650	54,364	0	PT
66.509		G58681	3650	48,709	0	PT
66.509			3800	35,901	0	
Federal Program 66.509 Total				7,525,524	4,048,176	
66.511	Office of Research and Development Consolidated Re	4749-RFA05-1A/06-10-3	3600	616,670	0	PT
Federal Program 66.511 Total				616,670	0	
66.514	Science to Achieve Results (Star) Fellowship Progr		3600	65,874	0	
66.514			3650	15,586	0	
Federal Program 66.514 Total				81,460	0	
Office of Research and Development Total				8,223,654	4,048,176	
Environmental Protection Agency Total				9,002,859	4,048,176	

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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	17,236,480	500,642	
81.049		00001890 MOD01	3600	113,054	0	PT
81.049		008044/1011334/2 AMD02	3600	12,221	0	PT
81.049		1070096-242680 AM02	3600	127,634	0	PT
81.049		234151M AM03	3600	(1,822)	0	PT
81.049		234151M AM05	3600	9,248	0	PT
81.049		26-3903-11-61	3600	(8,487)	0	PT
81.049		359K612	3600	44,874	0	PT
81.049		503008P1001642 MOD 5	3600	9,353	0	PT
81.049		503018	3600	10,931	0	PT
81.049		ARI 10667-4	3600	66,840	0	PT
81.049		C00034442-1	3600	66,325	0	PT
81.049		C12E11328(E00146)	3600	4,150	0	PT
81.049		MPC35ZU AM03	3600	37,890	0	PT
81.049		UW BUD# 639982	3600	5,540	0	PT
81.049		UWOSPA66435DESC000448M	3600	65,800	0	PT
81.049			3650	3,831,044	387,255	
81.049		08X01	3650	61,280	0	PT
81.049		740058874P	3650	32,213	0	PT
81.049		DDPSC28120WS	3650	409,122	0	PT
81.049		WSU001272	3650	12,560	0	PT
81.049		Sub 0190 G MA598	3700	21,712	0	PT
Federal Program 81.049 Total				22,167,962	887,897	
81.049A	ARRA - Office of Science Financial Assistance	124328	3600	2,199,134	0	PT
81.049A		59262	3600	112,985	0	PT
81.049A		UW BUD# 400979	3600	(970,703)	0	PT
81.049A		Y551851	3600	102,248	0	PT
81.049A		Y551851AMENDMENTNO1	3600	58,568	0	PT
81.049A			3650	139,985	0	
Federal Program 81.049A Total				1,642,217	0	
Headquarters Office Total				23,810,179	887,897	
81.057	University Coal Research		3600	52,842	0	
Federal Program 81.057 Total				52,842	0	
Office of Fossil Energy Total				52,842	0	

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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
81.086	Conservation Research and Development		3600	33,723	0	
81.086		1A-2010-1	3800	96,051	0	PT
Federal Program 81.086 Total				129,774	0	
81.086A	ARRA - Conservation Research and Development		3600	431,363	0	
81.086A		20110140IAA	3650	135,167	0	PT
Federal Program 81.086A Total				566,530	0	
81.087	Renewable Energy Research and Development		3600	730,898	0	
81.087		A60617PRIMEDEEEE0002650	3600	4,961	0	PT
81.087		CORRIMSUBCONTRACT410	3600	77,944	0	PT
81.087		G0107A-A AM03	3600	45,687	0	PT
81.087		G0107A-A AM04	3600	140,268	0	PT
81.087		GO12026-278 AM-G	3600	6,472	0	PT
81.087		GO12026-300 AM-C	3600	12,586	0	PT
81.087		UW BUD# 637028	3600	12,844	0	PT
81.087		UW BUD# 662359	3600	8,625	0	PT
81.087			3650	1,832,077	1,074,539	
81.087		PO102756	3650	(7,813)	0	PT
81.087		WSU002016	3650	58,961	0	PT
81.087		WSU002046	3650	244,382	0	PT
81.087		DE-EE0002850	4900	221,669	0	PT
Federal Program 81.087 Total				3,389,561	1,074,539	
81.087A	ARRA - Renewable Energy Research and Development	28302-U	3600	310,536	0	PT
Federal Program 81.087A Total				310,536	0	
Energy Efficiency and Renewable Energy Total				4,396,401	1,074,539	
81.089	Fossil Energy Research and Development	G12912W3521	3650	113,555	0	PT
81.089		G30208W2036	3650	(1)	0	PT
Federal Program 81.089 Total				113,554	0	
Office of Fossil Energy Total				113,554	0	
81.104	Office of Environmental Waste Processing		4610	863,539	0	
Federal Program 81.104 Total				863,539	0	
Office of Bilingual Education and Minority Language Total				863,539	0	
81.113	Defense Nuclear Nonproliferation Research		3600	149,251	0	

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81.113	Defense Nuclear Nonproliferation Research		3650	109,818	0	
	Federal Program 81.113 Total			259,069	0	
	National Nuclear Security Administration Total			259,069	0	
81.135	Adv Research & Projects Agency		3600	19,456	0	
	Federal Program 81.135 Total			19,456	0	
81.135A	ARRA - Adv Research & Projects Agency	2001001	3600	116,151	0	PT
81.135A		201001	3600	832,419	0	PT
	Federal Program 81.135A Total			948,570	0	
	Electricity Delivery & Energy Reliab 1000 Total			968,026	0	
81.214	Environmental Monitoring/Cleanup Cultural Rsrc Mgt		2450	745,074	612,726	
81.214			4610	2,172,674	0	
	Federal Program 81.214 Total			2,917,748	612,726	
	Savannah River Operations Office Total			2,917,748	612,726	
	Dept of Energy Total			33,381,358	2,575,162	

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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	17,501	0	
Federal Program 84.017 Total				17,501	0	
84.022	Overseas Programs - Doctoral Dissertation Research		3600	69,621	0	
Federal Program 84.022 Total				69,621	0	
Office of Postsecondary Education Total				87,122	0	
84.133	National Institute on Disability and Rehabilitatio		3600	6,651,118	620,452	
84.133		#80474 AM04	3600	16	0	PT
84.133		201F3132006 AMEND #1	3600	1,440	0	PT
84.133		PRIME H133G070143-09	3600	11,255	0	PT
84.133			3650	3,045	0	
Federal Program 84.133 Total				6,666,874	620,452	
Office of Special Education and Rehabilitative Ser Total				6,666,874	620,452	
84.220	Centers for International Business Education		3600	251,009	0	
Federal Program 84.220 Total				251,009	0	
Office of Postsecondary Education Total				251,009	0	
84.305	Education Research, Development and Dissemination		3600	1,117,151	0	
84.305			3650	115,148	29,073	
Federal Program 84.305 Total				1,232,299	29,073	
Office of Educational Research and Improvement Total				1,232,299	29,073	
84.324	Research In Special Education	3048108226-12-338AM01	3600	60,277	0	PT
84.324		51423	3600	125,634	0	PT
84.324		FY2009-083 MOD01	3600	(11,897)	0	PT
84.324		FY2009-083 MOD03	3600	409,266	0	PT
84.324		RS20110522-01	3600	289,260	0	PT
Federal Program 84.324 Total				872,540	0	
Office of Special Education and Rehabilitative Ser Total				872,540	0	
Dept of Education Total				9,109,844	649,525	

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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
90.403	US Election Assistance Commission Research Grants	2011001	3600	42,581	0	PT
Federal Program 90.403 Total				42,581	0	
US Election Assistance Commission Total				42,581	0	
Miscellaneous Commissions Total				42,581	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
93.061	Innovations In Applied Public Health Research		3600	1,413,397	222,313	
Federal Program 93.061 Total				1,413,397	222,313	
93.068	Chronic Diseases: Research, Control, and Preventio		3600	176,928	885	
Federal Program 93.068 Total				176,928	885	
Centers for Disease Control and Prevention Total				1,590,325	223,198	
93.103	Food and Drug Administration_research		3600	325,585	18,840	
93.103		415628-G	3600	105,394	0	PT
93.103		5RO1FD000372802SUB01AM	3600	68,465	0	PT
93.103			3650	21,256	0	
93.103			4950	613,621	0	
Federal Program 93.103 Total				1,134,321	18,840	
Food and Drug Administration Total				1,134,321	18,840	
93.113	Environmental Health		3600	14,272,483	971,823	
93.113		10149SUB AM03	3600	(16,266)	0	PT
93.113		10387 SUB	3600	11,767	0	PT
93.113		104281	3600	(360)	0	PT
93.113		104281 AM03	3600	170,401	0	PT
93.113		10480SUB	3600	66,929	0	PT
93.113		1091095101-2-57609	3600	65,067	0	PT
93.113		1553 G MC571 AM02	3600	64,308	0	PT
93.113		1553 G MC571-AM1	3600	(1)	0	PT
93.113		23570-111008 AM04	3600	15,579	0	PT
93.113		23570.114018 AM03	3600	60,092	0	PT
93.113		GCROE0137C, AM03	3600	17,483	0	PT
93.113		PO#R694299 AM03	3600	23,344	0	PT
93.113		T03387T	3600	16,022	0	PT
93.113		TO141096MA75501MOD02	3600	65,524	0	PT
93.113		WU-10-138 MOD01	3600	19,926	0	PT
93.113		WU07136PO29932PAM05	3600	15,554	0	PT
93.113		Z036104	3600	15,143	0	PT
93.113			3650	2,558,147	219,675	
93.113		SUB07004128WSU	3650	5,415	0	PT
93.113		UTA09000505	3650	2,719	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
Federal Program 93.113 Total				17,449,276	1,191,498	
93.115	Health & Human Services Dept	SR00000562, AM05	3600	(6,145)	0	PT
Federal Program 93.115 Total				(6,145)	0	
93.121	Oral Diseases and Disorders Research		3600	9,415,032	1,085,328	
93.121		10332SUB	3600	36,669	0	PT
93.121		10356SUB	3600	203,836	0	PT
93.121		10509SUB	3600	17,316	0	PT
93.121		10575SUB	3600	42,828	0	PT
93.121		114038 AM05	3600	12,752	0	PT
93.121		414450020101.UW01 MOD3	3600	27,556	0	PT
93.121		5-51223 AM05	3600	17,112	0	PT
93.121		5-51223, AM01	3600	1,604	0	PT
93.121		FY110410100803A55933	3600	39,960	0	PT
93.121		P001901001 AM01	3600	159,594	0	PT
93.121		RESS066101R34DE022262	3600	13,086	0	PT
93.121		UW BUD# 635830	3600	(10,423)	0	PT
Federal Program 93.121 Total				9,976,922	1,085,328	
National Institutes of Health Total				27,420,053	2,276,826	
93.135	Centers for Research and Demonstration for Health		3600	3,128,409	435,762	
93.135		99-S120037	3600	13,990	0	PT
Federal Program 93.135 Total				3,142,399	435,762	
93.136	Injury Prevention and Control Research and State A		3600	571,004	23,958	
93.136		1001502_UW	3600	30,379	0	PT
93.136		RS20092114-01	3600	(11,152)	0	PT
93.136		RS20092114-02AM01	3600	14,409	0	PT
93.136		SUBAWARD1001502UWAM01	3600	122,316	0	PT
Federal Program 93.136 Total				726,956	23,958	
Centers for Disease Control and Prevention Total				3,869,355	459,720	
93.143	Niehs Superfund Hazardous Substances_basic Researc		3600	2,595,754	213,202	
93.143		00007683/2000107277	3600	2,199	0	PT
93.143		SA5306-11523 AM05	3600	(43)	0	PT
Federal Program 93.143 Total				2,597,910	213,202	

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National Institutes of Health Total				2,597,910	213,202	
93.155	Rural Health Research Centers		3600	666,996	0	
93.155		UW BUD# 639885	3600	7,599	0	PT
93.155		UW BUD# 663174	3600	25,630	0	PT
Federal Program 93.155 Total				700,225	0	
Health Resources and Services Administration Total				700,225	0	
93.172	Human Genome Research		3600	13,952,701	2,167,762	
93.172		06-002367-1	3600	47,917	0	PT
93.172		10-225	3600	1,042	0	PT
93.172		10462SUB	3600	281,298	0	PT
93.172		105074 AM01	3600	113,086	0	PT
93.172		1090329-269758	3600	34,002	0	PT
93.172		11-436	3600	341,955	0	PT
93.172		11-436 AM04	3600	31,953	0	PT
93.172		2001060591 AM02	3600	17,623	0	PT
93.172		2010121139	3600	7,413	0	PT
93.172		2010121244	3600	28,860	0	PT
93.172		2011119338	3600	232,133	0	PT
93.172		26366880-49414-D AM04	3600	273,560	0	PT
93.172		5-51148 YEAR4#3	3600	152,264	0	PT
93.172		5U01HG00469504AM06SUBC	3600	95,244	0	PT
93.172		PO#2009119755	3600	(766)	0	PT
93.172		S0183592	3600	17,099	0	PT
93.172		UAF110078MOD1FP13240	3600	153,900	0	PT
93.172		UW BUD# 634391	3600	24,804	0	PT
93.172		UW BUD# 639361	3600	14,875	0	PT
93.172		UW BUD# 639362	3600	377	0	PT
93.172		UW BUD# 639385	3600	135,397	0	PT
93.172		UW BUD# 639452	3600	55,617	0	PT
93.172		WU-11-256 AM02	3600	49,238	0	PT
93.172		WU-12-275	3600	98,477	0	PT
Federal Program 93.172 Total				16,160,069	2,167,762	
93.173	Research Related to Deafness and Communication DIS		3600	8,251,315	416,637	
93.173		0000679351	3600	967	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
93.173	Research Related to Deafness and Communication DIS	0000696361	3600	1,352	0	PT
93.173		0000719273	3600	98,086	0	PT
93.173		54065EP35317801211AM01	3600	26,953	0	PT
93.173		GOTOL0173A_UW/AM02	3600	64,987	0	PT
93.173		PRIME #R01DC010202-01	3600	(1,428)	0	PT
93.173		PRIME5R01DC01020202MOD	3600	661	0	PT
93.173		SP0011426-PROJ0003112	3600	100,230	0	PT
93.173			3650	61,746	0	
93.173		1000783312	3650	21,495	0	PT
Federal Program 93.173 Total				8,626,364	416,637	
National Institutes of Health Total				24,786,433	2,584,399	
93.186	National Research Service Award In Primary Care Me		3600	204,133	0	
Federal Program 93.186 Total				204,133	0	
Health Resources and Services Administration Total				204,133	0	
93.213	Research and Training In Complementary and Alterna		3600	1,337,804	61,915	
93.213		2011115678	3600	40,133	0	PT
93.213		2012104196	3600	10,294	0	PT
93.213		H34B11-01 MOD01	3600	472,952	0	PT
93.213		H34B12-01 MOD01	3600	119,115	0	PT
93.213		H34B12-02	3600	1,471	0	PT
93.213		H34B12-02 MOD1	3600	11,318	0	PT
93.213		H72B12-01	3600	(2,634)	0	PT
93.213		H94B11 MOD 5	3600	19,628	0	PT
93.213		PO#20111102817	3600	15,442	0	PT
93.213		UW BUD# 664676	3600	2,574	0	PT
Federal Program 93.213 Total				2,028,097	61,915	
National Institutes of Health Total				2,028,097	61,915	
93.225	National Research Service Awards_health Services R		3600	247,559	0	
Federal Program 93.225 Total				247,559	0	
93.226	Research on Healthcare Costs, Quality and Outcomes		3600	1,861,103	356,518	
93.226		0007879A AMO1	3600	46,359	0	PT
93.226		10234SUB AM01	3600	5,389	0	PT
93.226		10327SUB	3600	86,914	0	PT

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93.226	Research on Healthcare Costs, Quality and Outcomes	106283 AM02	3600	(14,446)	0	PT
93.226		2007-02872-04-04 KN	3600	(3)	0	PT
93.226		2007-02872-11-00	3600	17,256	0	PT
93.226		2011113573	3600	8,988	0	PT
93.226		303-5486AM01	3600	6,629	0	PT
93.226		3035485	3600	207	0	PT
93.226		3035486 AM02	3600	84,217	0	PT
93.226		5-51352	3600	11,265	0	PT
93.226		FP049252-B	3600	7,272	0	PT
93.226		SUBCONTRACT AM03	3600	144,775	0	PT
93.226		UW BUD# 664248	3600	19,267	0	PT
93.226			3650	83,262	27,189	
Federal Program 93.226 Total				2,368,454	383,707	
Agency for Health Care Policy and Research Total				2,616,013	383,707	
93.230	Consolidated Knowledge Development and Application	5 H79TI5917-05	3600	(50,853)	0	PT
Federal Program 93.230 Total				(50,853)	0	
Substance Abuse and Mental Health Services Adminis Total				(50,853)	0	
93.233	National Center on Sleep Disorders Research		3600	328,080	0	
93.233			3650	299,906	0	
Federal Program 93.233 Total				627,986	0	
National Institutes of Health Total				627,986	0	
93.239	Policy Research and Evaluation Grants		3600	21,153	1,500	
Federal Program 93.239 Total				21,153	1,500	
Office of the Secretary Total				21,153	1,500	
93.242	Mental Health Research Grants		3600	11,949,785	767,242	
93.242		#10328 SUB	3600	51,722	0	PT
93.242		07-0925, AMENDMENT #3	3600	(6,907)	0	PT
93.242		070925PROJ847250AM04	3600	249,303	0	PT
93.242		0800094 AM03	3600	51,717	0	PT
93.242		1-5-27585AM07	3600	(27,310)	0	PT
93.242		10-NIH-1015/MOD02	3600	28,811	0	PT
93.242		1350GNA655AM06	3600	33,679	0	PT

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93.242	Mental Health Research Grants	415140010101.UW MOD02	3600	(3,946)	0	PT
93.242		A06-102 DIAMOND, AM04	3600	32,239	0	PT
93.242		BRSIMPCTS1100002100167	3600	10,985	0	PT
93.242		HS1778 AM01	3600	83,715	0	PT
93.242		JPAPOTD13TD12SIBCR	3600	14,324	0	PT
93.242		M10A10818(A07872) AM02	3600	94,903	0	PT
93.242		SUB#10001SUB AM#3	3600	13,179	0	PT
93.242		SUB0800037 AM05	3600	1,036,834	0	PT
93.242		SUB0800044 AM4	3600	262,067	0	PT
93.242		TD13-TD1-3-SIBCR	3600	10,232	0	PT
93.242		TD13MH065558MEICHLE02	3600	47,498	0	PT
93.242		UW BUD# 634089	3600	8,188	0	PT
93.242			3650	816,291	0	
93.242			3800	88,340	0	
Federal Program 93.242 Total				14,845,649	767,242	
National Institutes of Health Total				14,845,649	767,242	
93.262	Occupational Safety and Health Program		2350	567,950	0	
93.262			3600	3,989,423	346,531	
93.262		#451	3600	5,491	0	PT
93.262		005180 AM04	3600	74,202	0	PT
93.262		1935 G PA501	3600	2,182	0	PT
93.262		COEUS#005180 AM03	3600	30,373	0	PT
93.262		109014825522	3650	8,572	0	PT
93.262		3002-011-02-A1	3700	23,346	0	PT
93.262		3003-011-02 Amend#1	3700	21,931	0	PT
93.262		30101102 U60OH009762	3700	(641)	0	PT
Federal Program 93.262 Total				4,722,829	346,531	
Centers for Disease Control and Prevention Total				4,722,829	346,531	
93.271	Alcohol Research Career Development Awards for Sci		3600	188,824	0	
93.271			3650	194,615	0	
Federal Program 93.271 Total				383,439	0	
93.272	Alcohol National Research Service Awards for Resea		3600	90,793	0	
Federal Program 93.272 Total				90,793	0	

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93.273	Alcohol Research Programs		3600	7,702,864	874,036	
93.273		10181SUB AM02	3600	58,711	0	PT
93.273		1603-56UW AM01	3600	17,735	0	PT
93.273		2011115737	3600	18,966	0	PT
93.273		2011120264	3600	45,696	0	PT
93.273		3001520412 AM01	3600	11,337	0	PT
93.273		4046 MOD03	3600	57,652	0	PT
93.273		4332-UW-DHHS-2529AM01	3600	201,528	0	PT
93.273		6985SC	3600	7,748	0	PT
93.273		HAX0005-01	3600	7,419	0	PT
93.273		JPAPORD111RD12SIBCR	3600	33,609	0	PT
93.273		JPAPOST19FLAHERTY04	3600	6,275	0	PT
93.273		R-12-0031 G102004	3600	16,353	0	PT
93.273			3650	620,560	0	
Federal Program 93.273 Total				8,806,453	874,036	
93.279	Drug Abuse and Addiction Research Programs	B00A00	3000	12,822	0	PT
93.279		B01A10	3000	69,319	0	PT
93.279			3600	15,716,042	1,287,572	
93.279		#24215/MOD02	3600	184,432	0	PT
93.279		1935 G JB131 AM04	3600	51,736	0	PT
93.279		2009113192	3600	(1)	0	PT
93.279		31603 AMD05	3600	1,719	0	PT
93.279		32-21-1AM1	3600	73,018	0	PT
93.279		37223	3600	5,104	0	PT
93.279		37223 AM01	3600	36,823	0	PT
93.279		414141-G, AMD 1	3600	(26)	0	PT
93.279		5170SC AM04	3600	11,170	0	PT
93.279		5600291023	3600	(8,584)	0	PT
93.279		618B	3600	28,985	0	PT
93.279		AM01	3600	19,620	0	PT
93.279		GPSYC0113E	3600	7,500	0	PT
93.279		MOD01PRIME5R01DA025651	3600	180,001	0	PT
93.279		NDRI PROJECT 618C	3600	4,399	0	PT
93.279		NWIC# 24216.03 MOD02	3600	48,406	0	PT
93.279		PT091038-SC100202 AM01	3600	10,803	0	PT

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93.279	Drug Abuse and Addiction Research Programs	PT103743SC101985/AM 02	3600	11,518	0	PT
93.279		R433627AM04	3600	13,716	0	PT
93.279		R446560 AM05	3600	16,765	0	PT
93.279		SR00002142	3600	3,029	0	PT
93.279		STTR2R42DA020284AM03	3600	1,532	0	PT
93.279		UW BUD# 634311	3600	(126)	0	PT
93.279		UW BUD# 639499	3600	32,533	0	PT
93.279		UW BUD# 639501	3600	244,400	0	PT
93.279			3650	1,672,604	188,333	
93.279		00490201	3650	22,142	0	PT
93.279		SP30DA016383	3650	11,329	0	PT
93.279			3800	79,979	0	
Federal Program 93.279 Total				18,562,709	1,475,905	
93.281	Mental Health Research Career/Scientist Developmen		3600	918,657	8,988	
Federal Program 93.281 Total				918,657	8,988	
93.282	Mental Health National Research Service Awards For		3600	954,480	0	
93.282		819	3600	1,533	0	PT
93.282		819 (5T32MH073553-07)	3600	74,503	0	PT
Federal Program 93.282 Total				1,030,516	0	
National Institutes of Health Total				29,792,567	2,358,929	
93.283	Centers for Disease Control and Prevention_investi		3600	226,086	0	
93.283		101820 AM02	3600	22,893	0	PT
93.283		101820 AM1	3600	64,423	0	PT
93.283		414230010401.UW MOD 01	3600	(134)	0	PT
93.283		5U84DD000512-02	3600	14,053	0	PT
93.283		5U84DD000512-03	3600	227	0	PT
93.283		CDC 1654-01-05432-SUB	3600	36,061	0	PT
93.283		CDC14210308889SUBAM02	3600	11,672	0	PT
93.283		D37483D	3600	(10,032)	0	PT
Federal Program 93.283 Total				365,249	0	
Centers for Disease Control and Prevention Total				365,249	0	
93.286	Discovery and Applied Research for Technological I		3600	6,421,768	362,467	
93.286		00007673	3600	83,323	0	PT

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93.286	Discovery and Applied Research for Technological I	06-674-UW AM03	3600	48,321	0	PT
93.286		10008615 AM04	3600	134,573	0	PT
93.286		6860120 MOD04	3600	55,351	0	PT
93.286		A66450	3600	60,445	0	PT
93.286		NIH13740408996SUBAM01	3600	(250)	0	PT
93.286		NIH13740505450SUBAM1	3600	312,764	0	PT
93.286		UW OSP #A60605 AM02	3600	81,270	0	PT
93.286			3650	625,359	0	
Federal Program 93.286 Total				7,822,924	362,467	
93.307	Minority Health and Health Disparities Research		3600	912,717	386,340	
93.307		C09-11 AM03; PO#20256	3600	33,069	0	PT
93.307		C09-11 AM04 (PO 21314)	3600	13,986	0	PT
93.307		UW BUD# 635158	3600	1,042	0	PT
Federal Program 93.307 Total				960,814	386,340	
93.310	Trans-NIH Research Support		3600	4,562,193	40,780	
93.310		0000680299	3600	3,534	0	PT
93.310		0000680306	3600	2,817	0	PT
93.310		0000697191	3600	(744)	0	PT
93.310		2U54RR022220-06	3600	(1,412)	0	PT
93.310		5 U54 RR 022220-07AM01	3600	108,035	0	PT
93.310		680309	3600	2,161	0	PT
93.310		723894PRIME5R01HG00581	3600	193,302	0	PT
93.310		PRIME #1R24TW008907-02	3600	217,821	0	PT
93.310		UW BUD# 672848	3600	51,248	0	PT
Federal Program 93.310 Total				5,138,955	40,780	
93.333	Health & Human Services Dept		3600	138,126	0	
Federal Program 93.333 Total				138,126	0	
93.350	National Cntr for Advancing Translational Sciences		3600	747,489	0	
Federal Program 93.350 Total				747,489	0	
93.351	Research Infrastructure Programs		3600	6,295,211	74,070	
Federal Program 93.351 Total				6,295,211	74,070	
93.361	Nursing Research		3600	5,160,176	416,345	
93.361		10171SUB AM02	3600	211,549	0	PT

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93.361	Nursing Research	1145306-AM2	3600	15,875	0	PT
93.361		2001433044 AM01	3600	5,829	0	PT
93.361		2039925AM25R01NR011873	3600	61,057	0	PT
93.361		217966 AM01	3600	31,838	0	PT
93.361		4308SC, AMO6	3600	45,019	0	PT
93.361		4600412829-AM04	3600	1,389	0	PT
93.361		96008754	3600	17,327	0	PT
93.361		C00036084-1 AM02	3600	33,527	0	PT
Federal Program 93.361 Total				5,583,586	416,345	
93.389	National Center for Research Resources		3600	32,808,679	3,941,567	
93.389		10037SUB AM03	3600	29,571	0	PT
93.389		149734.386542.0483	3600	12,935	0	PT
93.389		151208.0009	3600	45,219	0	PT
93.389		20111808601U54CA153499	3600	1,500	0	PT
93.389		5798SC AM02	3600	25,333	0	PT
93.389		9500300567	3600	20,188	0	PT
93.389		O#5600503441 AM01	3600	(65,007)	0	PT
93.389		PRIME9R44RR02801902	3600	68,370	0	PT
93.389			3650	207,543	0	
93.389		004210	3650	(659)	0	PT
93.389		101711	3650	70,133	0	PT
93.389		UCHC627605288	3650	3,334	0	PT
Federal Program 93.389 Total				33,227,139	3,941,567	
93.393	Cancer Cause and Prevention Research		3600	7,985,313	1,239,649	
93.393		0000675045	3600	(1,610)	0	PT
93.393		0000691608	3600	(10,780)	0	PT
93.393		0000694019 AM1	3600	(1,284)	0	PT
93.393		0000695089	3600	1,673	0	PT
93.393		0000695963	3600	1,348	0	PT
93.393		0000698662	3600	8,651	0	PT
93.393		0000701221	3600	40,712	0	PT
93.393		0000703575	3600	4,805	0	PT
93.393		0000704045	3600	1,955	0	PT
93.393		0000704345	3600	194,316	0	PT
93.393		0000705442	3600	12,779	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.393	Cancer Cause and Prevention Research	0000706034 AM01	3600	24,004	0	PT
93.393		0000710857 AM01	3600	15,905	0	PT
93.393		0000713810AM1	3600	11,387	0	PT
93.393		0000718399	3600	13,281	0	PT
93.393		0000718419	3600	18,441	0	PT
93.393		0000719459	3600	35,489	0	PT
93.393		0000719489 AMO1	3600	12,214	0	PT
93.393		0000719556	3600	7,883	0	PT
93.393		0000719995 AM01	3600	34,817	0	PT
93.393		0000722644	3600	47,855	0	PT
93.393		0000722735	3600	25,218	0	PT
93.393		0000722798	3600	27,762	0	PT
93.393		0000723009AM01PRIMECA1	3600	34,894	0	PT
93.393		0000724377	3600	12,687	0	PT
93.393		0000724425	3600	2,572	0	PT
93.393		0000729607 AMEND 1	3600	27,757	0	PT
93.393		0000732978	3600	124,604	0	PT
93.393		0000736791	3600	5,397	0	PT
93.393		04-106157-03-S0910	3600	(7,482)	0	PT
93.393		08JDEAR-01WU AM03	3600	(1)	0	PT
93.393		10-15885-03-01	3600	153,554	0	PT
93.393		2010104795MOD1	3600	(606)	0	PT
93.393		2011120746	3600	9,933	0	PT
93.393		21681.975007.6694	3600	3,219	0	PT
93.393		217156AM01U01CA1529260	3600	267,441	0	PT
93.393		217156U01CA15292601	3600	82,713	0	PT
93.393		4R42CA14187502AM02	3600	194,272	0	PT
93.393		9901PRIMERO1CA149365	3600	23,819	0	PT
93.393		CA154292-UW MOD02	3600	112,489	0	PT
93.393		KA0018	3600	44,640	0	PT
93.393		PRIME 5P20CA137219-05	3600	47,947	0	PT
93.393		PRIME5P20CA13721902AM4	3600	26,754	0	PT
93.393		PSA-201109-LOWRY	3600	33,179	0	PT
93.393		PSA-201109-POCOBELLI	3600	11,442	0	PT
93.393		PSA10-BIO-ZHE-02 MOD02	3600	(2,047)	0	PT
93.393		PSA10-BIO-ZHE-02 MOD03	3600	7,159	0	PT

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93.393	Cancer Cause and Prevention Research	PSA10-EPI-POC-02	3600	5,042	0	PT
93.393		PSA10EPICLI01MOD04	3600	5,336	0	PT
93.393		SA1000743 MOD02	3600	(14)	0	PT
93.393		SA1100781	3600	1,579	0	PT
93.393		SA1100826	3600	778	0	PT
93.393		SA1200866	3600	17,372	0	PT
93.393		UW BUD# 664165	3600	160,821	0	PT
93.393		UW BUD# 664171	3600	2,607	0	PT
93.393			3650	29,817	0	
93.393		0010074	3650	276	0	PT
93.393		4304626A	3650	75,833	0	PT
93.393		IUPUI479159WSU	3650	1,424	0	PT
93.393		VUMC38944	3650	29,753	0	PT
93.393		WU11229	3650	16,072	0	PT
93.393		WU1130	3650	35,381	0	PT
Federal Program 93.393 Total				10,110,547	1,239,649	
93.394	Cancer Detection and Diagnosis Research		3600	6,824,617	589,176	
93.394		0000656297 AM02	3600	(588)	0	PT
93.394		0000712116	3600	8,096	0	PT
93.394		0000720573	3600	7,233	0	PT
93.394		0000723434	3600	7,826	0	PT
93.394		01-335-UW AM03	3600	26,300	0	PT
93.394		3001942556AM02	3600	86,146	0	PT
93.394		303-5419 AM02 REV	3600	43,638	0	PT
93.394		6610200-5500000433	3600	130,284	0	PT
93.394		6615110-55000000289	3600	1,825	0	PT
93.394		66151105500000288MOD03	3600	5,424	0	PT
93.394		ACRIN6685	3600	9,218	0	PT
93.394		SUBAWARD #0000739078	3600	2,456	0	PT
93.394		SUBCONTRACTNO4221ACRIN	3600	19,662	0	PT
93.394		UW BUD# 663512	3600	19,063	0	PT
93.394			3650	588,244	118,551	
Federal Program 93.394 Total				7,779,444	707,727	
93.395	Cancer Treatment Research		3600	3,815,252	330,586	
93.395		0000681879 AM01	3600	9,566	0	PT

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93.395	Cancer Treatment Research	0000695762	3600	248	0	PT
93.395		0000702931AM01	3600	61,834	0	PT
93.395		0000703624 AM01	3600	52,055	0	PT
93.395		0000704668	3600	66,812	0	PT
93.395		0000705323 AM01	3600	54,176	0	PT
93.395		0000707701 AM02	3600	96,920	0	PT
93.395		0000707716 AM01	3600	11,391	0	PT
93.395		0000710184 AM02	3600	17,002	0	PT
93.395		0000718704	3600	4,825	0	PT
93.395		0000719687	3600	186,977	0	PT
93.395		0000719690	3600	26,399	0	PT
93.395		0000719697	3600	12,412	0	PT
93.395		0000719699	3600	52,797	0	PT
93.395		0000719947	3600	20,504	0	PT
93.395		0000723010	3600	423,002	0	PT
93.395		0000726086	3600	17,700	0	PT
93.395		0000730890	3600	14,662	0	PT
93.395		0000731871	3600	50,076	0	PT
93.395		0000736638	3600	40,936	0	PT
93.395		0000740783	3600	18,080	0	PT
93.395		0000740885	3600	13,089	0	PT
93.395		0000741697	3600	7,087	0	PT
93.395		020953 AM03	3600	303,863	0	PT
93.395		1920 AM01	3600	21,320	0	PT
93.395		19837	3600	(248)	0	PT
93.395		2 PO1 CA 029605	3600	2,498	0	PT
93.395		2000056564, AM #4	3600	(11,355)	0	PT
93.395		30681/98014830	3600	4,996	0	PT
93.395		CHECK #6625	3600	59,007	0	PT
93.395		LS2-16-KR11SIBCR MOD03	3600	7,913	0	PT
93.395		SA1200869	3600	2,176	0	PT
93.395		SUB# 0000719343	3600	39,342	0	PT
93.395			3650	216,473	0	
93.395		0000692248	3650	(5,010)	0	PT
93.395			3800	28,685	0	

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Federal Program 93.395 Total				5,743,462	330,586	
93.396	Cancer Biology Research		3600	5,355,251	1,350,302	
93.396		0000704739 AM02	3600	55,862	0	PT
93.396		0000708492	3600	(1,140)	0	PT
93.396		0000734512AM1	3600	89,510	0	PT
93.396		6610210-5500000403	3600	122,681	0	PT
Federal Program 93.396 Total				5,622,164	1,350,302	
93.397	Cancer Centers Support Grants		3600	1,012,058	242,264	
93.397		00000714828	3600	2,079	0	PT
93.397		00000740155	3600	562	0	PT
93.397		0000620680	3600	100	0	PT
93.397		0000690497	3600	(391)	0	PT
93.397		0000690500	3600	844	0	PT
93.397		0000690740 AM01	3600	(925)	0	PT
93.397		0000691127	3600	(35)	0	PT
93.397		0000693670	3600	8,385	0	PT
93.397		0000693675	3600	(2,156)	0	PT
93.397		0000699787	3600	23,566	0	PT
93.397		0000699788	3600	34,579	0	PT
93.397		0000699789	3600	10,280	0	PT
93.397		0000700867	3600	(212)	0	PT
93.397		0000705880	3600	42,846	0	PT
93.397		0000705882 AM02	3600	49,727	0	PT
93.397		0000705886	3600	19,976	0	PT
93.397		0000705888 AM02	3600	114,430	0	PT
93.397		0000705892 AM02	3600	37,985	0	PT
93.397		0000705897 AM02	3600	97,769	0	PT
93.397		0000706006 AM02	3600	8,145	0	PT
93.397		0000706008 AM02	3600	48,837	0	PT
93.397		0000706013 AM02	3600	87,600	0	PT
93.397		0000706029 AM02	3600	84,331	0	PT
93.397		0000706030 AM02	3600	78,725	0	PT
93.397		0000708666	3600	1,629	0	PT
93.397		0000710116	3600	35,499	0	PT
93.397		0000710143	3600	14,048	0	PT

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93.397	Cancer Centers Support Grants	0000713102	3600	74,322	0	PT
93.397		0000713118	3600	30,871	0	PT
93.397		0000713301	3600	4,321	0	PT
93.397		0000713336	3600	46,525	0	PT
93.397		0000713339	3600	8,229	0	PT
93.397		0000713342	3600	43,460	0	PT
93.397		0000713347	3600	(1,083)	0	PT
93.397		0000713358	3600	1,403	0	PT
93.397		0000713364	3600	20,714	0	PT
93.397		0000713367	3600	11,975	0	PT
93.397		0000713373	3600	7,090	0	PT
93.397		0000713410	3600	5,674	0	PT
93.397		0000714830	3600	6,982	0	PT
93.397		0000721832	3600	4,106	0	PT
93.397		0000722023	3600	46,022	0	PT
93.397		0000722072	3600	220,297	0	PT
93.397		0000723926	3600	95,214	0	PT
93.397		0000725522	3600	11,002	0	PT
93.397		0000726266	3600	110,406	0	PT
93.397		0000727277	3600	45,135	0	PT
93.397		0000732948	3600	87,522	0	PT
93.397		0000732949	3600	32,659	0	PT
93.397		0000732953	3600	68,821	0	PT
93.397		0000732954 AM01	3600	72,162	0	PT
93.397		0000732959	3600	76,915	0	PT
93.397		0000732962	3600	42,701	0	PT
93.397		0000732963	3600	45,330	0	PT
93.397		0000732964	3600	88,145	0	PT
93.397		0000732976	3600	9,050	0	PT
93.397		0000740162PRIMEP30CA01	3600	14	0	PT
93.397		0000740163	3600	20,514	0	PT
93.397		0000740164	3600	1,357	0	PT
93.397		0000740180	3600	13,133	0	PT
93.397		0000740224	3600	11,689	0	PT
93.397		0000740275	3600	39,607	0	PT
93.397		0000741523	3600	20,555	0	PT

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93.397	Cancer Centers Support Grants	0000742374	3600	9,063	0	PT
93.397		000713779	3600	42,433	0	PT
93.397		200912673-03 AM03	3600	5,927	0	PT
93.397		200912673-03, AM002	3600	28,516	0	PT
93.397		2011120266	3600	11,273	0	PT
93.397		5 U54 CA 42157-3UWASH	3600	20,585	0	PT
93.397		5P30CA01570434S3AMEND5	3600	(3,969)	0	PT
93.397		5U54CA142157-2UWASH	3600	16,502	0	PT
93.397		7400429	3600	2,900	0	PT
93.397		PO # 741052	3600	11,836	0	PT
93.397		SA #0000726138	3600	115,284	0	PT
93.397		SUBAWARD NO 0000615660	3600	(18,516)	0	PT
93.397		UW BUD# 663477	3600	603	0	PT
93.397		UW BUD# 664040	3600	11,843	0	PT
Federal Program 93.397 Total				3,487,400	242,264	
93.398	Cancer Research Manpower		3600	4,168,956	103,158	
93.398		SA1100844 MOD01	3600	10,180	0	PT
Federal Program 93.398 Total				4,179,136	103,158	
93.399	Cancer Control		3600	2,845,412	1,310,768	
93.399		00006791165P50CA097186	3600	(7,214)	0	PT
93.399		0000679117 AMEND. 1	3600	(715)	0	PT
93.399		0000695105	3600	(544)	0	PT
93.399		0000698257	3600	3,259	0	PT
93.399		0000698263	3600	80,106	0	PT
93.399		0000698371	3600	29,331	0	PT
93.399		0000698659	3600	(560)	0	PT
93.399		0000700082	3600	11,167	0	PT
93.399		0000705322 AM01	3600	39,938	0	PT
93.399		0000716784	3600	75,580	0	PT
93.399		0000716835	3600	29,646	0	PT
93.399		0000721492	3600	79,106	0	PT
93.399		0000721493	3600	7,362	0	PT
93.399		0000724148	3600	3,462	0	PT
93.399		0000724388	3600	99,249	0	PT
93.399		0000725325	3600	47,678	0	PT

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93.399	Cancer Control	0000733173	3600	16,073	0	PT
93.399		000698257	3600	5,208	0	PT
93.399		3001290173	3600	(2,943)	0	PT
93.399		3001397930, AM02	3600	119,980	0	PT
93.399		3002149613	3600	62,308	0	PT
93.399		695279	3600	5,199	0	PT
93.399		717389 AM01	3600	32,757	0	PT
93.399		725835	3600	188,096	0	PT
93.399		JPA/PO#PS19LIUG1SIBCR	3600	2,445	0	PT
93.399		PS19-SUN-10-11	3600	6,272	0	PT
93.399		PS19-SUN-S1SIBCR	3600	31,361	0	PT
93.399		PS19LIUG2SIBCR	3600	20,140	0	PT
93.399		UW BUD# 639598	3600	4,235	0	PT
93.399		UW BUD# 639599	3600	4,155	0	PT
93.399		UW BUD# 664174	3600	16,000	0	PT
93.399		UW BUD# 664551	3600	2,431	0	PT
93.399		UW-YR24, AMEND 2	3600	(313)	0	PT
93.399		UW-YR25 AM 3	3600	(1)	0	PT
93.399		UW-YR26 AM04	3600	23,644	0	PT
Federal Program 93.399 Total				3,879,310	1,310,768	
National Institutes of Health Total				100,715,707	10,506,023	
93.420	ARRA - Community Health Applied Research Network	UB2HA20233	3600	33,795	0	PT
93.420		UWAS2	3600	147,840	0	PT
Federal Program 93.420 Total				181,635	0	
Health Resources and Services Administration Total				181,635	0	
93.508	Affordable Care Act Tribal Maternal, infant & Early	A71880MOD1	3600	23,425	0	PT
Federal Program 93.508 Total				23,425	0	
93.564	Child Support Enforcement Research		3000	218,028	0	
Federal Program 93.564 Total				218,028	0	
Administration for Children and Families Total				241,453	0	
93.701	ARRA - Trans-NIH Research Support		3600	40,986,680	6,256,535	
93.701		0000678787	3600	2,242	0	PT
93.701		0000680206	3600	7,024	0	PT

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93.701	ARRA - Trans-NIH Research Support	0000695520	3600	630	0	PT
93.701		0000696739	3600	7,568	0	PT
93.701		0000696759	3600	3,116	0	PT
93.701		0000696997	3600	45,920	0	PT
93.701		0000721274	3600	64,863	0	PT
93.701		0000721837	3600	3,549	0	PT
93.701		0000736587	3600	16,460	0	PT
93.701		0002032294AMENDMENTNO1	3600	10,885	0	PT
93.701		000240501-115	3600	12,439	0	PT
93.701		000259927-011	3600	53,653	0	PT
93.701		0007006-C	3600	16,281	0	PT
93.701		0007224EAMENDMENTNO1	3600	40,625	0	PT
93.701		0007224EAMENDMENTNO5	3600	197,254	0	PT
93.701		006467 AMEND 2	3600	9,174	0	PT
93.701		0125 G NA553	3600	38,698	0	PT
93.701		0189301	3600	5,821	0	PT
93.701		0256-8102-4609	3600	177,136	0	PT
93.701		100056-N	3600	21,498	0	PT
93.701		100162380-02	3600	31,921	0	PT
93.701		10025SUBAMENDMENTNO3	3600	76,362	0	PT
93.701		10302SUB	3600	60,887	0	PT
93.701		108259	3600	69,451	0	PT
93.701		14-15885-01-01-G2	3600	32,344	0	PT
93.701		14-15885-01-02-G2	3600	17,178	0	PT
93.701		180K541AMENDMENTNO1	3600	23,088	0	PT
93.701		1RO1HD061312-01 ARRA	3600	11,422	0	PT
93.701		2 PO1 CA029605	3600	267	0	PT
93.701		2000784427	3600	221,791	0	PT
93.701		2010114789	3600	6,117	0	PT
93.701		2010116377	3600	27,503	0	PT
93.701		20246	3600	10,982	0	PT
93.701		2324.002 AWARE	3600	112,028	0	PT
93.701		23789-15	3600	33,878	0	PT
93.701		2802302AMENDMENTNO1	3600	14,196	0	PT
93.701		2ACCT538156PO580188AME	3600	18,438	0	PT
93.701		3 U01 GM 074492-05S1	3600	(506)	0	PT

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93.701	ARRA - Trans-NIH Research Support	30.6692.910135	3600	(10)	0	PT
93.701		3034920AMENDMENTNO1	3600	750	0	PT
93.701		325011.300001.80180	3600	340,465	0	PT
93.701		3R01CA12545502S1SUBAWA	3600	2,075	0	PT
93.701		4221	3600	75,629	0	PT
93.701		4221,RTOG2701	3600	47,133	0	PT
93.701		42989EAMENDMENTNO2	3600	5,596	0	PT
93.701		4421	3600	9,998	0	PT
93.701		555449	3600	118,344	0	PT
93.701		5RC1HL10062502UW02	3600	(1,105)	0	PT
93.701		5UC2 HL103010-02	3600	3,018	0	PT
93.701		6119-1211-00-E	3600	3,989	0	PT
93.701		6371SC	3600	1,287	0	PT
93.701		6687	3600	31,014	0	PT
93.701		7093SC	3600	1,427	0	PT
93.701		7107142005AMENDMENTNO1	3600	1,086	0	PT
93.701		8350-6	3600	10,249	0	PT
93.701		9003774-06S2NW	3600	77,820	0	PT
93.701		9003774_06S1_UW	3600	19,069	0	PT
93.701		9003774_06S2_UW	3600	27,247	0	PT
93.701		9004667PROJECTNO117119	3600	308,783	0	PT
93.701		ACRIN 6688	3600	66,676	0	PT
93.701		AFAMP0076ST-UW	3600	10,754	0	PT
93.701		BJ118-SFS-BAKER2	3600	488	0	PT
93.701		BJ18-SFS-CALLAGHAN2	3600	2,465	0	PT
93.701		BRSACUREQ0600130T004	3600	11,874	0	PT
93.701		COEUS006467AMENDMENT02	3600	(1,135)	0	PT
93.701		COEUS006467AMENDMENT3	3600	10,633	0	PT
93.701		CRB-DCR01-09-00291	3600	60,473	0	PT
93.701		ER185625	3600	(30)	0	PT
93.701		FY11.253.002 #2515395	3600	7,809	0	PT
93.701		FY2011-046	3600	19,167	0	PT
93.701		GVGTI0101UOFWNMAIZELS	3600	205,796	0	PT
93.701		JPAPOBJ18BAKER2ARRA	3600	46,825	0	PT
93.701		JPAPOBJ18DEVSWATSON1	3600	21,633	0	PT
93.701		M165155	3600	36,878	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.701	ARRA - Trans-NIH Research Support	N000949304AMENDMENTNO1	3600	19,470	0	PT
93.701		P0304A-A	3600	137,037	0	PT
93.701		PSA10-EPI-POC-02	3600	(1)	0	PT
93.701		PSA10EPILOW03MOD4	3600	10,533	0	PT
93.701		PSA10EPIPOC02MOD2	3600	1,736	0	PT
93.701		S329788	3600	4,739	0	PT
93.701		S363826AMENDMENTNO2	3600	23,101	0	PT
93.701		SA 131-DONOVAN-YR2	3600	1,664	0	PT
93.701		SC-09-15-09-UW-ARRA-AS	3600	1,633	0	PT
93.701		SC-09-15-09-UW-ARRA-CR	3600	1,349	0	PT
93.701		SHOPPINGCART101098627	3600	99,887	0	PT
93.701		SUB9005955PJT1174861	3600	(4,324)	0	PT
93.701		SUBAWARD 2815108	3600	98,463	0	PT
93.701		TG19ARRA-MEI-01	3600	5,673	0	PT
93.701		TG19ARRA-MUNDINGER-01	3600	5,765	0	PT
93.701		VUMC35940AMENDMENTNO1	3600	44,428	0	PT
93.701		VUMC36046	3600	20,458	0	PT
93.701		W000219330	3600	6,784	0	PT
93.701		WU-11-175 PO 2911561P	3600	5,501	0	PT
93.701		ZC10075-139369	3600	20,693	0	PT
93.701		ZC10075-139370	3600	45,055	0	PT
93.701			3650	1,288,936	313,986	
93.701		20101617401	3650	22,297	0	PT
93.701		2363902331S01	3650	18,122	0	PT
93.701			3760	23,013	0	
93.701			3800	292,942	0	
Federal Program 93.701 Total				46,267,987	6,570,521	
National Institutes of Health Total				46,267,987	6,570,521	
93.727	Arra- Health Technology Beacon Communities	2997	3600	136,824	0	PT
93.727		Subaward #3199	3700	12,242	0	PT
Federal Program 93.727 Total				149,066	0	
93.728	ARRA Strategic Health Advanced Res Proj	0007512G (PROJECT 1)	3600	304,192	0	PT
93.728		2010-03958-09	3600	113,495	0	PT
93.728		UW BUD# 203797	3600	(74,823)	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 93.728 Total				342,864	0	
Office of the Secretary Total				491,930	0	
93.779	Centers for Medicare and Medicaid Services (Cms) R		1600	858,521	0	
93.779			3000	19,976,568	193,288	
Federal Program 93.779 Total				20,835,089	193,288	
Centers for Medicare and Medicaid Services Total				20,835,089	193,288	
93.837	Cardiovascular Diseases Research		3600	50,464,820	13,032,058	
93.837		0000715339	3600	107,667	0	PT
93.837		0000715992	3600	4,312	0	PT
93.837		0000718683	3600	3,452	0	PT
93.837		00007212130	3600	229,172	0	PT
93.837		0000732366	3600	23,625	0	PT
93.837		0000732372 AM01	3600	15,618	0	PT
93.837		0000744295	3600	37,229	0	PT
93.837		0008215A AM01	3600	124,869	0	PT
93.837		1000943128 AM01	3600	4,197	0	PT
93.837		10144SUB/AMD02	3600	24,314	0	PT
93.837		10281SUB	3600	36,846	0	PT
93.837		10299SUB	3600	22,736	0	PT
93.837		10314SUB	3600	36,800	0	PT
93.837		10351SUB AM02	3600	48,979	0	PT
93.837		105963 AM03	3600	7,617	0	PT
93.837		105963 AM04	3600	41,439	0	PT
93.837		12_8044_11.12_6 AM01	3600	995,115	0	PT
93.837		2011120267	3600	16,272	0	PT
93.837		201222606-01 AM01	3600	31,470	0	PT
93.837		203-9990 AM01	3600	72,743	0	PT
93.837		23570-113954 AM06	3600	10,046	0	PT
93.837		24225 50868 AM01	3600	81,507	0	PT
93.837		2R44HL08357803A2SUB2MO	3600	177,930	0	PT
93.837		3001290982 AM02	3600	15,817	0	PT
93.837		3001290982AM02	3600	(1,321)	0	PT
93.837		3001598618 AM02	3600	31,987	0	PT
93.837		303-1586 AM04	3600	28,080	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.837	Cardiovascular Diseases Research	303-6869 AM03	3600	22,985	0	PT
93.837		422955R01HL09332803	3600	6,445	0	PT
93.837		4500000679	3600	64,229	0	PT
93.837		5 R01 HL073824-05EXT	3600	(19,842)	0	PT
93.837		551412 MOD03	3600	12,275	0	PT
93.837		553525	3600	(1)	0	PT
93.837		556790	3600	143,799	0	PT
93.837		5R01HL09455503AM02	3600	366,138	0	PT
93.837		5U01HL08970903SICR03	3600	69,256	0	PT
93.837		5U01HL08970903SICR04	3600	41,749	0	PT
93.837		60028536 UW	3600	3,568	0	PT
93.837		60028536 UW AM01	3600	816	0	PT
93.837		60029331 UW	3600	7,101	0	PT
93.837		8 (ACCT #5-30257)	3600	116,095	0	PT
93.837		8(ACCT.#538786)	3600	(56,068)	0	PT
93.837		9500240921	3600	19,557	0	PT
93.837		9500301065	3600	3,769	0	PT
93.837		976-UW-2011	3600	8,433	0	PT
93.837		A57620	3600	57,077	0	PT
93.837		ABMEN0080-UWAM02	3600	97,780	0	PT
93.837		FY110420189104A55926	3600	249,655	0	PT
93.837		JPAOSM58SMITN4SIBCR	3600	1,653	0	PT
93.837		JPAOSM58SMITNSIBCR3	3600	8,264	0	PT
93.837		M0700086 AM08	3600	152,211	0	PT
93.837		NHL243-01	3600	590,998	0	PT
93.837		NHLBI CVD	3600	3,379	0	PT
93.837		NHLBI CVD AM06	3600	9,468	0	PT
93.837		P001435606 AM01	3600	114,730	0	PT
93.837		P002081501	3600	18,379	0	PT
93.837		PO# 10283220-004	3600	26,495	0	PT
93.837		PO#10299796-002	3600	65,308	0	PT
93.837		PO#10361SUB	3600	157,502	0	PT
93.837		QR852020U01HL10523201	3600	(6)	0	PT
93.837		QR852021AM01U01HL10523	3600	22,664	0	PT
93.837		QR852022 AM2	3600	1,768	0	PT
93.837		RES507061PRIMEHL103622	3600	5,851	0	PT

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93.837	Cardiovascular Diseases Research	SR00001764	3600	201,292	0	PT
93.837		SUB2_HL110400	3600	10,335	0	PT
93.837		UW BUD# 630548	3600	134,612	0	PT
93.837		UW BUD# 630629	3600	47,523	0	PT
93.837		UW BUD# 632613	3600	(5,924)	0	PT
93.837		UW BUD# 637189	3600	(1,741)	0	PT
93.837		UW BUD# 661551	3600	(9,532)	0	PT
93.837		UW BUD# 664191	3600	36,698	0	PT
93.837		UW BUD# 664356	3600	10,523	0	PT
93.837		UW BUD# 664427	3600	1,555	0	PT
93.837		UW BUD# 664485	3600	40,135	0	PT
93.837		UW BUD# 664825	3600	1,371	0	PT
93.837		UW BUD# 669966	3600	(37,000)	0	PT
93.837		VUMC 36120 AM02	3600	42,308	0	PT
93.837		W000296090	3600	61,612	0	PT
93.837		WFUHS 13862 AM02	3600	32,978	0	PT
93.837		WFUHS 14062 AM03	3600	8,885	0	PT
93.837		WU-07-222 AM08	3600	55,322	0	PT
93.837			3650	896,166	2,241	
Federal Program 93.837 Total				56,613,936	13,034,299	
93.838	Lung Diseases Research		3600	9,915,772	1,896,745	
93.838		0000693278 AM01	3600	12,544	0	PT
93.838		000726094	3600	35,374	0	PT
93.838		0016623PROJ1164384AMD0	3600	106,768	0	PT
93.838		10216SUB	3600	(15,006)	0	PT
93.838		10216SUB AM01	3600	170,729	0	PT
93.838		2001502917	3600	18,136	0	PT
93.838		3 (ACCT# 5-36361) AM05	3600	94,423	0	PT
93.838		4 (ACCT #5-30084) AM1	3600	60,752	0	PT
93.838		4566 IPF-ACE 009	3600	21,154	0	PT
93.838		6020SC	3600	(1,275)	0	PT
93.838		6020SC AM02	3600	1,272	0	PT
93.838		6020SC AM03	3600	16,488	0	PT
93.838		6737SC AM01	3600	47,211	0	PT
93.838		AM01	3600	39,945	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	FY100310199301A49438	3600	(1,683)	0	PT
93.838		FY100320199001A49439	3600	(24,989)	0	PT
93.838		FY110300199002A55920	3600	152,910	0	PT
93.838		FY110310198902A55921	3600	456,690	0	PT
93.838		FY110320199302A55922	3600	172,216	0	PT
93.838		HL67939, AM02	3600	23,496	0	PT
93.838		IN-4685522-UW	3600	3,057	0	PT
93.838		IN4685553UW	3600	36,003	0	PT
93.838		SUBAWARD #551976AM03	3600	4,382	0	PT
93.838		TASKORD140660MOD01MSTR	3600	524,081	0	PT
93.838		UW BUD# 634090	3600	320,895	0	PT
93.838		UW BUD# 635327	3600	5	0	PT
93.838		UW BUD# 664280	3600	62,140	0	PT
93.838		UW BUD# 664540	3600	31,582	0	PT
93.838		UW BUD# 664654	3600	10,705	0	PT
93.838		UW BUD# 664655	3600	12,681	0	PT
93.838		WU-09-179 AM03	3600	352,213	0	PT
Federal Program 93.838 Total				12,660,671	1,896,745	
93.839	Blood Diseases and Resources Research		3600	6,299,921	1,383,266	
93.839		0000674235 AM03	3600	98,566	0	PT
93.839		0000682728 AM02	3600	11,615	0	PT
93.839		0000705607	3600	105,052	0	PT
93.839		0000735109	3600	9,079	0	PT
93.839		0000739098PRIME5R01HL0	3600	155,438	0	PT
93.839		000308405-001 AM2	3600	77,501	0	PT
93.839		10237SUB AM02	3600	92,255	0	PT
93.839		2905423A, AMD#04	3600	(94,783)	0	PT
93.839		5R01HL06617609551114AM	3600	13,380	0	PT
93.839		715 UW2009/10 -1, AM02	3600	22,770	0	PT
93.839		VUMC33664AM02R01HL0651	3600	155,411	0	PT
93.839			3800	78,172	0	
Federal Program 93.839 Total				7,024,377	1,383,266	
93.846	Arthritis, Musculoskeletal and Skin Diseases Resea		3600	9,421,009	742,443	
93.846		0000678603	3600	(6,972)	0	PT
93.846		0000693854	3600	8,514	0	PT

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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93.846	Arthritis, Musculoskeletal and Skin Diseases Resea	10166SUB AME02	3600	28,360	0	PT
93.846		3002095759PRIMER01AR06	3600	2,698	0	PT
93.846		60027789 UW AM03	3600	82,923	0	PT
93.846		AFAMP0076-UW, AMD#6	3600	45,303	0	PT
93.846		IU PROPOSAL # 100801	3600	1,646	0	PT
93.846		SUB# 0000718109	3600	62,992	0	PT
93.846			3650	202,990	0	
93.846		FY11.553.002 2558399	3700	7,845	0	PT
Federal Program 93.846 Total				9,857,308	742,443	
93.847	Diabetes Digestive Kidney Disease Extra		3600	21,041,009	2,182,067	
93.847		0000735533	3600	10,136	0	PT
93.847		0000741252	3600	8,150	0	PT
93.847		0008705 (118203-1)	3600	(183)	0	PT
93.847		0012368 119570-1	3600	305,670	0	PT
93.847		0012368PROJECT1179431	3600	329	0	PT
93.847		0015374PROJECT1178623	3600	25,892	0	PT
93.847		008705 119727-1	3600	357,933	0	PT
93.847		02C09PTA233012CCLS2012	3600	327	0	PT
93.847		1000119PROJ867040AM01	3600	30,675	0	PT
93.847		1000119PROJECT67040	3600	16,231	0	PT
93.847		10289887-003	3600	229,010	0	PT
93.847		10348SUB	3600	14,137	0	PT
93.847		10362SUB	3600	480,570	0	PT
93.847		109748	3600	72,173	0	PT
93.847		11-D13	3600	15,402	0	PT
93.847		11-D14 MOD01	3600	841,524	0	PT
93.847		1553GPC5391DP3DK094311	3600	130,276	0	PT
93.847		20497-27	3600	(945)	0	PT
93.847		20497-29	3600	(2,255)	0	PT
93.847		3001343695U54DK083912A	3600	8,404	0	PT
93.847		3001693367PRIMER01DK05	3600	42,346	0	PT
93.847		5005665-SERV	3600	4,688	0	PT
93.847		5U01DK07249305103075M6	3600	32,167	0	PT
93.847		6119-1144-00-AD MOD 2	3600	341	0	PT
93.847		6119-1144-00-AD MOD 3	3600	210,233	0	PT

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93.847	Diabetes Digestive Kidney Disease Extra	6119-1144-00-Z MOD04	3600	778,803	0	PT
93.847		66444RAM035R01DK078907	3600	23,212	0	PT
93.847		806216	3600	2,849	0	PT
93.847		85285270X0813200MOD02	3600	148,018	0	PT
93.847		FY100160189702A49424	3600	(12)	0	PT
93.847		FY110360189703A55927	3600	17,698	0	PT
93.847		FY110390197801A55930	3600	33,788	0	PT
93.847		FY110400197801A55931	3600	13,637	0	PT
93.847		GMO-1111131	3600	7,550	0	PT
93.847		GMO1111315U01DK0583691	3600	37,776	0	PT
93.847		IN4685546UW	3600	9,060	0	PT
93.847		JAPPOLD12DKZAVA1SIBCR	3600	74,328	0	PT
93.847		JPA/PO# HR15HR11SIBCR	3600	97,038	0	PT
93.847		JPA/PO# KS121KS11SIBCR	3600	13,593	0	PT
93.847		JPA/PO#LD12DKLD1SIBCR	3600	29,712	0	PT
93.847		JPA/PO#TG110MEIQ1SIBCR	3600	55,417	0	PT
93.847		JPA/PO#TG110MEIQ2SIBCR	3600	12,324	0	PT
93.847		JPA/PO#TG110SCBK1SIBCR	3600	15,522	0	PT
93.847		JPA/PO#UK16UK11SIBCR	3600	30,045	0	PT
93.847		JPAPOBW24MOROFY1SIBCR	3600	36,066	0	PT
93.847		JPAPOBW24MOROFY2SIBCR	3600	25,793	0	PT
93.847		JPAPOKS121SCTD11SIBCR	3600	11,297	0	PT
93.847		JPAPOLD12DKBENNEJ1SIBC	3600	38,105	0	PT
93.847		JPAPOLD12DKZAVA3SIBCR	3600	26,276	0	PT
93.847		JPAPOTG110MUNDIT1SIBCR	3600	62,318	0	PT
93.847		KS1-21-LIPKIN2	3600	56,472	0	PT
93.847		KS1-21-LOVATO	3600	11,046	0	PT
93.847		KS1-21-SCUK11-SIBCR	3600	28,059	0	PT
93.847		KS1-21-SOCHA	3600	64,474	0	PT
93.847		KS1-21-SOCHA2	3600	5,407	0	PT
93.847		KS1-21-SPIVEY	3600	3,639	0	PT
93.847		KS1-21-TRENCE2	3600	1,027	0	PT
93.847		KS121-KAHN2	3600	1,412	0	PT
93.847		KS121-SPIVEY2	3600	331	0	PT
93.847		KS16KS11SIBCR	3600	9,890	0	PT
93.847		KS16KS12SIBCR	3600	8,418	0	PT

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93.847	Diabetes Digestive Kidney Disease Extra	KS16LOVATC1SIBCR	3600	3,183	0	PT
93.847		KS16LOVATC2SIBCR	3600	2,274	0	PT
93.847		KS16SCTD11SIBCR	3600	4,622	0	PT
93.847		KS16SPIVEL1SIBCR	3600	2,316	0	PT
93.847		KS16SPIVEL2SIBCR	3600	1,654	0	PT
93.847		KS16TRENCE1SIBCR	3600	7,189	0	PT
93.847		LD12DKZAVA2SIBCR MOD01	3600	(2,944)	0	PT
93.847		N002174701	3600	5,831	0	PT
93.847		OICB111041Z02	3600	6,808	0	PT
93.847		PO 1000822691 AM09	3600	5,541	0	PT
93.847		PO# 10289887-002	3600	(512)	0	PT
93.847		PO#10303997-002	3600	25,946	0	PT
93.847		RES118674	3600	1,038	0	PT
93.847		RES506698	3600	341,602	0	PT
93.847		S-DPP1011-MR02	3600	507,939	0	PT
93.847		S-DPP1011-MR03	3600	305,309	0	PT
93.847		SUBAWARD550803AMEND4	3600	14,775	0	PT
93.847		UTA08-443 AM03	3600	61,414	0	PT
93.847		UW BUD# 639236	3600	11,659	0	PT
93.847		UW BUD# 639407	3600	(66)	0	PT
93.847		UW BUD# 663854	3600	232,960	0	PT
93.847		UW BUD# 664401	3600	9,725	0	PT
93.847		UW BUD# 664426	3600	158	0	PT
93.847		UW BUD# 664585	3600	40,412	0	PT
93.847		W000311482PO1000944041	3600	100,517	0	PT
93.847		WFUHS 14111 AM04	3600	24,452	0	PT
93.847		WFUHS 14122 AM07	3600	348,002	0	PT
93.847		WU0895PO2905423AAM05	3600	374,219	0	PT
93.847		WU11198PO2911630PAM02	3600	38,744	0	PT
93.847		X0813200 MOD01	3600	54,365	0	PT
93.847			3650	1,328,794	0	
93.847		NIDDK20110001	3650	51,069	0	PT
93.847			3750	118,974	0	
Federal Program 93.847 Total				29,692,597	2,182,067	
93.847A	ARRA - Diabetes Digestive Kidney Disease Extra	WSU001086	3650	80,924	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
Federal Program 93.847A Total				80,924	0	
93.848	Health & Human Services Dept		3600	331,819	0	
93.848		GMO 900069, MOD06	3600	(9,813)	0	PT
93.848		Q6636457103, AMD #5	3600	(7,835)	0	PT
93.848			3650	479,972	66,644	
Federal Program 93.848 Total				794,143	66,644	
93.849	Health & Human Services Dept		3600	520,089	0	
93.849		IUPUI4682197UWASH AM03	3600	327,385	0	PT
Federal Program 93.849 Total				847,474	0	
93.853	Extramural Research Programs In the Neurosciences		3600	24,220,233	2,604,268	
93.853		00005174 AM01	3600	28,639	0	PT
93.853		0000690301	3600	(5,213)	0	PT
93.853		0000708757 AM02	3600	196,477	0	PT
93.853		0000738837	3600	83,200	0	PT
93.853		000377209-038 AMEND 1	3600	5	0	PT
93.853		100104	3600	67,753	0	PT
93.853		10316345-01 SUB	3600	38,363	0	PT
93.853		142318	3600	1,269	0	PT
93.853		157934	3600	83,549	0	PT
93.853		201770-UW AM01	3600	69,126	0	PT
93.853		203-1590	3600	376,745	0	PT
93.853		208248AM03R01NS0597270	3600	7,782	0	PT
93.853		5UO1NS05247805AMD2	3600	12,368	0	PT
93.853		60026665 UW, AM01	3600	53,922	0	PT
93.853		60030115 UW	3600	134,402	0	PT
93.853		6495SC	3600	23,811	0	PT
93.853		6495SC AM02	3600	71,837	0	PT
93.853		A07917M11A10873AM01	3600	10,735	0	PT
93.853		AAIRC0023A AM02	3600	57,368	0	PT
93.853		F09-04487 AM02	3600	13,742	0	PT
93.853		JPAPOBW25KOVACA2SIBCR	3600	29,134	0	PT
93.853		MOD 01 GMO-100104	3600	19,537	0	PT
93.853		N001257301	3600	8,960	0	PT
93.853		N001257301AM01	3600	2,052	0	PT

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93.853	Extramural Research Programs In the Neurosciences	PRIME R43NS067866-01A1	3600	(303)	0	PT
93.853		PROJECT #112868	3600	(25,282)	0	PT
93.853		S381854 (G-19)	3600	(10,530)	0	PT
93.853		SUB08-000674	3600	(6)	0	PT
93.853		SUBAWARD #1	3600	40,149	0	PT
93.853		UW BUD# 665169	3600	4,504	0	PT
93.853		UW OSP# A_A54454	3600	33,577	0	PT
93.853		W000223681 AM13	3600	(2,036)	0	PT
93.853		W000311706 AM14	3600	34,625	0	PT
93.853		WU-08-204 AM03	3600	(1)	0	PT
93.853			3650	801,666	0	
Federal Program 93.853 Total				26,482,159	2,604,268	
93.855	Allergy, Immunology and Transplantation Research		3600	55,648,010	8,870,226	
93.855		0000675914 AMEND 2	3600	35,143	0	PT
93.855		0000694051	3600	(1,455)	0	PT
93.855		0000694225	3600	(919)	0	PT
93.855		0000694536	3600	2,305	0	PT
93.855		0000695951PRIME5R37A14	3600	(5)	0	PT
93.855		0000696556	3600	7,096	0	PT
93.855		0000696595 AM01	3600	(351)	0	PT
93.855		0000699368 AM01	3600	32,226	0	PT
93.855		0000703642	3600	175,089	0	PT
93.855		0000703858	3600	666	0	PT
93.855		0000705149 AM01	3600	23,146	0	PT
93.855		0000705215 AM01	3600	32,169	0	PT
93.855		0000705667	3600	56	0	PT
93.855		0000708079 AM01	3600	51,027	0	PT
93.855		0000709819	3600	76,587	0	PT
93.855		0000709819 AM01	3600	66,589	0	PT
93.855		0000711014	3600	75,337	0	PT
93.855		0000711391	3600	115,747	0	PT
93.855		0000711408	3600	19,610	0	PT
93.855		0000712462	3600	233,183	0	PT
93.855		0000716293	3600	524,517	0	PT
93.855		0000716294	3600	854,714	0	PT

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93.855	Allergy, Immunology and Transplantation Research	0000716858	3600	76,601	0	PT
93.855		0000716858 AM02	3600	455,881	0	PT
93.855		0000716858 AM03	3600	2,500,019	0	PT
93.855		0000717608	3600	45,090	0	PT
93.855		0000717637	3600	45,090	0	PT
93.855		0000718106	3600	54,287	0	PT
93.855		0000719987	3600	14,997	0	PT
93.855		0000721715	3600	35,086	0	PT
93.855		0000721718	3600	66,654	0	PT
93.855		0000721728	3600	18,090	0	PT
93.855		0000722794	3600	50,970	0	PT
93.855		0000723368AM1	3600	71,244	0	PT
93.855		0000723371 AM01	3600	314,153	0	PT
93.855		0000723372	3600	262,413	0	PT
93.855		0000723373 AM01	3600	319,916	0	PT
93.855		0000723374 AM01	3600	200,425	0	PT
93.855		0000723375 AM01	3600	155,820	0	PT
93.855		0000723683	3600	109,238	0	PT
93.855		0000724093 REV	3600	298,674	0	PT
93.855		0000724172	3600	327,890	0	PT
93.855		0000724410	3600	515,010	0	PT
93.855		0000725343	3600	147,810	0	PT
93.855		0000728730	3600	113,578	0	PT
93.855		0000730219	3600	40,037	0	PT
93.855		0000730790	3600	117,756	0	PT
93.855		0000731434	3600	200,341	0	PT
93.855		0000732834	3600	157,548	0	PT
93.855		0000734544	3600	40,240	0	PT
93.855		0000735180	3600	5,717	0	PT
93.855		0000735301	3600	122,866	0	PT
93.855		0000739400	3600	27,817	0	PT
93.855		0000739784	3600	43,632	0	PT
93.855		0000740184	3600	1,063	0	PT
93.855		0000740451	3600	17,500	0	PT
93.855		0000741659	3600	20,192	0	PT
93.855		000259927-001 AM07	3600	124,391	0	PT

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93.855	Allergy, Immunology and Transplantation Research	000338217-002	3600	3,701	0	PT
93.855		000338217-007	3600	(4,476)	0	PT
93.855		000384588-001 AM01	3600	17,269	0	PT
93.855		000384599-002 AM031	3600	259,706	0	PT
93.855		000384599-007 AM03	3600	226,638	0	PT
93.855		000397076-005	3600	198,836	0	PT
93.855		000397076-012 AM01	3600	424,914	0	PT
93.855		00052631139862AM03	3600	137,419	0	PT
93.855		00052631139862AM04	3600	9,961	0	PT
93.855		0007287355U01AI068618	3600	611,559	0	PT
93.855		0010255 (119015-1)	3600	72,522	0	PT
93.855		0022494 (119409-2)	3600	12,610	0	PT
93.855		0022494 (119409-3)	3600	7,454	0	PT
93.855		0026975AM031197431	3600	181,594	0	PT
93.855		07-004309 B-03 AM03	3600	(1)	0	PT
93.855		10009618-UW MOD02	3600	80,830	0	PT
93.855		10009618-UW-01	3600	47,870	0	PT
93.855		10013 SUB AM03	3600	66,387	0	PT
93.855		10038SUB-AM03	3600	66,886	0	PT
93.855		101114198 AM03	3600	27,982	0	PT
93.855		1015109AMENDMENTNO7	3600	6,009	0	PT
93.855		1015110 AM10	3600	202,539	0	PT
93.855		10189SUB AM01	3600	65,999	0	PT
93.855		10289SUB	3600	3,459	0	PT
93.855		10293192, AM04	3600	24,355	0	PT
93.855		10330SUB AM01	3600	67,531	0	PT
93.855		108079	3600	21,720	0	PT
93.855		108081	3600	19,864	0	PT
93.855		108088	3600	733	0	PT
93.855		171K765 AM02	3600	201,265	0	PT
93.855		191675W AM02	3600	474,707	0	PT
93.855		2001317198	3600	115,152	0	PT
93.855		2001317198 MOD01	3600	295,515	0	PT
93.855		22941520-39760-A AM2	3600	3,718	0	PT
93.855		23069-10	3600	36,797	0	PT
93.855		23069-21	3600	140,383	0	PT

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93.855	Allergy, Immunology and Transplantation Research	23570-114063 AM02	3600	32,257	0	PT
93.855		4349 AM1	3600	(68)	0	PT
93.855		4483	3600	281,554	0	PT
93.855		4611	3600	16,318	0	PT
93.855		5-50817 AM05	3600	168,009	0	PT
93.855		60022770 MOD01	3600	138,334	0	PT
93.855		6123657/RFS2011076AM01	3600	190,282	0	PT
93.855		6135321/RFS2012035	3600	333,558	0	PT
93.855		9211 AM01	3600	610,334	0	PT
93.855		AVGTI0103UOFWNBEVANAM0	3600	381,621	0	PT
93.855		AVGTI0103UOFWNGALEAM03	3600	224,640	0	PT
93.855		AVGTI0103UOFWNGALEAM05	3600	136,457	0	PT
93.855		AVGTI0103UOFWKNATZEAM0	3600	337,965	0	PT
93.855		BL-4624492-UW	3600	14,936	0	PT
93.855		BRS-ACURE-S-12-002216	3600	596	0	PT
93.855		BRSACUREQ0600130T002MO	3600	(40,781)	0	PT
93.855		BRSACUREQ0600130T005	3600	25,399	0	PT
93.855		BRSACUREQ0600130T006	3600	(362)	0	PT
93.855		BRSACURES1000004600079	3600	(1)	0	PT
93.855		BRSACURES1100004600095	3600	1	0	PT
93.855		BRSACURES1100004600121	3600	530,722	0	PT
93.855		BRSACURES1100004600131	3600	10,832	0	PT
93.855		BRSACURES1100004600132	3600	11,990	0	PT
93.855		BRSACURES1100004600139	3600	17,953	0	PT
93.855		BRSACURES1100004600173	3600	8,477	0	PT
93.855		BRSACURES1100004600206	3600	2,441	0	PT
93.855		BRSACURES1200004600249	3600	19,484	0	PT
93.855		BRSACURES1200004600250	3600	94	0	PT
93.855		BRSACURES1200049200230	3600	17,953	0	PT
93.855		CONSORTIUM AGREEMENT	3600	88,976	0	PT
93.855		DREXEL 232284 MOD7	3600	176,921	0	PT
93.855		FY11.112.003	3600	2,159	0	PT
93.855		FY11.284.002	3600	43,351	0	PT
93.855		FY11284002FY12AM02UW	3600	175,989	0	PT
93.855		G-7851-1	3600	44,454	0	PT
93.855		GMO111101PRIME2R56AI53	3600	130,493	0	PT

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93.855	Allergy, Immunology and Transplantation Research	GVGT1010308 AM 2	3600	165,692	0	PT
93.855		GVGT1010308 AM03	3600	58,307	0	PT
93.855		GVGTI0103UWKATZESUPPAM	3600	9,258	0	PT
93.855		JHUPO2000056550MOD4	3600	(1,363)	0	PT
93.855		JHUPO2000056550MOD5	3600	(550)	0	PT
93.855		MMV06/0013	3600	230,601	0	PT
93.855		PO# 10289256-003	3600	24,805	0	PT
93.855		PO# 10289256-004	3600	12,402	0	PT
93.855		PO#10293192-003	3600	144,557	0	PT
93.855		SP0007967PROJ0002212AM	3600	187,620	0	PT
93.855		SUB 1 R01 AI 083060-03	3600	49,625	0	PT
93.855		SUB 1R01AI083060-02	3600	(7,845)	0	PT
93.855		SUBAWARD0000675336AMD1	3600	(33,691)	0	PT
93.855		SUBAWARD10144/PO690492	3600	(1,762)	0	PT
93.855		SUBCONTRACT 3470 MOD01	3600	162,802	0	PT
93.855		TUL-HSC-280-11/12	3600	100,345	0	PT
93.855		UW #10073	3600	121,332	0	PT
93.855		UW BUD# 639551	3600	61,041	0	PT
93.855		UW BUD# 661891	3600	80,598	0	PT
93.855		UW BUD# 662061	3600	133,771	0	PT
93.855		UW BUD# 663916	3600	44,234	0	PT
93.855		UW BUD# 663932	3600	22,996	0	PT
93.855		UW BUD# 663957	3600	2,481	0	PT
93.855		UW BUD# 664419	3600	16,880	0	PT
93.855		UW BUD# 664424	3600	12,213	0	PT
93.855		UW BUD# 664428	3600	46,527	0	PT
93.855		UW BUD# 664466	3600	55,150	0	PT
93.855		UW BUD# 664544	3600	21,537	0	PT
93.855		UW BUD# 664589	3600	42,700	0	PT
93.855		UW BUD# 664610	3600	52,174	0	PT
93.855		UW BUD# 664651	3600	4,087	0	PT
93.855		UW BUD# 664653	3600	4,087	0	PT
93.855		UW BUD# 664756	3600	236	0	PT
93.855		UW BUD# 664761	3600	31	0	PT
93.855		UW BUD# 664816	3600	4,323	0	PT
93.855		UW BUD# 664818	3600	2,052	0	PT

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93.855	Allergy, Immunology and Transplantation Research	UW BUD# 664819	3600	11,895	0	PT
93.855		UW BUD# 664822	3600	19,068	0	PT
93.855		UW BUD# 664851	3600	54,642	0	PT
93.855		UW BUD# 664960	3600	1,530	0	PT
93.855		UW-12534 MOD01	3600	45,040	0	PT
93.855		UW-15015 MOD03	3600	14,561	0	PT
93.855		UW-15026 MOD01	3600	9,171	0	PT
93.855			3650	1,968,003	0	
Federal Program 93.855 Total				77,304,431	8,870,226	
93.856	Microbiology and Infectious Diseases Research		3600	732,137	578	
93.856		04-104848-02-S0958	3600	(27,313)	0	PT
93.856		05-104559-05-S0981	3600	(4,103)	0	PT
93.856		0510816405S1366PO59656	3600	(5,503)	0	PT
93.856		1556 G FD985, AMEND.4	3600	(5)	0	PT
93.856		1ACCT539481AMD1	3600	2,665	0	PT
Federal Program 93.856 Total				697,878	578	
93.859	Biomedical Research and Research Training		3600	31,672,270	1,971,113	
93.859		#1	3600	22,758	0	PT
93.859		05-003292B02AM02	3600	(20)	0	PT
93.859		09-130 AM03	3600	93,164	0	PT
93.859		10318834-SUB	3600	185,043	0	PT
93.859		18821-S1 AM05	3600	80,649	0	PT
93.859		2-U54-GM062119-06	3600	(5,132)	0	PT
93.859		204804 MOD05	3600	53,595	0	PT
93.859		204804 MOD06	3600	62,553	0	PT
93.859		23570114041AM01U54GM08	3600	45,230	0	PT
93.859		23570114041AM02U54GM08	3600	13,461	0	PT
93.859		303-4705 AM02	3600	8,592	0	PT
93.859		5-30194 AM02	3600	104,672	0	PT
93.859		5-30194AM01	3600	30,233	0	PT
93.859		9-526-2175AM01	3600	64,027	0	PT
93.859		9-526-5266	3600	(15,692)	0	PT
93.859		9-526-5433	3600	26,734	0	PT
93.859		FY07001007FY12001010AM	3600	187,494	0	PT
93.859		FY10,001-003 AMEND #2	3600	(315)	0	PT

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93.859	Biomedical Research and Research Training	FY10.001.111 AMEND 3	3600	(1,452)	0	PT
93.859		FY110290197601A55915	3600	28,184	0	PT
93.859		FY12.001.005 AM05	3600	682,134	0	PT
93.859		FY12197601	3600	7,368	0	PT
93.859		G126-07-W1286, AM 04	3600	(139)	0	PT
93.859		GC11617-134421	3600	(432)	0	PT
93.859		GC11617-137048	3600	2,985	0	PT
93.859		GM058881075184045402	3600	31,299	0	PT
93.859		P01-2 MOD03	3600	42,181	0	PT
93.859		PO 539704 AM04	3600	39,991	0	PT
93.859		PO-027505	3600	2,724	0	PT
93.859		PRIME1P50GM09450301A1	3600	90,339	0	PT
93.859		SUB AGREEMENT 02	3600	107,546	0	PT
93.859		UW BUD# 662666	3600	345,149	0	PT
93.859			3650	1,625,588	6	
93.859		00006379	3650	73,870	0	PT
93.859		WU11306	3650	103,802	0	PT
93.859		ORH00080194 S#UF09051	3700	56,567	0	PT
93.859			3800	2,494	0	
Federal Program 93.859 Total				35,869,514	1,971,119	
93.865	Child Health and Human Development Extramural Rese		3600	22,948,250	4,326,436	
93.865		0000	3600	4,812	0	PT
93.865		0000678522	3600	(28,684)	0	PT
93.865		0000694817	3600	8,674	0	PT
93.865		0000697392	3600	70,333	0	PT
93.865		0000697393	3600	8,707	0	PT
93.865		0000708308	3600	11,941	0	PT
93.865		0000708311	3600	72,024	0	PT
93.865		0000718052 AM01	3600	177,371	0	PT
93.865		0000720524	3600	135,362	0	PT
93.865		0000720538 AMEND1	3600	428,626	0	PT
93.865		0000720543	3600	350,304	0	PT
93.865		000223 AM04	3600	39,260	0	PT
93.865		000396222-001 AM01	3600	6,192	0	PT
93.865		001142411824515AM01	3600	65,452	0	PT

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 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
93.865	Child Health and Human Development Extramural Rese	0019692 (119569-05)	3600	211,525	0	PT
93.865		0024922(120171-9)	3600	30,459	0	PT
93.865		04162012	3600	893	0	PT
93.865		1 R01 HD 07020-01	3600	4,163	0	PT
93.865		10-0002 AM01	3600	115,745	0	PT
93.865		10-0002 AM02	3600	63,948	0	PT
93.865		101545939	3600	220,412	0	PT
93.865		10211SUB AM5	3600	29,433	0	PT
93.865		10255SUB AM01	3600	37,509	0	PT
93.865		10286SUB AM01	3600	20,793	0	PT
93.865		108863 AM02	3600	101,607	0	PT
93.865		108863/109556	3600	43,197	0	PT
93.865		1215 G JB215 AM04	3600	5,693	0	PT
93.865		1521-2 AM01	3600	28,312	0	PT
93.865		2011-01659-02 AM01	3600	4,252	0	PT
93.865		232290-3684 AM02	3600	18,059	0	PT
93.865		5-51032 AM02	3600	(143,284)	0	PT
93.865		5-51032 AM03	3600	344,880	0	PT
93.865		551032AMENDMENTNO1	3600	(128)	0	PT
93.865		551355AMENDMENTNO1	3600	2,663	0	PT
93.865		684136	3600	882	0	PT
93.865		7023	3600	175,798	0	PT
93.865		803033 A YR1	3600	29,513	0	PT
93.865		AM02	3600	8,532	0	PT
93.865		FY2007091MOD06	3600	180,498	0	PT
93.865		HC12663 AM01	3600	37,464	0	PT
93.865		PO#0000771499	3600	163,080	0	PT
93.865		PO3100189344SA108863AM	3600	(1,416)	0	PT
93.865		S-MFM1112-VD12	3600	15,689	0	PT
93.865		SR1108 AM01	3600	17,754	0	PT
93.865		SUB1202103UO1HD0426520	3600	29,896	0	PT
93.865		SUBAWARD# 0000697384	3600	107,946	0	PT
93.865		UW 803235A MOD03	3600	77,139	0	PT
93.865		UW BUD# 661178	3600	30,736	0	PT
93.865		UW BUD# 661943	3600	105,473	0	PT
93.865		UW BUD# 661971	3600	53,701	0	PT

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 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
93.865	Child Health and Human Development Extramural Rese	UW BUD# 663085	3600	97,603	0	PT
93.865		UW BUDGET# 664380	3600	10,511	0	PT
93.865			3650	3,480,008	243,755	
93.865		00001542	3650	41,539	0	PT
93.865		5600653614	3650	83,234	0	PT
93.865			3800	7,658	0	
Federal Program 93.865 Total				30,191,993	4,570,191	
93.866	Aging Research		3600	20,001,948	2,673,913	
93.866		00000056PO992706AM05	3600	298,531	0	PT
93.866		0000697752	3600	5,120	0	PT
93.866		0000730637	3600	24,057	0	PT
93.866		00012200 119695-6	3600	138,907	0	PT
93.866		10213SUB AM02	3600	109,473	0	PT
93.866		1536 AM02	3600	15,730	0	PT
93.866		2010118154	3600	102,864	0	PT
93.866		2010118319	3600	5,173	0	PT
93.866		2011113094	3600	109,456	0	PT
93.866		2011115843	3600	18,906	0	PT
93.866		2011118910	3600	808,990	0	PT
93.866		2011122050 MOD01	3600	49,594	0	PT
93.866		2012101790	3600	15,995	0	PT
93.866		2012107330	3600	15,331	0	PT
93.866		2012108386	3600	11,992	0	PT
93.866		2012110257	3600	10,664	0	PT
93.866		2012110766	3600	1,719	0	PT
93.866		41531001.UW AM01	3600	(305)	0	PT
93.866		5005011-SERV	3600	16,096	0	PT
93.866		556636	3600	24,395	0	PT
93.866		556636 PRIME 2706577	3600	48,366	0	PT
93.866		56160-11676-UWS AM03	3600	146,860	0	PT
93.866		9-526-4859 AMEND 01	3600	3,901	0	PT
93.866		9500223494 AM03	3600	69,060	0	PT
93.866		9500234634	3600	3,662	0	PT
93.866		95262762AM02KR01AG0318	3600	19,298	0	PT
93.866		AMENDMENT 3	3600	30,058	0	PT

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 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
93.866	Aging Research	BT123STEINE1SIBCRMOD02	3600	(530)	0	PT
93.866		BW22BW2_3_SIBCR	3600	16,790	0	PT
93.866		BW22HANSEK2SIBCR	3600	7,434	0	PT
93.866		FY08.001.011 AMEND 4	3600	183,570	0	PT
93.866		FY09001012AMD1UWASH	3600	(16,214)	0	PT
93.866		FY11001004AMD032574454	3600	855	0	PT
93.866		FY1O001007AMD2UWASH	3600	(20,723)	0	PT
93.866		JPA/PO#BW22BW2_2_SIBCR	3600	33,547	0	PT
93.866		JPAPOCS120BL11SIBCR	3600	9,267	0	PT
93.866		JPAPOCS120BL12SIBCR	3600	3,414	0	PT
93.866		JPAPOPE1AG033133LG11SI	3600	13,624	0	PT
93.866		JPAPOPE1AG033133PE1SIB	3600	33,259	0	PT
93.866		JPAPOPE1AG033133SHOFER	3600	24,958	0	PT
93.866		KB24MCMIP1SIBCR	3600	11,252	0	PT
93.866		PE1AG033133SIKKEC1SIBC	3600	10,096	0	PT
93.866		SC-08-1-08-UW MOD3	3600	4,913	0	PT
93.866		SUB0900012 AM03	3600	61,998	0	PT
93.866		UW BUD# 635837	3600	(21)	0	PT
93.866		UW BUD# 639412	3600	49,633	0	PT
93.866		UW BUD# 660248	3600	21,623	0	PT
93.866		UW BUD# 664207	3600	8,196	0	PT
93.866		UW BUD# 664565	3600	5,874	0	PT
Federal Program 93.866 Total				22,568,656	2,673,913	
93.867	Vision Research		3600	12,549,707	168,641	
93.867		00007517 AM01	3600	241,143	0	PT
93.867		10315588-002	3600	42,168	0	PT
93.867		686, AMENDMENT NO. 1	3600	(357)	0	PT
93.867		9-29-03	3600	47,939	0	PT
93.867		N640615302 AM03	3600	29,296	0	PT
93.867		PO#10317338-SUB	3600	362,480	0	PT
93.867		UW BUD# 636315	3600	8,234	0	PT
93.867		UW BUD# 638479	3600	(3,408)	0	PT
93.867			3650	260,013	0	
93.867		0000006880	3650	45,173	0	PT
93.867		GCAEI0244A	3650	64,988	0	PT

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 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
93.867	Vision Research	GPHY0181WSU	3650	90,990	0	PT
Federal Program 93.867 Total				13,738,366	168,641	
93.879	Medical Library Assistance		3600	1,326,611	12,525	
93.879		UW BUD# 662794	3600	110,881	0	PT
93.879		M11A10935	3650	15,777	0	PT
Federal Program 93.879 Total				1,453,269	12,525	
National Institutes of Health Total				325,877,696	40,176,925	
93.941	HIV Demonstration, Research, Public and Profession		3600	813,602	236,127	
Federal Program 93.941 Total				813,602	236,127	
93.978	Preventive Health Services_sexually Transmitted DI		3600	24,346	0	
Federal Program 93.978 Total				24,346	0	
Centers for Disease Control and Prevention Total				837,948	236,127	
93.989	International Research and Research Training		3600	1,870,518	178,842	
93.989		5 D 43 TW 008438 3	3600	48,948	0	PT
93.989		5 D43 TW 008438-2	3600	(90)	0	PT
93.989		5 R24 TW 008889-02 REV	3600	325,700	0	PT
93.989		SUB# VUMC 35540 AM02	3600	17,850	0	PT
93.989		UW BUD# 672847	3600	43,338	0	PT
93.989		VUMC 34749 AM03	3600	53,623	0	PT
93.989		VUMC 34749, AM02	3600	5,805	0	PT
93.989		VUMC 35540 AM01	3600	4,668	0	PT
93.989		VUMC 35542 AM01	3600	2,688	0	PT
93.989		VUMC 36924	3600	1,396	0	PT
93.989		VUMC 36924 AM01	3600	52,778	0	PT
93.989		VUMC 38302 AM01	3600	48,040	0	PT
93.989		VUMC 38425 AM01	3600	62,626	0	PT
93.989		VUMC35543AM035R24TW007	3600	14,421	0	PT
93.989		VUMC35544AM25R24TW0079	3600	23,223	0	PT
93.989		VUMC35559AM35R24TW0079	3600	107,824	0	PT
93.989		VUMC36834AM01	3600	33,215	0	PT
93.989		VUMC36908AM15R24TW0079	3600	18,856	0	PT
Federal Program 93.989 Total				2,735,427	178,842	

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 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
National Institutes of Health Total				2,735,427	178,842	
Dept of Health & Human Services Total				615,456,317	67,557,735	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Research and Development

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
98,000	Strengthening Afghan Agricultural Faculties (Saaf)	410600008000044906	3650	44,942	0	PT
Federal Program 98.000 Total				44,942	0	
International Development Total				44,942	0	
U.S. Agency for International Development Total				44,942	0	
Research and Development Total				967,526,903	96,460,836	

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 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	2,021,784	0	
84.007			3650	1,194,408	0	
84.007			3700	434,353	0	
84.007			3750	302,210	0	
84.007			3760	260,900	0	
84.007			6990	3,455,928	0	
Federal Program 84.007 Total				7,669,583	0	
84.032	Federal Family Education Loans		3650	(9,098)	0	
84.032			3800	21,232,409	0	
84.032			6990	4,823,303	0	
Federal Program 84.032 Total				26,046,614	0	
84.033	Federal Work-Study Program		3600	2,238,576	0	
84.033			3650	622,778	0	
84.033			3700	444,925	0	
84.033			3750	352,279	0	
84.033			3760	315,400	0	
84.033			3800	488,482	0	
84.033			6990	4,066,969	0	
Federal Program 84.033 Total				8,529,409	0	
84.038	Federal Perkins Loan Program_federal Capital Contr		3600	6,898,948	0	
84.038			3600	47,029,112	0	OL
84.038			3650	2,465,213	0	
84.038			3650	17,871,040	0	OL
84.038			3700	716,110	0	
84.038			3700	4,860,896	0	OL
84.038			3750	908,632	0	
84.038			3750	7,199,425	0	OL
84.038			3760	399,297	0	
84.038			3760	3,959,332	0	OL
84.038			3800	1,000,379	0	
84.038			3800	8,214,446	0	OL
84.038			6990	165,296	0	
84.038			6990	2,550,489	0	OL
Federal Program 84.038 Total				104,238,615	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	47,367,362	0	
84.063			3650	30,581,492	0	
84.063			3700	19,048,947	0	
84.063			3750	16,492,313	0	
84.063			3760	8,924,031	0	
84.063			3800	14,541,089	0	
84.063			6990	274,171,665	0	
Federal Program 84.063 Total				411,126,899	0	
84.268	Federal Direct Student Loans		3600	284,154,142	0	
84.268			3650	162,097,908	0	
84.268			3700	70,208,041	0	
84.268			3750	67,467,132	0	
84.268			3760	24,851,947	0	
84.268			3800	47,997,816	0	
84.268			6990	229,263,058	0	
Federal Program 84.268 Total				886,040,044	0	
84.375	Academic Competitiveness Grants		3600	31,668	0	
84.375			3650	2,662	0	
84.375			3700	1,633	0	
84.375			6990	64,775	0	
Federal Program 84.375 Total				100,738	0	
84.376	National Science and Mathematics Access to Retain		3600	157,675	0	
84.376			3650	29,500	0	
84.376			3700	3,666	0	
84.376			3750	6,333	0	
84.376			3800	1,146	0	
Federal Program 84.376 Total				198,320	0	
84.379	Teacher Education Assistance for College and High		3650	178,500	0	
84.379			3750	490,373	0	
84.379			3760	41,336	0	
84.379			6990	4,000	0	
Federal Program 84.379 Total				714,209	0	
Dept of Education Total				1,444,664,431	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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
93.264	Nurse Faculty Loan Program		3600	1,301,550	0	OL
93.264			3600	689,121	0	
93.264			3650	197,919	0	
93.264			3650	457,372	0	OL
Federal Program 93.264 Total				2,645,962	0	
93.342	Health Professions Student Loans, Including Primar		3600	12,254,252	0	OL
93.342			3600	(85,001)	0	
93.342			3650	2,336,208	0	OL
93.342			3650	192,200	0	
Federal Program 93.342 Total				14,697,659	0	
93.364	Nursing Student Loans		3600	1,994,220	0	OL
93.364			3600	10,376	0	
93.364			3650	586,075	0	
93.364			3650	1,571,102	0	OL
Federal Program 93.364 Total				4,161,773	0	
93.408	ARRA - Nurse Faculty Loan Program		3600	170,867	0	OL
Federal Program 93.408 Total				170,867	0	
93.925	Scholarships for Health Professions Students From		3600	189,213	0	
93.925			3650	139,347	0	
93.925			3700	83,003	0	
93.925			6990	35,637	0	
Federal Program 93.925 Total				447,200	0	
Dept of Health & Human Services Total				22,123,461	0	
Student Financial Assistance Total				1,466,787,892	0	

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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	1,673,776,384	0	NC
10.551			3000	178,350	91,943	
Federal Program 10.551 Total				1,673,954,734	91,943	
10.561	State Admin Match - Grants for Snap		3000	64,774,231	4,099,444	
Federal Program 10.561 Total				64,774,231	4,099,444	
Dept of Agriculture Total				1,738,728,965	4,191,387	
SNAP Total				1,738,728,965	4,191,387	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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		4950	1,536,272	1,305,756	
Federal Program 10.568 Total				1,536,272	1,305,756	
Dept of Agriculture Total				1,536,272	1,305,756	
Emergency Food Assistance Total				1,536,272	1,305,756	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	48,323,588	48,323,588	
	Federal Program 10.553 Total			48,323,588	48,323,588	
10.555	National School Lunch Program		3500	175,046,785	175,046,785	
	Federal Program 10.555 Total			175,046,785	175,046,785	
10.556	Special Milk Program for Children		3500	269,657	269,657	
	Federal Program 10.556 Total			269,657	269,657	
10.559	Summer Food Service Program for Children		3500	4,326,872	4,194,978	
	Federal Program 10.559 Total			4,326,872	4,194,978	
	Dept of Agriculture Total			227,966,902	227,835,008	
	Child Nutrition Total			227,966,902	227,835,008	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	E31TW2WSU59312676	3650	14,374	0	PT
15.605			4770	7,588,018	0	
Federal Program 15.605 Total				7,602,392	0	
15.611	Wildlife Restoration and Basic Hunter Education	WSU002006	3650	15,295	0	PT
15.611			4770	8,456,059	0	
15.611			4900	243	0	
Federal Program 15.611 Total				8,471,597	0	
Dept of the Interior Total				16,073,989	0	
Fish and Wildlife Total				16,073,989	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	14,672,664	0	
	Federal Program 17.207 Total			14,672,664	0	
17.801	Disabled Veterans' Outreach Program (Dvop)		5400	1,877,814	0	
	Federal Program 17.801 Total			1,877,814	0	
17.804	Local Veterans' Employment Representative Program		5400	1,935,997	0	
	Federal Program 17.804 Total			1,935,997	0	
	Dept of Labor Total			18,486,475	0	
	Employment Service Total			18,486,475	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	18,486,832	18,414,191	
	Federal Program 17.258 Total			18,486,832	18,414,191	
17.259	WIA Youth Activities		5400	16,240,012	15,285,320	
	Federal Program 17.259 Total			16,240,012	15,285,320	
17.260A	ARRA - WIA Dislocated Workers		5400	1,121,615	1,096,856	
	Federal Program 17.260A Total			1,121,615	1,096,856	
17.278	WIA Dislocated Worker		5400	21,787,395	20,880,759	
	Federal Program 17.278 Total			21,787,395	20,880,759	
	Dept of Labor Total			57,635,854	55,677,126	
	WIA Total			57,635,854	55,677,126	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	36,385	0	
20.500			4050	8,419,045	1,353,380	
Federal Program 20.500 Total				8,455,430	1,353,380	
Dept of Transportation Total				8,455,430	1,353,380	
Federal Transit Total				8,455,430	1,353,380	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	4,628,128	3,273,204	
20.600			3700	101,221	0	
	Federal Program 20.600 Total			4,729,349	3,273,204	
20.601	Alcohol Impaired Driving Countermeasures Incentive		2280	3,092,550	3,092,550	
	Federal Program 20.601 Total			3,092,550	3,092,550	
20.602	Occupant Protection Incentive Grants		2280	621,882	621,883	
	Federal Program 20.602 Total			621,882	621,883	
20.609	Safety Belt Performance Grants		2280	53,563	53,563	
	Federal Program 20.609 Total			53,563	53,563	
20.610	State Traffic Safety Information System Improvemen		2280	554,210	554,210	
	Federal Program 20.610 Total			554,210	554,210	
20.612	Incentive Grant Program to Increase Motorcyclist S		2280	66,061	66,061	
	Federal Program 20.612 Total			66,061	66,061	
20.613	Child Safety and Child Booster Seats Incentive Gra		2280	220,074	220,074	
	Federal Program 20.613 Total			220,074	220,074	
	Dept of Transportation Total			9,337,689	7,881,545	
	Highway Safety Total			9,337,689	7,881,545	

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	223,751,627	220,439,799	
84.027		1211000004.000	3750	33,542	0	PT
84.027		1211000004/1211100005	3750	150,614	0	PT
84.027		CWU/Ellensburg SD#401	3750	2,475	0	PT
Federal Program 84.027 Total				223,938,258	220,439,799	
84.173	Special Ed - Preschool Grants		3500	8,070,338	7,862,898	
Federal Program 84.173 Total				8,070,338	7,862,898	
84.391	ARRA - Special Education Grants to States		3500	22,911,933	22,911,933	
Federal Program 84.391 Total				22,911,933	22,911,933	
84.392	ARRA - Special Education - Preschool Grants		3500	1,119,994	1,119,994	
Federal Program 84.392 Total				1,119,994	1,119,994	
Dept of Education Total				256,040,523	252,334,624	
Special Education (IDEA) Total				256,040,523	252,334,624	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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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	663,064	0	
84.042			3650	489,315	6,400	
84.042			3700	374,828	0	
84.042			3750	252,114	0	
84.042			3760	304,162	0	
84.042			6990	5,257,024	0	
Federal Program 84.042 Total				7,340,507	6,400	
84.044	Trio Talent Search		3600	284,413	0	
84.044			6990	1,058,956	0	
Federal Program 84.044 Total				1,343,369	0	
84.047	Trio Upward Bound		3600	441,458	0	
84.047			3650	892,449	6,000	
84.047			3760	440,171	0	
84.047			6990	2,288,942	0	
Federal Program 84.047 Total				4,063,020	6,000	
84.066	Trio Educational Opportunity Centers		3750	252,640	0	
84.066			6990	85,104	0	
Federal Program 84.066 Total				337,744	0	
84.217	Trio Mcnair Post-Baccalaureate Achievement		3600	249,130	0	
84.217			3650	196,755	0	
84.217			3700	264,507	0	
84.217			3750	219,066	0	
Federal Program 84.217 Total				929,458	0	
Dept of Education Total				14,014,098	12,400	
TRIO Total				14,014,098	12,400	

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	9,895,216	9,254,109	
	Federal Program 93.044 Total			9,895,216	9,254,109	
93.045	Special Programs for the Aging Title Iii, Part C N		3000	10,285,585	10,285,585	
	Federal Program 93.045 Total			10,285,585	10,285,585	
93.053	Nutrition Services Incentive Program		3000	2,032,552	2,032,552	
	Federal Program 93.053 Total			2,032,552	2,032,552	
	Dept of Health & Human Services Total			22,213,353	21,572,246	
	Aging Total			22,213,353	21,572,246	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	90,049,445	0	
93.575			3570	33,545,329	0	
93.575		WSU001043	3650	1,923	0	PT
93.575		WSU001044	3650	418	0	PT
93.575		WSU001045	3650	72	0	PT
93.575		WSU002129	3650	66,611	0	PT
93.575		WSU002144	3650	64,616	0	PT
93.575		WSU002145	3650	62,985	0	PT
93.575		12-83400-159	3760	15,000	0	PT
Federal Program 93.575 Total				123,806,399	0	
93.596	Child Care Mandatory and Matching Funds of the Chi		3000	(117,511)	0	
93.596			3570	77,065,884	0	
Federal Program 93.596 Total				76,948,373	0	
Dept of Health & Human Services Total				200,754,772	0	
CCDF Total				200,754,772	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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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
93.720	ARRA - Survey & Cert Ambulatory Surgical		3030	301,102	0	
Federal Program 93.720 Total				301,102	0	
93.775	State Medicaid Fraud Control Units		1000	1,871,429	0	
Federal Program 93.775 Total				1,871,429	0	
93.777	State Survey and Certification of Health Care Prov		3000	8,565,359	0	
93.777			3030	1,802,568	0	
Federal Program 93.777 Total				10,367,927	0	
93.778	Medical Assistance Program		1070	2,406,500,216	39,343,474	
93.778			3000	1,627,718,859	28,801,164	
93.778			3050	4,843,095	0	
93.778			3570	2,196,099	0	
Federal Program 93.778 Total				4,041,258,269	68,144,638	
93.778A	ARRA - Medical Assistance Program		1070	104,354,166	0	
93.778A			3000	(790,832)	0	
Federal Program 93.778A Total				103,563,334	0	
Dept of Health & Human Services Total				4,157,362,061	68,144,638	
Medicaid Total				4,157,362,061	68,144,638	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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Forest Service 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	Schools and Roads - Grants to States		0050	21,298,322	0	
10.665			3650	43,685	0	
10.665			4900	3,711	0	
Federal Program 10.665 Total				21,345,718	0	
Dept of Agriculture Total				21,345,718	0	
Forest Service Schools and Roads Total				21,345,718	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	47,448,254	0	
Federal Program 96.001 Total				47,448,254	0	
Social Security Administration Total				47,448,254	0	
Disability Insurance/SSI Total				47,448,254	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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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	27146 AM02	3600	79,718	0	PT
20.205			4050	773,499,262	230,011,715	
Federal Program 20.205 Total				773,578,980	230,011,715	
20.205A	ARRA - Highway Planning & Constructn		4050	39,787,618	2,294,954	
Federal Program 20.205A Total				39,787,618	2,294,954	
20.219	Recreational Trails Program		4670	2,089,794	1,755,511	
Federal Program 20.219 Total				2,089,794	1,755,511	
Dept of Transportation Total				815,456,392	234,062,180	
Highway Planning and Construction Total				815,456,392	234,062,180	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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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		3600	34,962	0	
11.307			6990	107,710	0	
Federal Program 11.307 Total				142,672	0	
Dept of Commerce Total				142,672	0	
Economic Development Total				142,672	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	2,089,759	1,910,677	
	Federal Program 20.513 Total			2,089,759	1,910,677	
20.516	Job Access Reverse Commute		4050	3,456,972	3,211,000	
	Federal Program 20.516 Total			3,456,972	3,211,000	
20.521	New Freedom Program		4050	1,559,544	1,458,621	
	Federal Program 20.521 Total			1,559,544	1,458,621	
	Dept of Transportation Total			7,106,275	6,580,298	
	Transit Services Programs Total			7,106,275	6,580,298	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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CDBG - State Administered CDBG

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	21,582,656	20,943,203	
14.228		HKPS FY 2012	1480	61,244	0	PT
Federal Program 14.228 Total				21,643,900	20,943,203	
Housing & Urban Development Total				21,643,900	20,943,203	
CDBG - State Administered CDBG Total				21,643,900	20,943,203	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
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Lead Hazard Control

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
14.907A	ARRA - Lead-Based Paint Haz Control		1030	653,731	601,046	
Federal Program 14.907A Total				653,731	601,046	
Housing & Urban Development Total				653,731	601,046	
Lead Hazard Control Total				653,731	601,046	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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 I Grants to Local Ed Agys		3500	209,823,193	204,249,705	
Federal Program 84.010 Total				209,823,193	204,249,705	
84,389	ARRA - Title I Grants to Local Educl Age		3500	22,077,733	21,889,575	
Federal Program 84.389 Total				22,077,733	21,889,575	
Dept of Education Total				231,900,926	226,139,280	
Title I, Part A Total				231,900,926	226,139,280	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	46,337,831	0	
84.126			3150	7,853,963	0	
Federal Program 84.126 Total				54,191,794	0	
84.390	ARRA - Vocl Rehab Grants to States		3000	4,374,552	0	
Federal Program 84.390 Total				4,374,552	0	
Dept of Education Total				58,566,346	0	
Vocational Rehabilitation Total				58,566,346	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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		3570	8,651,162	0	
Federal Program 84.181 Total				8,651,162	0	
84.393	ARRA - Grants for Infants and Families		3570	3,862,712	0	
84.393		D41053D	3600	7,678	0	PT
84.393		PRIME10132601700140007	3600	196,284	0	PT
84.393		KC241000-Amend#1	3700	42,480	0	PT
Federal Program 84.393 Total				4,109,154	0	
Dept of Education Total				12,760,316	0	
Early Intervention Services (IDEA) Total				12,760,316	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	2,748,789	2,748,789	
Federal Program 84.394 Total				2,748,789	2,748,789	
Dept of Education Total				2,748,789	2,748,789	
State Fiscal Stabilization Fund Total				2,748,789	2,748,789	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	87,850,252	0	NC
93.268			3030	6,460,306	2,698,643	
Federal Program 93.268 Total				94,310,558	2,698,643	
93.712	ARRA - Immunization		3030	595,230	165,253	
Federal Program 93.712 Total				595,230	165,253	
Dept of Health & Human Services Total				94,905,788	2,863,896	
Immunization Total				94,905,788	2,863,896	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	302,837,661	0	
93.558		3C085100	3700	4,860	0	PT
93.558		7461	5400	137,707	0	PT
Federal Program 93.558 Total				302,980,228	0	
Dept of Health & Human Services Total				302,980,228	0	
TANF Total				302,980,228	0	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	8,658,520	7,897,415	
Federal Program 93.569 Total				8,658,520	7,897,415	
93,710	ARRA - Commtty Services Block Grant		1030	(85)	(85)	
Federal Program 93.710 Total				(85)	(85)	
Dept of Health & Human Services Total				8,658,435	7,897,330	
CSBG Total				8,658,435	7,897,330	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	158,800	0	
93.600			3600	9,462,400	3,632,950	
93.600		WSU001276	3650	2,295	0	PT
93.600		WSU002132	3650	12,372	0	PT
93.600			3700	1,891,372	0	
93.600			6990	21,310,911	0	
93.600		06934	6990	15,194	0	PT
93.600		100-3446	6990	16,272	0	PT
93.600		1011 HEADSTART	6990	35,205	0	PT
93.600		1112 HEADSTART	6990	70,534	0	PT
93.600		145-161-1N46	6990	138,866	0	PT
93.600		145-161-1N47	6990	61,383	0	PT
93.600		145-161-1N48	6990	23,882	0	PT
93.600		570-265-1550	6990	179,711	0	PT
93.600		LOA#6901	6990	217,026	0	PT
Federal Program 93.600 Total				33,596,223	3,632,950	
93.708	ARRA - Head Start		3570	441,237	0	
Federal Program 93.708 Total				441,237	0	
93.709	ARRA - Early Head Start	WSU001275	3650	798	0	PT
93.709		LOA#6902	6990	88,191	0	PT
Federal Program 93.709 Total				88,989	0	
Dept of Health & Human Services Total				34,126,449	3,632,950	
Head Start Total				34,126,449	3,632,950	

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

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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	731,616	681,881	
	Federal Program 84.318 Total			731,616	681,881	
84,386	ARRA - Education Technology State Grants		3500	1,115,800	990,014	
	Federal Program 84.386 Total			1,115,800	990,014	
	Dept of Education Total			1,847,416	1,671,895	
	Educational Technology State Grants Total			1,847,416	1,671,895	

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, 2012
(Expressed in whole dollars)*

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	329,299	328,472	
84.169			3150	74,139	0	
Federal Program 84.169 Total				403,438	328,472	
Dept of Education Total				403,438	328,472	
Independent Living State Grants Total				403,438	328,472	

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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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	Independent Living Older Blind		3150	605,434	0	
	Federal Program 84.177 Total			605,434	0	
84.399	ARRA - Older Individuals Who Are Blind		3150	217,454	0	
	Federal Program 84.399 Total			217,454	0	
	Dept of Education Total			822,888	0	
	Indepent Living Svcs for Older Indiv Who Are Blind Total			822,888	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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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	1,098,005	685,380	
Federal Program 84.196 Total				1,098,005	685,380	
84.387	ARRA - Educ for Homeless Children and Youth		3500	182,332	182,332	
Federal Program 84.387 Total				182,332	182,332	
Dept of Education Total				1,280,337	867,712	
Education of Homeless Children & Youth Total				1,280,337	867,712	

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 Partnership 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
84.405	ARRA - Teacher Quality Partnerships	U405A100020	3600	166,552	0	PT
Federal Program 84.405 Total				166,552	0	
Dept of Education Total				166,552	0	
Teacher Quality Partnership Grants Total				166,552	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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Statewide Data Systems

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
84,372	Statewide Data Systems		3500	1,246,552	0	
Federal Program 84.372 Total				1,246,552	0	
84,384	ARRA - Statewide Data Systems, Recovery Act		3500	3,025,689	0	
Federal Program 84.384 Total				3,025,689	0	
Dept of Education Total				4,272,241	0	
Statewide Data Systems Total				4,272,241	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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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	6,361,457	6,019,880	
Federal Program 84.377 Total				6,361,457	6,019,880	
84.388	ARRA - School Improve Grants, Recovery Act		3500	16,113,547	15,290,374	
Federal Program 84.388 Total				16,113,547	15,290,374	
Dept of Education Total				22,475,004	21,310,254	
School Improvement Grants Total				22,475,004	21,310,254	

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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JAG Program

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
16,738	Edwrd Byrne Mem Justice Asst Grant Pgm		1030	4,492,565	2,962,804	
Federal Program 16.738 Total				4,492,565	2,962,804	
16,803A	ARRA - Edwd Byrne Memorial Jag Prog States		1030	29,885	27,319	
Federal Program 16.803A Total				29,885	27,319	
Dept of Justice Total				4,522,450	2,990,123	
JAG Program Total				4,522,450	2,990,123	

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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Health Centers

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
93.224	Consolidated Health Centers	CHS2458	3600	29,141	0	PT
93.224		D40926D	3600	28,999	0	PT
Federal Program 93.224 Total				58,140	0	
Dept of Health & Human Services Total				58,140	0	
Health Centers Total				58,140	0	

Total Federal Assistance

15,764,520,777

1,958,893,744

Footnotes:

NC - Expenditure amount noncash in nature

PT - Expenditure, Pass-through in nature (federal funds received through another nonfederal entity).

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

State of Washington
Notes to the Schedule of Expenditures of Federal Awards

*For the Fiscal Year Ended
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State of Washington
Schedule of Expenditures of Federal Awards
Notes A – E

*For the Fiscal Year Ended
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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.

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

***For the Fiscal Year Ended
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- 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 2012). No expenditures of federal awards were recorded in the following mandated clusters in the report year:

Section 8 Project-Based
Foster Grandparent/Senior Companion
Foreign Food Aid Donation
CDBG – Entitlement Grants
Indian CDBG Program
Indian Housing Block Grants
CFP
Native Hawaiian Housing
Impact Aid
Housing Voucher
Emergency Food and Shelter Program
Centers for Independent Living
Teacher Incentive Fund
CDFI
Water and Waste Program
Community Facilities Loans and Grants

Note B2: Reporting Entity - The State reporting entity is fully described in Note 1A to the State's financial statements. The Schedule includes all federal assistance programs administered by the State during fiscal year ending June 30, 2012.

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

- Indirect Costs - The Schedule includes a portion of costs associated with general activities which is allocated to federal assistance programs under negotiated formulas commonly referred to as indirect cost rates and federally approved cost allocation plans. 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 \$1,535,686 was recovered for state central service costs during fiscal year ending June 30, 2012.

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

*For the Fiscal Year Ended
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- Matching Costs - The Schedule does not include matching expenditures with the exception specified in Note C to the Schedule.
- Non-monetary Assistance - Non-monetary assistance programs included on the Schedule are identified with a 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 **Commodity Supplemental Food** 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.
 4. The **Immunization Vaccine** programs are presented at the federally assigned value of product disbursed by the State.
- Pass-Through Federal Assistance (State as Subrecipient included on the Schedule) - The majority of the State's federal assistance is received directly from federal awarding agencies (i.e., the State is the primary recipient). However, 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. Additional detail related to this type of pass through assistance is provided in Note F to the Schedule.
- Pass-Through Federal Assistance (State as Subrecipient not included on the Schedule) – The State is a direct recipient of U.S. Department of Labor Workforce Investment Act (WIA) funds. These funds are reported on the Schedule. A large portion of these funds are passed through to non-state entities that, in certain instances, subaward the same funds back to the State. The dollar amount of these subawards, while included in the scope of the Single Audit, are not reported by the State on the Schedule since they are already part of the amount reported as direct assistance. Additional detail related to this type of pass through assistance is provided in Note G to the Schedule.
- Endowment, Loan and Loan Guarantee Programs - Additional information on federal endowment, federal loan, and federal loan guarantee programs is included in Note H to the Schedule. Amounts in Note H included in the Schedule of Expenditures of Federal Awards are indicated with an (s).

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

For the Fiscal Year Ended
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- 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: 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, 2011:

10.557 - Special Supplemental Nutrition Program for WIC..... \$27,935,911
(Infant formula rebates provided by private companies)

93.917 - HIV Care..... \$1,074,738
(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..... \$4,000,456
- GARVEE - On May 22, 2012, the State of Washington issued \$600,000,000 Grant Anticipation Revenue Vehicles (GARVEE) bonds. The proceeds were deposited on June 6, 2012 in the State Route 520 Corridor Account which is reported on the State's financial statements in the Multimodal Transportation Fund, a nonmajor governmental fund. Debt service will be paid from federal-aid highway program funds semi-annually with the first debt service payment occurring September 1, 2012. Federal participation rate is 100 percent with the use of toll credits. Final maturity for the bonds is in 2024, a 12 year term.
- 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.

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

*For the Fiscal Year Ended
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Note C: **Unemployment Insurance (U.I.) Program, Employer (State) Financial Participation**

As required by U.S. Department of Labor letter dated December 24, 1997, the expenditures reported on the Schedule for Unemployment Insurance, CFDA Program No. 17.225, for fiscal year ending June 30, 2012 include:

State of Washington/Employer Funded..... \$1,397,995,795

Federal Funds

ARRA..... 123,378

Non-ARRA..... 1,574,689,083

Total \$2,972,808,256

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

As described previously in Note B3, non-monetary assistance is reported in the Schedule. As of June 30, 2012, the state held the following inventories of non-monetary assistance:

Food Commodities (10.565)..... \$7,110,262

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 federal assistance received from a nonfederal entity external to the State).

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.

State of Washington
Schedule of Expenditures of Federal Awards
Note F:

For the Year Ended
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Supplemental Information for Pass-Through Federal Assistance (State as Subrecipient included on the Schedule)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
03.000	3600	MICHIGAN STATE UNIV	61-5202A, AM 1	3,624
05.025	3600	WESTERN ARTS FEDERATION	TW20110044	2,500
05.025	3600	WESTERN ARTS FEDERATION	TW20110099	2,500
07.000	0800	Northwest HIDTA	9009000063	45,000
07.000	2250	Spokane Co/City of Spokane	C110802FED-TFG9	1,500
10.000	3600	CORRIM	NO. 310 AM04	84,407
10.000	3600	FORTERRA	UW BUD# 638421	36,874
10.000	3650	CALIFORNIA GRAPE & TREE FRUIT	201125	4,302
10.000	3650	COTTON INCORPORATED	WSU002142	148,885
10.000	3650	MI ST UNIV	RC100858B	48,961
10.000	3650	MS ST UNIV	01800034045203	25,211
10.000	3650	NW INDIAN COLLEGE FED FLOW	WSU001099	14,706
10.000	3650	OR ST UNIV FED	GUAR34553636	-3,700
10.000	3650	PA ST UNIV FED FLOW	3310WSUNASULGC0114	14,990
10.000	3650	UNIV OF CA DAVIS	201120630WAS16	15,104
10.000	3650	UNIV OF ID FED	BAK465SB001	4,701
10.001	3650	MI ST UNIV FED FLOW	RC064684J	3,073
10.001	3650	UNIV OF CA DAVIS	201118169-02	55,835
10.001	3650	UNIV OF ID FED	BJKH65SB001	4,399
10.025	3650	CA DEPT OF FOOD & AG	110489SF	68,910
10.168	3650	GORGE GROWN FOOD NETWORK	WSU002131	3,000
10.168	3650	WA ST FARMERS MARKET ASSN	WSFMAWSUFMPP	27,857
10.170	3700	WSHA-Tree Fruit	N/A	188
10.200	3600	MARINE BIOLOGICAL LABORATORY	38631, AMEND #1	-954
10.200	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF110073POFP12759	19,840
10.200	3650	CO ST UNIV FED FLOW	AFE742346	1,618
10.200	3650	CO ST UNIV FED FLOW	GUAR30463398	339
10.200	3650	OR ST UNIV FED	C0400AA	-3,808

State of Washington
Schedule of Expenditures of Federal Awards
Note F:

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Supplemental Information for Pass-Through Federal Assistance (State as Subrecipient included on the Schedule)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.200	3650	OR ST UNIV FED	C0417AE	41,507
10.200	3650	OR ST UNIV FED	C0427AA	103,774
10.200	3650	OR ST UNIV FED	SL063AA	1,988
10.200	3650	UNIV OF AK FAIRBANKS FED FLOW	UAF110074	22,643
10.200	3650	UNIV OF CA DAVIS	07010ETX	2
10.200	3650	UNIV OF CA DAVIS	09002101WSU4	6,129
10.200	3650	UNIV OF CA DAVIS	200912415FUWSU1	42,515
10.200	3650	UNIV OF CA DAVIS	200912415FUWSU5	48,750
10.200	3650	UNIV OF CA DAVIS	200912415OHWSU4	26,153
10.200	3650	UNIV OF CA DAVIS	201117720WSU1	803
10.200	3650	UNIV OF CA DAVIS	201117720WSU2	4,000
10.200	3650	UNIV OF CA DAVIS	201117720WSU3	4,005
10.200	3650	UNIV OF CA DAVIS	SA7580	-231
10.200	3650	UNIV OF CA DAVIS	SA7653	11,102
10.200	3650	UNIV OF ID FED	BAK306SB002	293
10.200	3650	UNIV OF ID FED	BAK464	303
10.200	3650	UNIV OF ID FED	BAK465SB001	2,199
10.200	3650	UNIV OF ID FED	BAK466SB001	35,436
10.200	3650	UNIV OF ID FED	BJK910SB001	9,554
10.200	3650	UNIV OF ID FED	GPK205SB0012	24,527
10.200	3650	UNIV OF ID FED	GPK584SB001	76,198
10.200	3750	U of Wisconsin System	USDA 2010-34558-21128	36,704
10.206	3600	NORTHERN ARIZONA UNIVERSITY	FOR34FT-01 AM03	11,418
10.206	3650	OH ST UNIV RSCH FNDN FED FLOW	60015822	25,281
10.206	3650	PA ST UNIV FED FLOW	4362WSUUSDA8710	52,857
10.206	3650	UNIV OF GA FED FLOW	RC2935023843688	25,394
10.206	3650	UNIV OF KS FED FLOW	S10200	13,609
10.206	3650	VA TECH UNIV	42204819276	29,634

State of Washington
Schedule of Expenditures of Federal Awards
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Supplemental Information for Pass-Through Federal Assistance (State as Subrecipient included on the Schedule)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.215	3650	UT ST UNIV - FED FLOW	080861009	51,356
10.215	3650	UT ST UNIV - FED FLOW	080861059	6,988
10.215	3650	UT ST UNIV - FED FLOW	090758003	40,245
10.215	3650	UT ST UNIV - FED FLOW	090758039	5,241
10.215	3650	UT ST UNIV - FED FLOW	090758043	22,035
10.215	3650	UT ST UNIV - FED FLOW	100893004	56,658
10.215	3650	UT ST UNIV - FED FLOW	110892004	36,246
10.217	3650	MT ST UNIV-FED FLOW	G23309W2325	-7,703
10.219	3750	U of Georgia	AG 201033522219668 UOG	31,667
10.225	3600	SOLID GROUND WASHINGTON	UW BUD# 639704	2,843
10.227	3650	NW INDIAN COLLEGE FED FLOW	41661466	-46
10.227	3650	NW INDIAN COLLEGE FED FLOW	WSU002241	4,250
10.227	3800	NW Indian College	NONE	4,299
10.255	3650	UNIV OF WI MADISON	233K380	4,975
10.303	3650	MI ST UNIV	RC100946WSU	5,626
10.303	3650	OR ST UNIV FED	C0368AA	23,434
10.303	3650	UNIV OF CA DAVIS	07001492WA2	37,749
10.303	3650	UNIV OF ID FED	BJKH03SB001	45,762
10.303	3650	UNIV OF ID FED	BJKH03SB002	2,458
10.303	3650	UNIV OF ID FED	BJKH15SB001	62,723
10.303	3650	UNIV OF ID FED	BJKH15SB002	94,711
10.303	3650	UNIV OF ID FED	BLK594SB001	45,745
10.304	3650	UNIV OF CA FED	8700255817	64,262
10.305	3650	NC ST UNIV - FED FLOW	2008120601	586
10.307	3650	OR ST UNIV FED	C0440AA	17,446
10.309	3650	CARNEGIE MELLON UNIV FED FLOW	1080198219090	154,579
10.309	3650	MI ST UNIV	614296A	450,373
10.309	3650	MI ST UNIV	RC100858B	117,415

State of Washington
Schedule of Expenditures of Federal Awards
Note F:

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Supplemental Information for Pass-Through Federal Assistance (State as Subrecipient included on the Schedule)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.309	3650	MI ST UNIV	RC100888WSU	8,333
10.309	3650	NC ST UNIV - FED FLOW	2010136502	98,080
10.309	3650	OR ST UNIV FED	C0423BA	188,320
10.309	3650	PA ST UNIV FED FLOW	3826WSUUSDA9561	28,255
10.309	3650	RUTGERS ST UNIV OF NJ FED FLOW	3651	32,354
10.309	3650	UNIV OF CA DAVIS	20101294201	57,965
10.309	3650	UNIV OF CA DAVIS	20101304802	180,920
10.309	3650	UNIV OF CA-BERKELEY FED FLOW	00006986	160,328
10.309	3650	UNIV OF WI MADISON	350K873	49,673
10.309	3650	VASSAR COLLEGE	NSF0761	19,697
10.310	3600	OREGON STATE UNIVERSITY	C0435ABPRIME2011670033	77,528
10.310	3650	BAYLOR COLLEGE OF MED FED	101474002	138,930
10.310	3650	BROAD INSTITUTE	50300805500000108	84,879
10.310	3650	KS ST UNIV	S11011	-705
10.310	3650	MI ST UNIV	614202A	4,992
10.310	3650	OR ST UNIV FED	C0414CB	14,508
10.310	3650	TX A&M RSCH FNDN FED FLOW	S110072	642,703
10.310	3650	UNIV OF ALABAMA	SUB2011128	3,651
10.310	3650	UNIV OF CA DAVIS	20101571807	190,920
10.310	3650	UNIV OF CA DAVIS	20101573903	7,808
10.310	3650	UNIV OF GA FED FLOW	RC2933654693938	52,517
10.310	3650	UNIV OF ID FED	BDK275SB001	16,696
10.310	3650	UNIV OF ID FED	BJKH55SB001	30,749
10.310	3650	UNIV OF ID FED	BJKL03SB002	1,342,359
10.310	3650	UNIV OF MN FED FLOW	H000972009	190
10.310	3650	UNIV OF NE FED	2563210212002	126,717
10.310	3650	UNIV OF OR FED	238391A	1,346
10.310	3650	UNIV OF WI MADISON	223K974	28,511

State of Washington
Schedule of Expenditures of Federal Awards
Note F:

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
10.310	3650	UNIVERSITY OF MISSOURI	C000315874	4,654
10.312	3650	VELOCYS INC	303742	1,782
10.315	3650	UNIV OF MN FED FLOW	H001344204	255,346
10.315	3650	UNIV OF MN FED FLOW	H001344218	4
10.320	3650	OR ST UNIV FED	C0432GB	65,502
10.500	3650	CORNELL UNIV FED FLOW	548748872	-1,658
10.500	3650	KS ST UNIV	S11178	25,107
10.500	3650	KS ST UNIV	S12003	13,413
10.500	3650	KS ST UNIV	S12063	18,615
10.500	3650	KS ST UNIV	S12099	5,799
10.500	3650	KS ST UNIV	S12213	25,947
10.500	3650	NM ST UNIV FED FLOW	Q01465	4,499
10.500	3650	NM ST UNIV FED FLOW	Q01467	5,125
10.500	3650	PURDUE UNIV	8000041656	235,767
10.500	3650	TX A&M UNIV FED	TCEIRAQ1	39,577
10.500	3650	UNIV OF CA DAVIS	201120392WSU	241,409
10.500	3650	UNIV OF MASSACHUSETTS	11006323B00	10,255
10.500	3650	UNIV OF MASSACHUSETTS	12006968B00	9,924
10.500	3650	UNIV OF WY FED FLOW	UTSTUNV46467WA2	2,179
10.500	3650	UT ST UNIV - FED FLOW	080827002	2,099
10.572	3750	Community Health of Central WA	Sub-contract	964
10.574	3750	U of S. Mississippi	SFM-GR03287-A10	2,097
10.574	3750	USM	USM-GR03970-001	27,788
10.693	3600	UNIVERSITY OF CALIFORNIA, MERCED	E200GNA74600 AM01	7,081
10.912	3650	NAT'L FISH & WILDLIFE FNDN	20080116039	73,988
10.912	3650	THE NATURE CONSERVANCY	WAFO261060910	17,778
10.912	3650	THE NATURE CONSERVANCY	WAS110428135	6,495
11.000	3600	INTERNATIONAL WHALING COMMISSION	UW BUD# 663214	11,334

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11.000	3600	NORTH PACIFIC RESEARCH BOARD	F3813-00	105,652
11.000	3600	NORTH PACIFIC RESEARCH BOARD	UW BUD# 801215	6
11.000	3600	PACIFIC SHELLFISH INST	AM01	29,321
11.000	3600	PACIFIC SHELLFISH INST	NMFSFHQ20092001464AM01	43,572
11.000	3600	PACIFIC ST MARINE FISHERIES COMM	11-03 AM01	46,010
11.000	3600	PARAMETRIX	553-3975-0XX AM02	3,692
11.000	3600	UNIV OF ALASKA FAIRBANKS	UAF-10-0028 MOD.3	60,310
11.000	4770	N. Pacific Fishery Mgmt Council	2010-3	188
11.000	4770	N. Pacific Fishery Mgmt Council	2011-3	44,851
11.000	4770	Pacific States Marine Fisheries Commission	11-108	17,416
11.000	4770	Pacific States Marine Fisheries Commission	11-31	183,826
11.000	4770	Pacific States Marine Fisheries Commission	11-50	40,583
11.000	4770	Pacific States Marine Fisheries Commission	11-57	132,419
11.000	4770	Pacific States Marine Fisheries Commission	11-59	26,824
11.000	4770	Pacific States Marine Fisheries Commission	11-79	70,020
11.000	4770	Pacific States Marine Fisheries Commission	11-80	35,541
11.000	4770	Pacific States Marine Fisheries Commission	11-85	6,455
11.000	4770	Pacific States Marine Fisheries Commission	11-86	7,008
11.000	4770	Pacific States Marine Fisheries Commission	11-87	21,055
11.000	4770	Pacific States Marine Fisheries Commission	11-94	520,093
11.000	4770	Pacific States Marine Fisheries Commission	12-20	49,803
11.000	4770	Pacific States Marine Fisheries Commission	12-42	237,565
11.000	4770	Pacific States Marine Fisheries Commission	12-57	83,783
11.417	3600	CALIFORNIA SEA GRANT COLLEGE PROGRAM	R/CONT-217PD	10,625
11.417	3600	OREGON STATE UNIVERSITY	NA2233-B, AM01	52,429
11.417	3600	UNIV OF CA SAN DIEGO	R/FISH-208 MOD	24,466
11.417	3600	UNIV OF CA SAN DIEGO	R/FISH-208MOD	1,650
11.417	3600	UNIV OF CA SAN DIEGO	RFISH208MODSUB10305312	61,227

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11.427	3600	PACIFIC SHELLFISH INST	UW BUD# 660350	21,811
11.430	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF 08-0119 MOD 4	8,124
11.431	3600	OREGON STATE UNIVERSITY	NA221A-F	1,840
11.431	3600	OREGON STATE UNIVERSITY	NA226B-D AM01	37,779
11.431	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	S08-67883 MOD02	3,602
11.431	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	S08-67883 MOD03	114,806
11.432	3600	UNIV OF CA SAN DIEGO	10312770	1,152
11.432	3600	UNIV OF MICHIGAN	PO#3001446790 AM02	100,684
11.432	3600	UNIVERSITY OF HAWAII	Z972055 AM01	21,730
11.436	4770	Pacific States Marine Fisheries Commission	11-16	255,065
11.437	4770	Pacific States Marine Fisheries Commission	10-89	64,825
11.437	4770	Pacific States Marine Fisheries Commission	11-111	520,804
11.437	4770	Pacific States Marine Fisheries Commission	11-112	6,306
11.437	4770	Pacific States Marine Fisheries Commission	11-46	3,544
11.437	4770	Pacific States Marine Fisheries Commission	12-103	271,290
11.437	4770	Pacific States Marine Fisheries Commission	12-27	186,490
11.437	4770	Pacific States Marine Fisheries Commission	12-29	150,867
11.437	4770	Pacific States Marine Fisheries Commission	12-35	40,667
11.437	4770	Pacific States Marine Fisheries Commission	12-59	37,788
11.437	4770	Pacific States Marine Fisheries Commission	12-75	45,627
11.437	4770	Pacific States Marine Fisheries Commission	12-82	25,535
11.438	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP 10-029	23,210
11.438	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP 11012	179,208
11.438	3600	ALASKA DEPARTMENT OF FISH AND GAME	COOP-11-031	15,789
11.438	3600	ALASKA DEPT OF FISH AND GAME	COOP-10-008, AMEND #1	25,456
11.439	4770	Pacific States Marine Fisheries Commission	11-18	39,309
11.439	4770	Pacific States Marine Fisheries Commission	12-62	95,326
11.440	3600	THE OPEN SOURCCE PROJECT-NDAP	UW BUD# 663275	33,682

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11.441	4770	Pacific Fishery Mgmt Council	06-11	120,486
11.441	4770	Pacific Fishery Mgmt Council	06-12	85,424
11.460	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100609 AM04	97,296
11.467	3600	UCAR	Z10-81101 MOD02	15,657
11.467	3600	UCAR	Z10-81101, MOD02	15,788
11.469	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA #11-28	15,037
11.469	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA#10-25	141
11.472	3600	NORTH PACIFIC RESEARCH BOARD	#1006	77,624
11.472	3600	NORTH PACIFIC RESEARCH BOARD	1009, F4009	125,679
11.472	3600	NORTH PACIFIC RESEARCH BOARD	1016	134,816
11.472	3600	NORTH PACIFIC RESEARCH BOARD	1103	11,040
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 53	7,539
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 59 AM02	82,191
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 70 AM03	139,057
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B 73 AMEND #2	102,987
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B52	8,770
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B61 AM01	82,167
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B62 AM02	25,531
11.472	3600	NORTH PACIFIC RESEARCH BOARD	B69 AM01	7,011
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2628-01	1,825
11.472	3600	NORTH PACIFIC RESEARCH BOARD	F2871-01	-29
11.472	3600	NORTH PACIFIC RESEARCH BOARD	G82	99,272
11.472	3600	NORTH PACIFIC RESEARCH BOARD	G83	193,745
11.472	3600	NORTH PACIFIC RESEARCH BOARD	G84	9,712
11.472	3600	NORTH PACIFIC RESEARCH BOARD	G84/F5184-01	7,203
11.472	3800	N Pac Resr Board	NA09NMF4720159	94,736
11.472	4770	Oregon Dept of Fish & Wildlife	020-10258-ISA-FISH	212,775
11.472	4770	Oregon Dept of Fish & Wildlife	020-10259-ISA-FISH	284,941

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11.557	3600	EDLAB GROUP	53-42-B10585	49,965
11.557	6990	WDC - Seattle-King County	10/648-HHS	1,012
11.609A	3650	UNIV OF CA SAN DIEGO	10305702	147,009
11.999	4770	Columbia Basin Fish & Wildlife Foundation	None	21,713
12.000	3600	ADVANCED TECHNOLOGY INSTITUTE (ATI)	N000014-09-D-0584	14,200
12.000	3600	AECOM TECHNICAL SERVICES, INC	12S-14765-LB10, MOD.01	12,581
12.000	3600	AEROVEL CORPORATION	A66831	69,512
12.000	3600	AEROVEL CORPORATION	A69823	54,273
12.000	3600	APPLIED PHYSICAL SCIENCES CORP	APS-11-12 MOD06	207,970
12.000	3600	BAE SYSTEMS	744450-6	65,888
12.000	3600	BAE SYSTEMS	782590	87,283
12.000	3600	BBN TECHNOLOGIES CORP.	9500009783 MOD11	416,721
12.000	3600	BLUEVIEW TECHNOLOGIES, INC.	UW BUD# 662494	28,664
12.000	3600	BOEING SSG	KQ6678, MOD #2	-41,740
12.000	3600	CARNEGIE MELLON UNIV	1011078-259568 AM05	87,787
12.000	3600	CENTER FOR PLANT CONSERVATION	UW BUD# 660715	2,981
12.000	3600	COMPUTATIONAL SCIENCES LLC	UW BUD# 635677	2,814
12.000	3600	CRAIG HOSP	GRANT PT100068	12,889
12.000	3600	CYCORP, INC.	06-C-0025-01	-7,016
12.000	3600	DIAPEDIA, LLC	UW BUD# 664319	8,816
12.000	3600	DUKE UNIVERSITY	UW BUD# 637561	7,843
12.000	3600	ERC, INC.	RS100297 MOD03	-211
12.000	3600	ERC, INC.	RS111029	8,514
12.000	3600	ERC, INC.	RS120383MOD1	5,555
12.000	3600	EXPONENT	S95-0079 AM02	74,635
12.000	3600	GCAS INCORPORATED	UW BUD# 630630	-15,931
12.000	3600	GENERAL DYNAMICS-ROBOTICS SYSTEMS	S-40001T	-9,566
12.000	3600	GUIDENET INC.	UW BUD# 660244	-29,117

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12.000	3600	HDR ENVIRONMENTAL, OPS, AND CONSTRUCTION	0000105660	47,578
12.000	3600	HONEYWELL INTERNATIONAL	LS-C09110011 REV02	78,848
12.000	3600	HSTAR TECHNOLOGIES CORP.	UW BUD# 638300	92,873
12.000	3600	IMPACT COMPUTING CORPORATION	PRIME W911QX-11-C-0005	14,938
12.000	3600	IMPACT COMPUTING CORPORATION	UW BUD# 664477	46,365
12.000	3600	INST FOR SYS BIOLOGY	2008.0006-PO22732 AM05	140,550
12.000	3600	INTERNATIONAL COMPUTER SCIENCE INSTITUTE (ICSI)	PROJECT #802UW	47,047
12.000	3600	IPITEK	AMENDMENT NO.10	17,515
12.000	3600	ISOTRON CORPORATION	UW BUD# 630063	-18,678
12.000	3600	ISOTRON CORPORATION	UW BUD# 667879	-17,880
12.000	3600	JOHNS HOPKINS UNIVERSITY	106314 M0D01	67,765
12.000	3600	JOHNS HOPKINS UNIVERSITY	PO#2000859125 MOD02	112,167
12.000	3600	LATTICE GOVERNMENT SERVICES, INC.	PO-20110120	24,824
12.000	3600	MANDEX, INC.	PO# 28300	31,461
12.000	3600	MANDEX, INC.	PO# 28458	4,274
12.000	3600	MATERIALS RESOURCES INTERNATIONAL	PO MRI-2005-12-001	-88,878
12.000	3600	MIT LINCOLN LABORATORY	70000878667000029701CH	49,887
12.000	3600	MOBILISA, INC.	UW BUD# 634021	65,108
12.000	3600	MOBILISA, INC.	UW BUD# 634257	4,088
12.000	3600	NATIONAL MARINE MAMMAL FOUNDATION	N-00014-11-1-0436-001	58,129
12.000	3600	OPTIMETRICS, INC.	36435	90,000
12.000	3600	OPTIMETRICS, INC.	PO36434FA865004D1712AM	44,640
12.000	3600	OREGON STATE UNIVERSITY	RM102A-B	1,406
12.000	3600	PRINCETON SATELLITE SYS INC	UW BUD# 662524	-32,955
12.000	3600	SARCOMA ALLIANCE FOR RESEARCH THROUGH COLLABORATION (SARC)	UW BUD# 638538	1,413
12.000	3600	SIBCR	KG112GEORGESJISIBCR	13,991
12.000	3600	SRI INTERNATIONAL	#27-001389	261,208
12.000	3600	SRI INTERNATIONAL	69-000535	273,035

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12.000	3600	SRI INTERNATIONAL	69-000535 MOD2	216,462
12.000	3600	SRI INTERNATIONAL, INC.	27-001340 MOD08	57,252
12.000	3600	SRI INTERNATIONAL, INC.	27-001341 MOD06	284,176
12.000	3600	STANFORD UNIVERSITY	29030420-50473-B	47,464
12.000	3600	SYSTIMA TECHNOLOGIES, INC.	A73523	9,690
12.000	3600	SYSTIMA TECHNOLOGIES, INC.	UW BUD# 664226	12,538
12.000	3600	TELEDYNE BROWN ENGINEERING INC	955492 MOD06	85,796
12.000	3600	THE BOEING COMPANY	321715 CHANGE#10	12,049
12.000	3600	THE BOEING COMPANY	PO 416996 CHANGE03	107,358
12.000	3600	TIERRA DATA INC.	UW BUD# 662979	25,303
12.000	3600	TRISERVICE NURSING RESEARCH	HU0001061TS10MOD6N06P1	198,367
12.000	3600	UNIV OF CALIFORNIA, SAN DIEGO	PO #10291495-004	361,937
12.000	3600	UNIV OF CALIFORNIA, SAN DIEGO	PO# 10313249	727,489
12.000	3600	UNIVERSAL TECHNOLOGY CORP	09S590001114C1MOD02	10,306
12.000	3600	UNIVERSITY OF MICHIGAN	3001719205	9,614
12.000	3600	UNIVERSITY OF MICHIGAN	3002148124	50,704
12.000	3600	UNIVERSITY OF VICTORIA	02454	29,195
12.000	3600	WEIZMANN INSTITUTE OF SCIENCE	HDTRA1-11-C-0026 AM02	351,575
12.000	3600	WET LABS, INC	F2011-001	45,792
12.000	3650	ACADEMY OF APPLIED SCI-FED	1232	30
12.000	3650	ADVANCED TECHNOLOGY INSTITUTE	2010315	-111
12.000	3650	BAE SYSTEMS	739623	54,825
12.000	3650	BATTELLE COLUMBUS FED FLOW	0000255710	36,151
12.000	3650	BINGHAMTON UNIV	54680	86,684
12.000	3650	GENERAL DYNAMICS INFO TECH	F54301007SC0600	1,790
12.000	3650	HARVARD UNIV	131685040927	91,437
12.000	3650	HARVARD UNIV	1316985040927	70,259
12.000	3650	INFINIA CORP	113700	-686

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12.000	3650	PRINTPACK INC	113970	-2,967
12.000	3650	PULSAR INFORMATICS INC	WSU002	27,530
12.000	3650	PULSAR INFORMATICS INC	WSU003	17,409
12.000	3650	PULSAR INFORMATICS INC	WSU005	1,621
12.000	3650	SCIENCE APPLICATIONS INTL CORP	P010058810	277,139
12.000	3650	SRI INT'L FED FLOW	61000802	-2,180
12.000	3650	THE NATURE CONSERVANCY	WAF0161052907	112
12.000	4770	Center for Natural Lands Management	WA-S-2012-0002-0	28,900
12.000	4770	Pacific States Marine Fisheries Commission	12-85	3,331
12.000	4770	Pacific States Marine Fisheries Commission	12-86	4,769
12.000	4770	Pacific States Marine Fisheries Commission	12-87	17,152
12.000A	3600	CDM FEDERAL PROGRAMS CORPORATION	6407-001-001-CS-S	34,851
12.300	3600	AEROVEL CORPORATION	UW BUD# 638557	1,486
12.300	3600	CARNEGIE MELLON UNIV	1141207-236198 AM06	159,511
12.300	3600	IOWA STATE UNIV	421-23-01-AM05	7,560
12.300	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002230 MOD010	97,442
12.300	3600	MONTEREY BAY AQUARIUM RESEARCH INSTITUTE	1010542 AM02	65,240
12.300	3600	OREGON STATE UNIVERSITY	K9643H-A	762
12.300	3600	SIMPSON WEATHER ASSOCIATES, INC.	N000141110450UWAMOD02	11,328
12.300	3600	UNIV OF MIAMI	66654TAM01	1,383
12.300	3600	UNIV OF MICHIGAN	F012919 AM12	47,152
12.300	3600	UNIVERSITY OF ALASKA FAIRBANKS	UAF 08-0047MOD06	21,665
12.300	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2008-2038 AM05	79,954
12.300	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10276960-MOD11	77,063
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100587 AM03	5,613
12.300	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100615	-31,574
12.300	3650	MASS INST OF TECH-FED FLOW	5710002043	224,714
12.300	3650	UNIV OF ID FED	KKK696SB001	47,057

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12.300	3650	UNIV OF ID FED	KKK745SB001	-145
12.300	3650	UNIV OF ID FED	KKK760SB0012	-129
12.300	3650	UNIV OF ID FED	KKK800SB01	-16
12.351	3600	STANFORD UNIVERSITY	28545260-52123-A	116,926
12.351	3600	THE UNIVERSITY OF TEXAS AT AUSTIN	UTA11-000762	94,595
12.400	3600	HENRY M. JACKSON FOUNDATION	2022 AM02/PO#669610	192,870
12.420	3600	AMERICAN BURN ASSOCIATION	ABAUNDERPRIMEW81XWH092	44,770
12.420	3600	CEDARS-SINAI RESEARCH INSTITUTE	W81XWH-10-1-1039	56,445
12.420	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	10274SUB	25,634
12.420	3600	FHCRC	0000697387 AM02	51,007
12.420	3600	FHCRC	0520106201S1137PO58029	-8,072
12.420	3600	HENRY M. JACKSON FOUNDATION	671800 MOD01	-4,598
12.420	3600	HENRY M. JACKSON FOUNDATION	PO669701AGR2076MOD03	483,162
12.420	3600	HENRY M. JACKSON FOUNDATION	PO713003AGR2252MOD02	284,406
12.420	3600	MICRONICS, INC.	MIC.UW01.0911	109,754
12.420	3600	N CA INST RSCH EDUC	DAMD-01-1-0764 AMD#2	-15,758
12.420	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	KG112-SEYEDALL-2	7,912
12.420	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	KG112-SRISUWAN-2	6,111
12.420	3600	SIBCR	JPAPOKG112MILLEJ1SIBCR	5,728
12.420	3600	SIBCR	JPAPORM160OCONNJSIBCR	34,153
12.420	3600	SIBCR	JPAPOWC19SIKKEC1SIBCR	28,454
12.420	3600	SIBCR	WC19-SIKKEC-2-SIBCR	11,932
12.420	3600	THE CATHOLIC UNIVERSITY OF AMERICA	364271-SUB 2	175,186
12.420	3600	TUFTS UNIVERSITY	ARM333	160,920
12.420	3600	UNIVERSITY OF CALIFORNIA	6749SC	23,642
12.420	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	10313538-001	6,060
12.420	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	10313538-SUB	5,902
12.420	3600	UNIVERSITY OF MINNESOTA	R01477	197,312

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12.420	3650	GENEVA FOUNDATION	S119001	10,277
12.431	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	28D 1083900 MOD06	128,515
12.431	3600	COLORADO STATE UNIVERSITY	G-2308-1 AM02	852,772
12.431	3600	DUKE UNIVERSITY	11-IARPA-1009 MOD01	341,495
12.431	3600	DUKE UNIVERSITY	UW BUD# 639632	245,874
12.431	3600	PROFUSA, INC	UW BUD# 660341	121,992
12.431	3600	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z848401	61,453
12.431	3600	UNIVERSITY OF MARYLAND, COLLEGE PARK	Z848401 AM I	65,162
12.431	3650	ORG ECONOMIC INITIATIVES INC	ARL10NWMISU120610	50,448
12.630	3600	BOSTON UNIVERSITY	4500000027 AM06	259,483
12.630	3650	ACADEMY OF APPLIED SCI-FED	1156	1,715
12.630	3650	ACADEMY OF APPLIED SCI-FED	1196	2,600
12.630	3650	ADVANCED BRAIN MONITORING	NBCHC090054	22,729
12.800	3600	ARIZONA STATE UNIVERSITY	10-219AM03	21,644
12.800	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	7H-1090612 AM01	497,886
12.800	3600	COLUMBIA UNIVERSITY	2 (ACCT. #5-22395)	5,228
12.800	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RB250-G3 AM01	144,252
12.800	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RB250-G3 AM05	107,333
12.800	3600	MSNW LLC	A62823	12,312
12.800	3600	PORTAGE BAY PHOTONICS	UW BUD# 664826	28,955
12.800	3600	SYSTIMA TECHNOLOGIES, INC.	36071	31,382
12.800	3600	SYSTIMA TECHNOLOGIES, INC.	60429	-182
12.800	3600	TECH-X CORPORATION	UW BUDGET# 664122	14,174
12.800	3600	UNIVERSITY OF NEVADA, LAS VEGAS	11-708B-00 AM02	251,474
12.800	3600	UNIVERSITY OF NOTRE DAME	UND-201563 AM04	132,685
12.800	3600	VENTURA HEALTHCARE SYSTEMS LLC	FA7014-08-0002	25,924
12.800	3600	VENTURA HEALTHCARE SYSTEMS LLC	UW BUD# 635403	39,870
12.800	3650	CLEMSON UNIV	14932002008207	54,817

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12.800	3650	VA TECH UNIV	45011919276	4,038
12.910	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000736836	1,059
12.910	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RA231-G2 AM04	133,010
12.910	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RA231G2W31P4Q0910012AM	222,686
12.910	3600	SPI SURGICAL	A65164	77,875
12.910	3600	STANFORD UNIVERSITY	25969810-50204-A	166,870
12.910	3600	STANFORD UNIVERSITY	25969810-50204-A AM01	175,892
12.910	3600	UNIVERSITY OF PENNSYLVANIA	554995 AM01	175,402
12.999	4770	Daly Ditches Irrigation District	None	35,199
14.000	3600	BREMERTON HOUSING AUTHORITY	RED092008-02	133,292
14.000	3650	THURSTON REGIONAL PLNG COUNCIL	WSU002082	11,196
14.228	1480	City of Seattle	HKPS FY 2012	61,244
14.239	1480	City of Bremerton	HK Bremerton 2012	3,338
14.239	1480	City of Seattle	HKPS FY 2012	478,970
14.239	1480	King County	HK Arch 2012	16,759
14.323	1480	Neighborworks	EHLG Grant	180,724
14.703	3600	PUGET SOUND REGIONAL COUNCIL	2012-08	243,647
14.704	3600	CITY OF SEATTLE	UW BUD# 663992	18,426
15.000	3600	CENTER FOR PLANT CONSERVATION	UW BUD# 639239	-1,941
15.000	3600	CENTER FOR PLANT CONSERVATION	UW BUD# 661026	27,347
15.000	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RC051-S3 AM02	151,306
15.000	3600	INTERTRIBAL TIMBER COUNCIL	UW BUD# 639484	-24
15.000	3600	MAR, INC	PO OHM-466	11,780
15.000	4770	Oregon Dept of Fish & Wildlife	020-10330-ISA-FISH	901
15.232	3650	OR ST UNIV FED	L0152BB	8,297
15.423	3650	OR ST UNIV FED	DI068AA	3,465
15.605	3650	OR DEPT OF ST LANDS	E31TW2WSU59312676	14,374
15.608	3650	NAT'L FISH & WILDLIFE FNDN	201000060075	88,460

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15.608	3650	NAT'L FISH & WILDLIFE FNDN	20100060075	53,608
15.611	3650	ID DEPT OF FISH & GAME	WSU002006	15,295
15.615	3600	DEPT. OF LAND & NATURAL RESOURCE-MARINA	438401-OC, AM06	41,593
15.615	3600	DEPT. OF LAND & NATURAL RESOURCE-MARINA	438401-OC, AM08	233,588
15.639	3600	SUQUAMISH TRIBE	UW BUD# 663703	4,171
15.644	3750	The Nature Conservancy	WAC1107250090	22,990
15.649	3760	WDFW SPP	WDFW10-1610	14,423
15.650	3600	NATIONAL WILDLIFE FEDERATION	1102-046	880
15.650	3600	THE NATURE CONSERVANCY	WA-S-110321-117 AM02	9,628
15.655	3760	The Nature Cons.	Wa S110602-165	8,476
15.657	3760	CNLM FOR NAT.LANDS MGMT	WA-C-2011-022 O	6,026
15.809	3600	MULTNOMAH COUNTY	4600008876	26,095
15.820	3600	OREGON STATE UNIVERSITY	GS240B-B AM01	158,175
15.820	3600	OREGON STATE UNIVERSITY	SUBGRANT NO GS254A-A	881
15.999	4770	Fish & Wildlife Service	None	4,374
16.000	3650	PULLMAN POLICE DEPT	WSU002168	10,354
16.580	2250	Wa. Assoc of Sheriffs and Police Chiefs (WASPC)	C080195FED-WQA8	35,385
16.585	3650	CLARK COUNTY DISTRICT COURT	2010DCBX0097	6,440
16.710	2250	Safe Streets Campaign	C110930FED-SSC1	33,463
16.710	3700	SC-COPS Meth Initiative	290F619-01	7,373
16.730	3650	RAND CORP	9920110126	6,770
16.730	6990	WSU	115314-G002990	61,970
17.000	6990	Anne Arundel Community College	TC-22520	39,458
17.261	6990	WFTECB	12-ABA-192	11,981
17.268	6990	WDC-Seattle-King County	T9SSC-476-ROW	5,716
17.269	6990	Everett Community College	CB-20566-10-60-A-53	387,087
17.274	6990	Tacoma Goodwill	YB-19042-09-60-A-53	29,999
17.274	6990	Workforce Dev Council of Snoco	11-EVC-X-087-YB	62,315

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17.275	5400	WDC01	7370	10,814
17.275	6990	Kitsap County WIA	KC-349-10	8,284
17.275	6990	Spokane Area Workforce Development Council	CCS:SCC-SESP	457,168
17.275	6990	WDC-Seattle-King County	10/304-COM	140,630
17.275	6990	WDC-Seattle-King County	10/502-POP	268,778
17.275	6990	WDC-Seattle-King County	10/527-SEE	7,168
17.275	6990	WDC-Seattle-King County	10/528-SEE	35,276
17.275	6990	WDC-Seattle-King County	10/530-POP	110,064
17.275	6990	Workforce Dev Council of Snoco	10-EVC-X-038-SESP	23,589
17.275	6990	Workforce Development Council of Snohomish County	09-EDC-O-761-YB	68,005
17.275	6990	Workforce Development Council of Snohomish County	09-EDC-O-783-SEED	122,049
17.275	6990	Workforce Development Council of Snohomish County	11-EDC-X-078-SESP	73,005
17.275	6990	Workforce Training Board	GJ-20079-10-60-A-53	54,801
17.502	3600	CASA LATINA	SHTG-FY-10-01	7,297
17.502	3600	CASA LATINA	UW OSP# A68925	29,562
19.000	3600	CONRAD	PPA-10-069 AM03	232,899
19.000	3600	EAST-WEST MANAGEMENT INSTITUTE	645-11-100-3010-20	25,502
19.000	3600	GEORGETOWN UNIVERSITY	UW-RX2050-958-12-E	13,811
19.000	3600	GEORGETOWN UNIVERSITY	UWRX205093310EAM01	12,739
19.000	3600	JOHNS HOPKINS UNIV	12-SBA-16	57,550
19.000	3600	JOHNS HOPKINS UNIVERSITY	PO2000635588 MOD08	45,981
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SIAPS-2011-003	26,330
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SIAPS-2011-003 AM02	41,313
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SIAPS-2011-003 TO# 03	33,630
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SIAPS-2011-003 TO01	7,564
19.000	3600	MANAGEMENT SCIENCES FOR HEALTH	SPS-08009 AM10	122,173
19.000	3600	PATH	AID 1233-01702-LPS A1	-18,069
19.000	3600	PATH	AID136507476CRTAM01	148,441

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19.000	3600	THE ASIA FOUNDATION	31597.100.001/UWLS	31,764
19.000	3600	THE JOHNS HOPKINS UNIV	5654109866PO2001325395	19,678
19.000	3600	THE POPULATION COUNCIL	SH1113 TO01 AM02	25,865
19.009	6990	Kirkwood Community College	EVT94660-67007	7,121
19.009	6990	Workforce Dev Council of Snoco	EVT94662-67007	15,309
19.009	6990	Workforce Dev Council of Snoco	EVT94680-67007	119,587
19.010	3600	INSTITUTE OF INTERNATIONAL EDUCATION	S-ECAAS-10-CA-044	-6
19.010	3600	INSTITUTE OF INTERNATIONAL EDUCATION	UW BUD# 807317	229,225
19.014	3600	INSTITUTE OF INTERNATIONAL EDUCATION	UW BUD# 674143	1,993
19.014	3600	INSTITUTE OF INTERNATIONAL EDUCATION	UW BUD# 674144	13,000
20.000	3600	APPLIED RESEARCH ASSOCIATES, INC.	L00002500013TRAC00MOD0	16,000
20.000	3600	BATTELLE MEMORIAL INST	276700 C01	308
20.000	3600	BOOZ ALLEN HAMILTON, INC.	101219SB1E TO01	17,090
20.000	3600	CAMBRIDGE SYSTEMATICS, INC.	08500	9,535
20.000	3600	CAMBRIDGE SYSTEMATICS, INC.	7877 MOD02	12,699
20.000	3600	CH2M HILL, INC. A/P	939844 REV01	64,486
20.000	3650	NAT'L ACADEMIES	HR0436	148,434
20.000	3650	NAT'L ACADEMIES	HR0949A	205,977
20.000	3650	OR ST UNIV FED	T0013GA	35,284
20.000	3650	PULSAR INFORMATICS INC	WSU001	1,043
20.000	3650	SPOKANE TRANSIT AUTH	WSU000305	16,857
20.000	3650	UNIV OF NORTH TEXAS	GF40511	47,272
20.000	3650	VA TECH UNIV	M025 57012032	43,996
20.000	3650	VA TECH UNIV	M025 57012034	21,714
20.000	3650	VA TECH UNIV	M025 57012038	129,665
20.000	3650	VA TECH UNIV	M025 57022008	-136
20.200	3600	BERGERABAM ENGINEER, INC.	FABLD-09-171 AM02	10,188
20.200	3600	R.D. MINGO AND ASSOCIATES	A67853	100,592

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20.200	3600	UNIVERSITY OF IDAHO	KLK262-SB-004 AM03	108,975
20.200	3650	UNIV OF ID FED	KLK262SB003	30,991
20.205	3600	OREGON DEPT. OF TRANSPORTATION	27146 AM02	79,718
20.215	3650	ENGINEERING & SOFTWARE CONSULT	1213	15,593
20.239	3600	VIRGINIA TECH	425942-19124 MOD03	162,869
20.701	3650	UNIV OF AK FAIRBANKS FED FLOW	UAF080032	-3,602
20.701	3650	UNIV OF AK FAIRBANKS FED FLOW	UAF100095	123,354
20.701	3650	UNIV OF AK FAIRBANKS FED FLOW	UAF120024	2,273
20.701	3650	UNIV OF ID FED	KLK722SB001	60,553
20.761	3650	OR ST UNIV FED	T0013GA	53,274
20.761	3650	OR ST UNIV FED	T0013RB	39,301
21.000	1480	Neighborworks	PL112-1095X1350	460,308
21.000	1480	Neighborworks	Training	6,655
43.000	3600	ARIZONA STATE UNIVERSITY	08-964 AM07	57,103
43.000	3600	BARRON ASSOCIATES, INC.	435-SC01 MOD01	71,627
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMST01601 AM.05	247,252
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMST01601 AM04	39,221
43.000	3600	BAYLOR COLLEGE OF MEDICINE	SMST01601 AMD 2	55,285
43.000	3600	CA INST OF TECH JPL	1318945 MOD13	119,061
43.000	3600	CA INST OF TECH JPL	1380685 MOD01	13,481
43.000	3600	CA INST OF TECH JPL	1430444	48,649
43.000	3600	CA UNIV, MONTEREY BAY	50102	-11,082
43.000	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	2-1087551 MOD02	103,371
43.000	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY (CALTECH)	RSA 1434690	2,459
43.000	3600	CARNEGIE INSTITUTION OF WASHINGTON	4-10067-4051 AM11	83,098
43.000	3600	CORNELL UNIVERSITY	51326-9484 AMENDMENT 1	58,070
43.000	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RC508-G1	850
43.000	3600	JET PROPULSION LAB	1303809 MOD10	44,016

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43.000	3600	JET PROPULSION LAB	1318943MOD13NMO711006	82,093
43.000	3600	JET PROPULSION LAB	1359623 MOD06	16,370
43.000	3600	JET PROPULSION LAB	1409394 MOD02	1,604
43.000	3600	JET PROPULSION LABORATORY	1369586 MOD07	22,756
43.000	3600	JET PROPULSION LABORATORY	1375272, MOD054	11,397
43.000	3600	JET PROPULSION LABORATORY	1377557 MOD 03	85,777
43.000	3600	JET PROPULSION LABORATORY	1397667 MOD01	955
43.000	3600	JET PROPULSION LABORATORY	1420479 MOD05	130,530
43.000	3600	JET PROPULSION LABORATORY	1451183	5,709
43.000	3600	JET PROPULSION LABORATORY	RSA NO 1368483 MOD02	5
43.000	3600	JET PROPULSION LABORATORY	RSA1368471MOD01NM07100	6,565
43.000	3600	MSNW	NNC04CA99C	-5,480
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	BLO1301 AM05	32,128
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01603 AM02	168,674
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01603 AM05	97,247
43.000	3600	NATIONAL SPACE BIOMEDICAL RESEARCH	MA01604	3,232
43.000	3600	PLANETARY SCIENCE INSTITUTE	646 MOD01	23,791
43.000	3600	PRINCETON UNIVERSITY	00001601 MOD04	90,938
43.000	3600	SMITHSONIAN A. O.	AR9-0015X AM04	39,466
43.000	3600	SMITHSONIAN A. O.	ARO-11014X, AM.1	9,780
43.000	3600	SMITHSONIAN A. O.	GO0-11036B AM01	6,601
43.000	3600	SMITHSONIAN A. O.	GO0-11129B AM01	1,262
43.000	3600	SMITHSONIAN A. O.	GO1-12118X AM01	34,513
43.000	3600	SMITHSONIAN A. O.	GO9-0011X AM01	358
43.000	3600	SMITHSONIAN A. O.	GO90126XNAS803060AM02	2,226
43.000	3600	SMITHSONIAN A.O.	GO0-11032B	3,881
43.000	3600	SPACE TELESCOPE SCI INST	46508	30,846
43.000	3600	SPACE TELESCOPE SCI INST	HST GO 11163 01-A AM02	26,468

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43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-10945.01-A AM05	5,853
43.000	3600	SPACE TELESCOPE SCI INST	HST-AR-11767.03-A	313
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10500.01-A AM05	3,044
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10889.05-AAM02	34,971
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-10915.01-A AM05	2,009
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11162.01-A AM02	3,388
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11214.05-A AM02	6
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11233.01-A AM03	1,412
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11359.02-A AM01	21,548
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11580.01-A AM03	37,123
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11633.08-A	4,869
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11639.01-A AM01	48,438
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11677.09-A AM01	3,103
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11688.01-A AM01	2,491
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11719.01-A AM02	44,138
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11732.02-A	26,476
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11739.07-A	6,122
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-11986.01-A AM02	66,271
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12055.01-A AM02	695,895
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12178.01-A	9,821
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12196.01-A	51,864
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12213	29,767
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12231.01-A	11,362
43.000	3600	SPACE TELESCOPE SCI INST	HST-GO-12311.06-A	17,816
43.000	3600	SPACE TELESCOPE SCI INST	HST-HF-51273.01-A	92,547
43.000	3600	SPACE TELESCOPE SCI INST	HSTGO1122101AAM01	1,239
43.000	3600	SPACE TELESCOPE SCI INST	HSTGO1205501AAMEND1	39,028
43.000	3600	STANFORD UNIVERISTY	PY-2426-22727-D AM22	185,787

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43.000	3600	STIRLING DYNAMICS, INC.	UW BUD# 663172	46,906
43.000	3600	SYSTIMA TECHNOLOGIES, INC.	74781	2,468
43.000	3600	THE JOHNS HOPKINS UNIVERSITY	970344 AM02	30,430
43.000	3600	UCLA	0995-S-NB097 AM02	84,568
43.000	3600	UNITED NEGRO COLLEGE FUND (UNCF)	UW BUD# 801329	6,166
43.000	3600	UNIVERSITY CORP FOR ATMOSPHERIC RESEARCH	Z11-92259 MODM01	59
43.000	3600	UNIVERSITY OF MASSACHUSETTS	12006827 A 00	10,696
43.000	3600	UNIVERSITY OF PENNSYLVANIA	PO2023778547974MOD02	-1,092
43.000	3650	RUTGERS ST UNIV OF NJ FED FLOW	3890	94,452
43.000	3650	SONOMA TECHNOLOGY INC	909046	117,998
43.000	3650	SPACE TELESCOPE SCI INST	HSTGO1091101A	-286
43.000	3650	UNIV OF ALABAMA	SUB2011003	56,225
43.000	3750	Wyle	ELS0025143	573
43.001	3600	DARTMOUTH COLLEGE	510 AM01	31,775
43.001	3600	DARTMOUTH COLLEGE	510 AM06	31,714
43.001	3600	HARRIS CORPORATION, GCSD C-21A	PO# 56043	18,538
43.001	3600	SMITHSONIAN ASTROPHYSICAL OBSERVATORY	AR2-13005X	22,603
43.001	3600	SMITHSONIAN ASTROPHYSICAL OBSERVATORY	AR2-13008X	4,921
43.001	3600	SPACE TELESCOPE SCI INST	HST-AR-12619.07-A	1,907
43.001	3600	SPACE TELESCOPE SCI INST	HST-AR-12628.01-A	3,218
43.001	3600	SPACE TELESCOPE SCI INST	HST-EO-12512.06-A	4,116
43.001	3600	SPACE TELESCOPE SCI INST	HST-GO-12605.06-A	10,929
43.001	3650	CA INST OF TECH	361090335	41,218
43.001	3650	INTELLIGENT FIBER OPTIC SYSTEMS	WSU001014	1
43.001	3650	INTELLIGENT FIBER OPTIC SYSTEMS	WSU001261	63,154
43.001	3650	UNIV OF ID FED	GNK013SB001	45,104
43.001	3800	U. of Arizona	P502180	17,096
43.002	3600	THE OHIO STATE UNIVERSITY RESEARCH FOUN	60016653RF01120294AM07	35,823

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43.002	3600	UNIVERSITY OF COLORADO	1548572	21,404
45.129	3700	HumWA-Get Lit! 2012	4465-GS11	7,500
45.149	3760	Univ Ore/NEH	237541A	33,530
47.000	3600	AERA GRANTS PROGRAM	UW BUD# 637341	8,079
47.000	3600	ALPHASENSE, INC	808-10	10,959
47.000	3600	BBN TECHNOLOGIES CORP	1696REUMOD01PO95000103	8,976
47.000	3600	CARNEGIE MELLON UNIV	1120959-214342 AM4	17,160
47.000	3600	CENTER FOR INQUIRY SCIENCE	51250002512500036080PO	12,325
47.000	3600	LSST CORPORATION	C44068L AM002	109,101
47.000	3600	UCAR	PO P1195670	19,653
47.000	3600	UNIVERSITY OF COLORADO, COLORADO SPRINGS	PO# 367199	1,499
47.000	3650	BATTELLE LABS	162630	1,068
47.000	3650	CA INST OF TECH	75ADV1090486	47,053
47.000	3650	FORT VALLEY STATE UNIV	WSU002087	10,344
47.000	3650	FORT VALLEY STATE UNIV	WSU002349	664
47.000	3650	INTERNAT'L START SECRETARIAT	WSU002323	1,665
47.000	3650	OH ST UNIV	WSU002106	10,000
47.000	3650	PUGET SOUND CTR TEACH LEARN TECH	WSU000831	-1,858
47.000	3750	Bowdoin College	No Contract	1,500
47.041	3600	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473	149,398
47.041	3600	CORNELL NANOSCALE SCI & TECH FACILITY	44771-7473 AM18	487,355
47.041	3600	ENERGETIQ TECHNOLOGY	205-01	31,741
47.041	3600	GEORGIA INSTITUTE OF TECHNOLOGY	E-20-L05-G3 AMD 2	-726
47.041	3600	GEORGIA INSTITUTE OF TECHNOLOGY	E-20-L05-G7 AMO3	13,531
47.041	3600	MASSACHUSETTS INST TECHNOLOGY/MIT	5710002247	67,886
47.041	3600	MICROGREEN POLYMERS, INC.	IIP-1127360	92,109
47.041	3600	NANOFACTURE, INC.	UW BUD# 638771	112,441
47.041	3600	PURDUE UNIVERSITY	NEES-4101-31868 AM06	56,366

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47.041	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	130323 AM01	134,705
47.041	3600	VIRGINIA POLYTECHNIC INST AND STATE UNIV	478496-19124	77,938
47.041	3600	WILLIAM MARSH RICE UNIVERSITY	R3D381	82,700
47.041	3650	FILAMENT GAMES	115126 001	36
47.041	3650	UNITED ENVIRONMENT & ENERGY	WSU002184	42,535
47.041	6990	N. Carolina A & T State University	260118A	18,729
47.049	3600	INSTITUTE FOR ADVANCED STUDY	7443-2307, AMEND5	16,469
47.049	3600	INSTITUTE FOR ADVANCED STUDY	7443-2307AM	42,301
47.049	3600	INSTITUTE FOR ADVANCED STUDY	IAS-EHR-0314808	147
47.049	3600	LSST CORPORATION	C44009L AM07	326,586
47.049	3600	LSST CORPORATION	C44036L AM04	203,285
47.049	3600	OREGON STATE UNIVERSITY	S1235A-A	82,078
47.049	3600	UNIVERSITY OF CALIFORNIA SANTA CRUZ	S0183165PRIMEPHY103917	157,416
47.049	3600	UNIVERSITY OF CHICAGO	FP044186 PHY-1003940	83,079
47.049	3600	UNIVERSITY OF ILLINOIS	2009-01366-01 AM03	323,463
47.049	3600	UNIVERSITY OF ILLINOIS	20090136601A2860085556	213,296
47.049	3600	UNIVERSITY OF NORTH CAROLINA	5-54861/ AMD1	478
47.049	3600	UNIVERSITY OF NOTRE DAME	201231AMO1PRIMEPHY0715	216,214
47.049	3650	UNIV OF AR	SA0906011	54,373
47.049	3650	US CIVILIAN RSCH & DEV FNDN	RUB12942ST09	4,407
47.049	6990	Brevard Community College	DUE 0532618	4,963
47.050	3600	COLORADO STATE UNIVERSITY	G-3045-5 AM05	294
47.050	3600	COLORADO STATE UNIVERSITY	G-3045-5 AM06	21,724
47.050	3600	COLORADO STATE UNIVERSITY	G-3624-12AM06	68,567
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	BA-85 POT334A85	24,170
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09	4,324,699
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD	4,620
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 12	808,710

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47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 18	78,762
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 2	-3,309
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 5	24,426,206
47.050	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09 MOD 6	2,689,830
47.050	3600	GEORGIA INSTITUTE OF TECHNOLOGY	RB701-G1	16,933
47.050	3600	IRIS	45DMSPRIMCOOPEAR106347	65,211
47.050	3600	NORTH CAROLINA STATE UNIVERSITY	SUB2009186503ATM093459	-3
47.050	3600	OREGON HEALTH & SCIENCE UNIVERISTY	GSTCN010652UWAPLAM1	451,876
47.050	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GSTCN0001A7.UW	5,834
47.050	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GSTCN0001A7.UW MOD08	52,800
47.050	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GSTCN0106S6-UW AM01	85,525
47.050	3600	THE TRUSTEES OF COLUMBIA UNIVERSITY, NY	5-24452 AM4	68,028
47.050	3600	UNIV OF CALIFORNIA, SAN DIEGO	PO# 10323788-001	5,425
47.050	3600	UNIVERSITY OF CALIFORNIA RIVERSIDE	S-000375	3,566
47.050	3600	UNIVERSITY OF COLORADO	154-5822 MOD02	107,860
47.050	3600	UNIVERSITY OF OREGON	208991B AM01	14,277
47.050	3600	WOODS HOLE OCEANOGRAPHIC INSTITUTION	A100582 AM04	60,498
47.050	3750	UNAVCO	EAR-0453975-04	163,432
47.050	3800	U. of Oregon	207391C	114,383
47.070	3600	BBN TECHNOLOGIES CORP	PO#9500009460 MOD06	31,047
47.070	3600	COMPUTING RESEARCH ASSOCIATION	A31928/FA18338 AM06	258,543
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-364	351
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-A-364 AM01	38,419
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-B-58 AM01	97,210
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-B-64 AM01	39,489
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-C-58	35,317
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-C-64	91,176
47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIF-D-002	115,981

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47.070	3600	COMPUTING RESEARCH ASSOCIATION	CIFA288AM02	30,532
47.070	3600	CORNELL UNIVERSITY	58007-9069 AM03	161,568
47.070	3600	EDLAB GROUP	EQ2012-36	4,156
47.070	3600	OREGON STATE UNIVERSITY	S1065A-A	-166
47.070	3600	THE COLLEGE BOARD	AM02	271
47.070	3600	UNIV OF CA SAN DIEGO	PO 10311160-SUB MOD02	119,465
47.070	3650	UNIV OF IL FED FLOW	20050451002	-26,719
47.074	3600	CORNELL UNIVERSITY	63655-9675	90,317
47.074	3600	MICHIGAN STATE UNIVERSITY	61-2075UW AM03	448,065
47.074	3600	MICHIGAN STATE UNIVERSITY	61-207SUW AM03	92,428
47.074	3600	UNIVERSITY OF ARIZONA	Y561909	1,045
47.074	3600	UNIVERSITY OF KANSAS CENTER FOR RESEARCH	FY2008-84, MOD 02	-181
47.074	3600	UNIVERSITY OF MASSACHUSETTS, WORCESTER	6110567/RFS900119 AM03	78,559
47.074	3600	UNIVERSITY OF PUGET SOUND	211025UWPRIMEIOS111853	9,168
47.074	3600	UNIVERSITY OF WISCONSIN-MADISON	252F195 AM02	140,844
47.074	3650	CORNELL UNIV FED FLOW	602479191	17,445
47.074	3650	IA ST UNIV FED FLOW	4204071F	10,688
47.074	3750	U of Kansas Center for Research	FY2011-099	46,762
47.075	3600	ARIZONA STATE UNIVERSITY	11-471	12,465
47.075	3600	CORNELL UNIVERSITY	09030336	19,489
47.075	3600	GALLAUDET UNIVERSITY	0000021057	7,052
47.075	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO 10321094-SUB	44,876
47.076	3600	EXPLORATORIUM	UW BUD# 637528	9,010
47.076	3600	IOWA STATE UNIV	420-28-03D AM01	32,558
47.076	3600	MICHIGAN STATE UNIVERSITY	RC101209UWPRIMEDRL1228	60,209
47.076	3600	PACIFIC RESOURCES FOR ED. AND LEARNING	10-087	58,523
47.076	3600	PORTLAND STATE UNIVERSITY	201ERV282 AM01	15,469
47.076	3600	STEVENS INSTITUTE OF TECHNOLOGY	527631-004	3,696

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47.076	3600	UNIVERSITY OF COLORADO	1546952 MOD01	11,051
47.076	3600	UNIVERSITY OF COLORADO DENVER	FY09.455.001 U WA YR1	-817
47.076	3600	UNIVERSITY OF COLORADO DENVER	FY10.455.001_AMD1	-914
47.076	3600	UNIVERSITY OF COLORADO DENVER	FY11.455.001_AMD02_UWA	72,767
47.076	3600	UNIVERSITY OF NORTHERN COLORADO	GKA10-0032	93,212
47.076	3600	UNIVERSITY OF ROCHESTER	UR ACCT#5-23450 AM1	3,205
47.076	3600	WESTED	5060 S09-088 MOD04	51,486
47.076	3650	CA POLY CORP	1200651622	4,619
47.076	3650	DEL MAR COLLEGE DISTRICT	201202Q	19,108
47.076	3650	EDMONDS COMMUN COLLEGE	NSFATEDUE1002931	47,323
47.076	3650	IA ST UNIV FED FLOW	4202803E	10,464
47.076	3650	MI ST UNIV	RC101209WSU	60,336
47.076	3650	PA ST UNIV FED FLOW	3558WSUNSF3747	2,700
47.076	3650	TWIN CITIES PUBLIC TV	208090102847	-137
47.076	3650	WRIGHT STATE UNIV	667378	13,309
47.076	3750	Carleton College	DUE-1125331	668
47.076	3750	U of Arkansas	SA 1208005	14,915
47.076	3800	Salish Kootenai College	NONE	4,030
47.076	6990	Missouri State University	G530/G531	26,560
47.076	6990	Saddleback College	DUE 0702912	15,250
47.076	6990	University of Washington	677551- Mesa Stem	36,210
47.078	3600	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2011-025 MOD02	95,564
47.078	3600	UNIVERSITY OF ALASKA FAIRBANKS	FP20590	4,315
47.078	3650	UNIV OF MN FED FLOW	D001872701	8,908
47.078	3750	Penn State	3778-CWU-NSF-2136	28,748
47.079	3600	OREGON STATE UNIVERSITY	S1315A-C	2,418
47.079	3600	OREGON STATE UNIVERSITY	S1315A-C AM01	60,862
47.079	3600	US CIVILIAN RESEARCH & DEV. FOUNDATION	RUB1-2946-PU-09	1,926

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47.079	3650	US CIVILIAN RSCH & DEV FNDN	RUB2982ST10	6,334
47.080	3600	UNIVERSITY OF ILLINOIS	2010-07196-04	6,494
47.080	3600	UNIVERSITY OF ILLINOIS	2010-07196-04 AM01	76,171
47.080	3600	UNIVERSITY OF NEBRASKA	2611220020002UTA110001	27,468
47.082	3600	BBN TECHNOLOGIES CORP	CONTRACTNO1696MOD1	20,084
47.082	3600	CALIFORNIA INSTITUTE OF TECHNOLOGY	7H-1090663	79,237
47.082	3600	CALIFORNIA STATE U, FRESNO FOUNDATION	SC360025-10-07	2,458
47.082	3600	CONSORTIUM FOR OCEAN LEADERSHIP, INC.	SA 9-09	3,557,672
47.082	3600	DREXEL UNIVERSITY	235583	16,153
47.082	3600	STROUD WATER RESEARCH CENTER	340021543002310382	9,006
47.082	3600	THE GENI PROJECT OFFICE	1833G, MOD.#1	56,024
47.082	3600	THE VIRGINIA INSTITUTE OF MARINE SCIENCE	730013/712683	52,063
47.082	3600	UNIVERSITY OF DELAWARE	SUB24957PRIMENSF072497	52,006
47.082	3600	UNIVERSITY OF MARYLAND BALTIMORE COUNTY	0000007899	25,684
47.082	3600	WHITEHEAD INSTITUTE FOR BIOMEDICAL RESEA	14-1622-9957	90,212
64.000	3600	URC ENTERPRISES	V636SM1628	42,931
66.000	3600	DEPARTMENT OF ENVIRONMENTAL QUALITY	C796 AM04	233,230
66.000	3600	KING COUNTY WATER AND LAND RESOURCES DIV	D39477D AM01	19,752
66.000	3600	NTNL ENVIRONMENTAL EDUCATION FNDTN	UW BUD# 673689	2,547
66.000	3600	SQUAXIN ISLAND TRIBE	UW BUD# 638165	13,397
66.000	3650	FUNGI PERFECTI LLC	WSU002282	10,304
66.000	3650	IPM INSTITUTE OF NORTH AMER INC	WSU002003	8
66.000	3650	SQUAXIN ISLAND TRIBE	WSU000847	4,890
66.034	3600	NTNL ENVIRONMENTAL EDUCATION FNDTN	UW BUD# 673993	2,946
66.034	3600	PUGET SOUND CLEAN AIR AGENCY	XA-96069801-0-SUBAWARD	7
66.034	3650	ID DEPT OF HLTH & WELFARE	HC710500	329
66.120	3600	CITY OF SEATTLE	ORGU2181ACCT741190ACTU	23,991
66.120	3600	KING COUNTY WATER AND LAND RESOURCES DIV	UW BUD# 639923	100,924

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66.120	3650	SKAGIT CNTY	C20110493	3,200
66.123	3600	NATURE CONSERVANCY	WA-S-110210-105-0	61,438
66.123	4610	King County	C011030	3,128
66.202	3600	CONSORTIUM FOR PLANT BIOTECHNOLOGY	EPA83438801-340 AM0A	13,592
66.439	3600	IOWA STATE UNIV	429-46-06 AM01	279
66.456	3600	PUGET SOUND PARTNERSHIP	2012-04 AM01	37,500
66.456	3600	PUGET SOUND PARTNERSHIP	IAC 2011-14AM02	37,282
66.509	3600	UC DAVIS	07-003825-02 AM02	39,194
66.509	3650	CA INST OF TECH	68F1088313	54,364
66.509	3650	CO ST UNIV FED FLOW	G58681	48,709
66.511	3600	HEALTH EFFECTS INSTITUTE	4749-RFA05-1A/06-10-3	616,670
66.605	3650	ID DEPT OF ENVIR QUAL FED FLOW	C794	91,023
66.814	3650	KS ST UNIV	S11209	2,853
66.817	3760	D.O.ECOLOGY	C1100171	3,333
81.000	3600	ALLIANCE FOR SUSTAINABLE ENERGY	AGN-0-40308-01	8,135
81.000	3600	ALSTOM GRID, INC.	3481-4700190350	48,502
81.000	3600	ARGONNE NATIONAL LABORATORY	2F-31381	339
81.000	3600	ARGONNE NATIONAL LABORATORY	OF-34961 MOD01	15,013
81.000	3600	ARGONNE NATIONAL LABORATORY	UW BUD# 664880	1,654
81.000	3600	BATTELLE ENERGY ALLIANCE LLC	00102644	194,663
81.000	3600	BATTELLE MEMORIAL INST	CONTRACT96824MOD03MA75	262,705
81.000	3600	BATTELLE MEMORIAL INST	TO 108989 MOD02	69,891
81.000	3600	BATTELLE MEMORIAL INSTITUTE	156075 MOD02	55,442
81.000	3600	BATTELLE MEMORIAL INSTITUTE	156079 MOD02	18,945
81.000	3600	BATTELLE MEMORIAL INSTITUTE	MASTER75501TO80477MOD0	104,361
81.000	3600	BATTELLE MEMORIAL INSTITUTE	T.O. 152224	-4,202
81.000	3600	BATTELLE MEMORIAL INSTITUTE	T.O. 152883 MOD01	94,708
81.000	3600	BATTELLE MEMORIAL INSTITUTE	TO#177999	9,016

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81.000	3600	BATTELLE MEMORIAL INSTITUTE	TO129343AM02MASTER7550	458
81.000	3600	BATTELLE MEMORIAL INSTITUTE	TO135319MOD04MA75501	133,764
81.000	3600	BATTELLE MEMORIAL INSTITUTE	TO168689	9,941
81.000	3600	BATTELLE MEMORIAL INSTITUTE	TO178887	8,845
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	101126 MOD 2	13,909
81.000	3600	BATTELLE PACIFIC NORTHWEST DIVISION	PO 172497 MOD01	50,770
81.000	3600	BATTELLE PACIFIC NW LABS	117744 MOD03	46,947
81.000	3600	BATTELLE PACIFIC NW LABS	154406	14,176
81.000	3600	BATTELLE PACIFIC NW LABS	170669 MOD03	54,178
81.000	3600	BATTELLE PACIFIC NW LABS	21701 MOD10	73,542
81.000	3600	BATTELLE PACIFIC NW LABS	MASTER#75501/TO#145280	13,814
81.000	3600	BATTELLE PACIFIC NW LABS	T071981	-7,175
81.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDER 136564	458
81.000	3600	BATTELLE PACIFIC NW LABS	TASK ORDER# 161937	1,769
81.000	3600	BATTELLE PACIFIC NW LABS	TASKORDER161937MOD01	16,823
81.000	3600	BATTELLE PACIFIC NW LABS	TO 135292 MOD02	270,530
81.000	3600	BATTELLE PACIFIC NW LABS	TO 148455 MOD02	36,240
81.000	3600	BATTELLE PACIFIC NW LABS	TO 150819	5,398
81.000	3600	BATTELLE PACIFIC NW LABS	TO#160891 MASTER#75501	61,090
81.000	3600	BATTELLE PACIFIC NW LABS	TO147338MASTER75501	15,095
81.000	3600	BATTELLE PACIFIC NW NATIONAL LAB	172543	26,313
81.000	3600	BATTELLE PACIFIC NW NATIONAL LAB	MASTER75501TO141073MOD	2,247
81.000	3600	BATTELLE PACIFIC NW NATIONAL LAB	TO# 153266	39,516
81.000	3600	CERAMATEC, INC.	UW BUD# 667317	-10,060
81.000	3600	KRELL INSTITUTE	UW BUD# 807280	34,874
81.000	3600	KRELL INSTITUTE	UW BUD# 807394	48,903
81.000	3600	LAWRENCE BERKELEY NTL LAB	6853597 MOD04	46,715
81.000	3600	LAWRENCE LIVERMORE NATIONAL LABORATORY	B598717	30,868

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81.000	3600	LOWER COLUMBIA RIVER ESTUARY PARTNERSHIP	04-2011	22,575
81.000	3600	MISSION SUPPORT ALLIANCE, LLC	44955	9,215
81.000	3600	MISSION SUPPORT ALLIANCE, LLC	UW BUD# 663146	218,017
81.000	3600	MISSION SUPPORT ALLIANCE, LLC	UW BUD# 663913	76,174
81.000	3600	MODUMETAL, INC.	UW BUD# 639228	174
81.000	3600	OAK RIDGE ASSOCIATED UNIVERSITIES	19-25876 MOD01	1,681
81.000	3600	PC TRASK AND ASSOCIATES INC	A45221/AM04	33,971
81.000	3600	SANDIA NATIONAL LABORATORIES	1038388	17,012
81.000	3600	SANDIA NATIONAL LABORATORIES	1038388 MOD 3	11,865
81.000	3600	SANDIA NATIONAL LABORATORIES	PO#1145626	10,095
81.000	3600	SANDIA NATIONAL LABORATORIES	PO#1192789	30,000
81.000	3600	SAVANNAH RIVER NUCLEAR SOLUTIONS	AC71713O	15,604
81.000	3600	SAVANNAH RIVER NUCLEAR SOLUTIONS	AC819890O CO01	186,690
81.000	3600	SNOHOMISH COUNTY	61661	534,065
81.000	3600	SNOHOMISH COUNTY PUB. UTILITY DIST. NO.1	57469, AM.1	37,811
81.000	3600	SNOHOMISH COUNTY PUB. UTILITY DIST. NO.1	57469, AMEND.1	64,957
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	112830	21,475
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	125454-1	11,589
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	188680-1	21,925
81.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	32449-001-06 MOD04	-886
81.000	3600	UNIV OF CA IRVINE	2003-1389AM24	687
81.000	3600	UNIV OF CA, ERNEST ORLANDO	6700882, MOD14	509,771
81.000	3600	UNIVERSITY OF NEW MEXICO	889186-874J AM07	101,025
81.000	3600	UT BATTELLE, LLC	4000093555 M0D05	264,784
81.000	3650	ALLIANCE SUSTAINABLE ENERGY	XFA11165201	311,240
81.000	3650	ALLIANCE SUSTAINABLE ENERGY	XFT888521010	69,702
81.000	3650	AZ ST UNIV FED FLOW	09211	-33
81.000	3650	BATTELLE ENERGY ALLIANCE FED FLOW	14002	458,566

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81.000	3650	BATTELLE ENERGY ALLIANCE FED FLOW	RELEASE00018	64,931
81.000	3650	BATTELLE LABS	101758	-519
81.000	3650	BATTELLE LABS	102042	44,402
81.000	3650	BATTELLE LABS	104976	70,265
81.000	3650	BATTELLE LABS	107993	1,967
81.000	3650	BATTELLE LABS	109061	58,616
81.000	3650	BATTELLE LABS	109822	138,549
81.000	3650	BATTELLE LABS	109823	97,637
81.000	3650	BATTELLE LABS	110613	80,174
81.000	3650	BATTELLE LABS	110804	68,871
81.000	3650	BATTELLE LABS	113635	-2,062
81.000	3650	BATTELLE LABS	114428	-214
81.000	3650	BATTELLE LABS	118074	136,825
81.000	3650	BATTELLE LABS	120402	143,521
81.000	3650	BATTELLE LABS	123751	59,643
81.000	3650	BATTELLE LABS	124475	47,623
81.000	3650	BATTELLE LABS	130236	259
81.000	3650	BATTELLE LABS	131023	64,404
81.000	3650	BATTELLE LABS	132925	69,178
81.000	3650	BATTELLE LABS	133476	-5,659
81.000	3650	BATTELLE LABS	137572	18,496
81.000	3650	BATTELLE LABS	140227	2,658
81.000	3650	BATTELLE LABS	141214	36,101
81.000	3650	BATTELLE LABS	141353	4,624
81.000	3650	BATTELLE LABS	142104	7,997
81.000	3650	BATTELLE LABS	142361	142,348
81.000	3650	BATTELLE LABS	144527	2,845
81.000	3650	BATTELLE LABS	145672	16,624

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81.000	3650	BATTELLE LABS	154955	72,643
81.000	3650	BATTELLE LABS	162817	39,030
81.000	3650	BATTELLE LABS	163232	6,300
81.000	3650	BATTELLE LABS	166705	36,777
81.000	3650	BATTELLE LABS	169039	13,217
81.000	3650	BATTELLE LABS	170586	6,140
81.000	3650	BATTELLE LABS	171377	50,835
81.000	3650	BATTELLE LABS	172660	33,330
81.000	3650	BATTELLE LABS	172682	5,265
81.000	3650	BATTELLE LABS	179251	9,629
81.000	3650	BATTELLE LABS	48558	-2,115
81.000	3650	BATTELLE LABS	67114	-1
81.000	3650	BATTELLE LABS	68131	16,531
81.000	3650	BATTELLE LABS	75387	54,133
81.000	3650	BATTELLE LABS	78069	-8,937
81.000	3650	BATTELLE LABS	93547	44,715
81.000	3650	BECHTEL NATIONAL INC FED FLOW	24590NPPOAHXYG00121	4,897
81.000	3650	CASCADE ENERGY ENGINEERING INC	0040	-2,924
81.000	3650	CASCADE ENERGY ENGINEERING INC	0099	10,989
81.000	3650	CITY OF SEATTLE	OSE1018	140,549
81.000	3650	CONSOL	WSU000905	909
81.000	3650	ENERGY ENTERPRISE SOLUTIONS LLC	01019W01062	930,305
81.000	3650	ENERGY ENTERPRISE SOLUTIONS LLC	9W011WAPA0201	275
81.000	3650	HYDRO RESEARCH FOUNDATION	WSU002128	12,531
81.000	3650	HYDRO RESEARCH FOUNDATION	WSU002135	14,604
81.000	3650	HYDRO RESEARCH FOUNDATION	WSU002136	14,747
81.000	3650	ID DEPT OF FISH & GAME	WSU001940	60,115
81.000	3650	ID DEPT OF FISH & GAME	WSU002255	11,536

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81.000	3650	INLAND NW RES ALLIANCE FED FLOW	M285_29400075	-147
81.000	3650	INLAND NW RES ALLIANCE FED FLOW	M285_30287320	-1,585
81.000	3650	LAWRENCE LIVERMORE NATL SCTY LAB	B595680	58,807
81.000	3650	LONGENECKER & ASSOC	DEAC0707ID60679	1,182
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	1380551	115,139
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	1566121	3,325
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	4792600109	72,191
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	7496200109	39,568
81.000	3650	LOS ALAMOS NAT'L SECURITY LLC	8446100110	96,624
81.000	3650	MISSION SUPPORT ALLIANCE LLC	46722	50,000
81.000	3650	NW ENERGY WORKS INC	WSU002053	15,781
81.000	3650	PROJECT PERFORMANCE CORP	1511WSU01	22,651
81.000	3650	PROJECT PERFORMANCE CORP	M262_41771708	-6
81.000	3650	SANDIA NAT'L LAB FED	1072147	23,784
81.000	3650	SANDIA NAT'L LAB FED	1127609	15,000
81.000	3650	SANDIA NAT'L LAB FED	1225319	5,980
81.000	3650	SANDIA NAT'L LAB FED	1233946	566
81.000	3650	SANDIA NAT'L LAB FED	651102	54,217
81.000	3650	SANDIA NAT'L LAB FED	663719	-9,348
81.000	3650	SANDIA NAT'L LAB FED	888552	-1
81.000	3650	SANDIA NAT'L LAB FED	GUAR56012484	5,322
81.000	3650	SAVANNAH RIVER NUCLEAR LLC	AC695370	7,897
81.000	3650	SAVANNAH RIVER NUCLEAR LLC	AC695380	-966
81.000	3650	UNIV OF CA-BERKELEY FED FLOW	6833311	15,392
81.000	3650	UNIV OF CA-BERKELEY FED FLOW	6962257	3,937
81.000	3650	UT-BATTELLE LLC FED FLOW	400112928	3,202
81.000	4770	Oregon Dept of Fish & Wildlife	090-1289-ISA-FISH	521,561
81.000	4770	Pacific States Marine Fisheries Commission	11-55	4,212

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81.000	4770	Pacific States Marine Fisheries Commission	12-108	246,393
81.000	4770	Pacific States Marine Fisheries Commission	12-109	5,076
81.000	4770	Pacific States Marine Fisheries Commission	12-46	24,229
81.000	4770	Pacific States Marine Fisheries Commission	12-68	44,374
81.000	4770	Pacific States Marine Fisheries Commission	12-76	25,944
81.000	4770	Pacific States Marine Fisheries Commission	12-77	11,983
81.000A	3650	ALLIANCE SUSTAINABLE ENERGY	ZFT040644012	367,794
81.000A	3650	BATTELLE LABS	133177	107,545
81.000A	3650	BATTELLE LABS	136898	42,768
81.000A	3650	BATTELLE LABS	141375	101,340
81.000A	3650	CITY OF SEATTLE	OSE1145	33,902
81.000A	3650	ENERGY ENTERPRISE SOLUTIONS LLC	01019W01062	1,470,009
81.000A	3650	THURSTON REGIONAL PLNG COUNCIL	WSU001294	30,902
81.049	3600	AERODYNE RESEARCH, INC	ARI 10667-4	66,840
81.049	3600	CARNEGIE MELLON UNIVERSITY	1070096-242680 AM02	127,634
81.049	3600	EAGLE HARBOR TECHNOLOGIES, INC.	UWOSPA66435DESC000448M	65,800
81.049	3600	FOREST CONCEPTS, LLC	UW BUD# 639982	5,540
81.049	3600	NORTHEASTERN UNIVERSITY	503008P1001642 MOD 5	9,353
81.049	3600	NORTHEASTERN UNIVERSITY	503018	10,931
81.049	3600	NORTHERN ARIZONA UNIVERSITY	MPC35ZU AM03	37,890
81.049	3600	PRINCETON UNIVERSITY	00001890 MOD01	113,054
81.049	3600	STONY BROOK UNIVERSITY	008044/1011334/2 AMD02	12,221
81.049	3600	UNIVERSITY OF MISSOURI-COLUMBIA	C00034442-1	66,325
81.049	3600	UNIVERSITY OF OREGON	234151M AM03	-1,822
81.049	3600	UNIVERSITY OF OREGON	234151M AM05	9,248
81.049	3600	UNIVERSITY OF TEXAS ARLINGTON	26-3903-11-61	-8,487
81.049	3600	UNIVERSITY OF WISCONSIN-MADISON	359K612	44,874
81.049	3600	YALE UNIVERSITY	C12E11328 (E00146)	4,150

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81.049	3650	DONALD DANFORTH PLANT SCI CTR	DDPSC28120WS	409,122
81.049	3650	FOREST CONCEPTS LLC	WSU001272	12,560
81.049	3650	UNIV OF NM	740058874P	32,213
81.049	3650	UNIV OF NV LAS VEGAS FED FLOW	08X01	61,280
81.049	3700	UCLA-EFRC	Sub 0190 G MA598	21,712
81.049A	3600	BATTELLE MEMORIAL INSTITUTE	124328	2,199,134
81.049A	3600	BATTELLE MEMORIAL INSTITUTE	UW BUD# 400979	-970,703
81.049A	3600	ENERTECHNIX, INC.	59262	112,985
81.049A	3600	UNIVERSITY OF ARIZONA	Y551851	102,248
81.049A	3600	UNIVERSITY OF ARIZONA	Y551851AMENDMENTNO1	58,568
81.086	3800	Puget Sound Clean Air Agency	1A-2010-1	96,051
81.086A	3650	PUGET SOUND CLEAN AIR AGCY	20110140IAA	135,167
81.087	3600	CONSORTIUM FOR PLANT BIOTECHNOLOGY	GO12026-278 AM-G	6,472
81.087	3600	CONSORTIUM FOR PLANT BIOTECHNOLOGY	GO12026-300 AM-C	12,586
81.087	3600	CORRIM	CORRIMSUBCONTRACT410	77,944
81.087	3600	OCEAN RENEWABLE POWER COMPANY	UW BUD# 662359	8,625
81.087	3600	OREGON STATE UNIVERSITY	G0107A-A AM03	45,687
81.087	3600	OREGON STATE UNIVERSITY	G0107A-A AM04	140,268
81.087	3600	RE VISION CONSULTING, LLC	UW BUD# 637028	12,844
81.087	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	A60617PRIMEDEEEE0002650	4,961
81.087	3650	PORT OF BENTON	WSU002016	58,961
81.087	3650	PORT OF BENTON	WSU002046	244,382
81.087	3650	UNIV OF CENTRAL FL	PO102756	-7,813
81.087	4900	Arizona Geological Survey	DE-EE0002850	221,669
81.087A	3600	DONALD DANFORTH PLANT SCIENCE CENTER	28302-U	310,536
81.089	3650	MT ST UNIV - BOZEMAN	G12912W3521	113,555
81.089	3650	MT ST UNIV-FED FLOW	G30208W2036	-1
81.106	2250	Western Governor's Association	C120078FED-TWX1	72,649

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81.121	3650	MEDICAL UNIV OF SOUTH CAROLINA	MUSC09094	204,935
81.121	3650	MEDICAL UNIV OF SOUTH CAROLINA	MUSC12011	3,406
81.122	3650	UNIV OF IL FED FLOW	20100125103	352,706
81.122A	3650	AZ ST UNIV FED FLOW	11453	162,609
81.122A	3650	ENTERGY SRVCS INC	10283474	88,978
81.122A	3650	UNIV OF MN FED FLOW	A000211585	2,664
81.135	3650	CORNELL UNIV FED FLOW	653029807	21,953
81.135	3650	UNIV OF MASS/AMHERST FED FLOW	12006903B00	39,204
81.135A	3600	GINKGO BIOWORKS, INC	2001001	116,151
81.135A	3600	GINKGO BIOWORKS, INC	201001	832,419
81.999	3650	UNIV OF CENTRAL FL	20126087	-14
81.999	3650	UNIV OF CENTRAL FL	20126094	143,354
84.000	3600	AMERICAN INSTITUTES FOR RESEARCH	L031.02.06.01	97,319
84.000	3600	CAROLINAS MEDICAL CENTER	H133A080035	77,628
84.000	3600	EDUCATIONAL SERVICE DISTRICT105	UW BUD# 635741	-191
84.000	3600	FEDERAL LEADERSHIP INSTITUTE	ED-OII-11-Q-0023	92,610
84.000	3600	KRELL INSTITUTE	UW BUD# 802319	20,760
84.000	3600	KRELL INSTITUTE	UW BUD# 802320	-10,374
84.000	3600	MARSHALL UNIVERSITY RESEARCH CORPORATION	UW BUD# 802241	2,230
84.000	3600	WASHINGTON EDUCATION ASSOC	UW BUD# 802414	-31,363
84.000	3650	FILAMENT GAMES	115448001	46,744
84.000	3650	WELLPINIT SCHOOL DIST #49	PCS0507	-8,547
84.027	3750	Ellensburg School District	CWU/Ellensburg SD#401	2,475
84.027	3750	N. Central ESD	1211000004.000	33,542
84.027	3750	N. Central ESD	1211000004/1211100005	150,614
84.101	6990	Tulalip Tribes	V101A010017-03A	233,040
84.116	3600	NCTAF	A-3	12,500
84.116	3600	NCTAF	UW BUD# 637745	3,265

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84.116	3600	UNIV OF NEW YORK	F5237.01 AMA02	-9,832
84.116	6990	Workforce Dev Council of Snoco	09-EVC-0-776-FIPSE	2,059
84.116	6990	Workforce Dev Council of Snoco	11-EVC-X-090-FIPSE	35,607
84.116	6990	Workforce Development Council of Snohomish County	09-EDC-O-775-FIPSE	51,496
84.133	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	PRIME H133G070143-09	11,255
84.133	3600	MEDSTAR RESEARCH INSTITUTE	201F3132006 AMEND #1	1,440
84.133	3600	REHABILITATION INSTITUTE OF CHICAGO	#80474 AM04	16
84.213	6990	OSPI/WAHLUKE	OSP12	90,311
84.214	3650	READY BY FIVE	WSU002044	15,537
84.215	3650	WASHOUGAL SCHOOL DIST	50847	444
84.215	3650	WASHOUGAL SCHOOL DIST	99781101169	19,774
84.324	3600	LOUISIANA STATE UNIVERSITY	51423	125,634
84.324	3600	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2009-083 MOD03	409,266
84.324	3600	UNIV OF KENTUCKY	3048108226-12-338AM01	60,277
84.324	3600	UNIVERSITY OF KANSAS	FY2009-083 MOD01	-11,897
84.324	3600	UNIVERSITY OF OKLAHOMA	RS20110522-01	289,260
84.325	3600	MONTCLAIR STATE UNIVERSITY	H325T110012-UOW	5,082
84.327	3650	UNIV OF CINCINNATI	007050	8,878
84.327	3650	UNIV OF KS FED FLOW	FY2012049	9,014
84.334	6990	Yakima School District	G066/G067	101,437
84.359	3600	CITY OF SEATTLE	DA10-1589AM01	39,461
84.360	3600	SEATTLE PUBLIC SCHOOLS	UW BUD# 663947	4,396
84.366	3600	UNIVERSITY PLACE SCHOOL DISTRICT	UW BUD# 637899	28,508
84.367	3750	HECB/ESD 105	900000049.000	15,827
84.367	3760	UW/DOE	724493,IA11-1A048	13,343
84.378	3600	METROPOLITAN DEVELOPMENT COUNCIL	UW BUD# 663993	6,766
84.393	3600	EDUCATIONAL SERVICE DISTRICT 112	PRIME10132601700140007	196,284
84.393	3600	KING COUNTY	D41053D	7,678

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84.393	3700	IDHW-MI-AIMH Endorsement	KC241000-Amend#1	42,480
84.396	3600	BEAVERTON SCHOOL DISTRICT	BSD REF#10-0025	345,090
84.396	3600	BELLEVUE SCHOOL DISTRICT	A58405	129,415
84.405	3600	HERITAGE UNIVERSITY	U405A100020	166,552
84.928	3600	NTL WRITING PROJECT CORP	92-WA03	49,883
84.928	3600	NTL WRITING PROJECT CORP	92-WA03 AM34	48,009
84.928	3750	UC Berkley	92-WA02	44,186
90.403	3600	INFORMATION TECHNOLOGY & INNOVATION	2011001	42,581
93.000	3600	ACCOUNTABILITY SOLUTIONS, INC.	UW BUD# 663790	31,411
93.000	3600	ADJ FOR ROUNDING	UW BUD# 999998	-18
93.000	3600	AMERICAN COLLEGE - OB & GYN	200-2010-37560	10,592
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	1147	14,656
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	1148	14,401
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4221	119,655
93.000	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	UW BUD# 638600	63,613
93.000	3600	AMERICAN INSTITUTES FOR RESEARCH	PROJECT # 02434.003	9,324
93.000	3600	AMERICAN INSTITUTES FOR RESEARCH	SUB #486.02731 MOD #2	28,019
93.000	3600	AMERICAN INSTITUTES FOR RESEARCH (AIR)	SUB #0790-02731.003	27,911
93.000	3600	AMERICAN PSYCHOLOGICAL ASSOCIATION	UW BUD# 807095	1
93.000	3600	AOEC	PEHSU	168,694
93.000	3600	ARBOR VITA CORP	UW BUD# 639836	65,340
93.000	3600	ARIDIS PHARMACEUTICALS, LLC	R43AI08140001A120091	-14,554
93.000	3600	ASSOC OF SCHS OF PUBLIC HLTH	S1189-19/21 S001	-817
93.000	3600	ASSOC OF SCHS OF PUBLIC HLTH	S1554-20/21	-5,325
93.000	3600	ASSOC OF SCHS OF PUBLIC HLTH	S3901-27/28	63,703
93.000	3600	ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH	S3951-28/29	103,477
93.000	3600	AUCD	309 AM02	71,575
93.000	3600	AXIO RESEARCH CORP	NHL245-08	4,206

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93.000	3600	BASTYR UNIVERSITY	H33B11-02 MOD01	6,224
93.000	3600	BASTYR UNIVERSITY	H33B11-03 MOD01	13,548
93.000	3600	BENAROYA RSCH INST AT VIRGINIA MASON	01952/05899	11,496
93.000	3600	BENAROYA RSCH INST AT VIRGINIA MASON	0585312	14,668
93.000	3600	BENAROYA RSCH INST AT VIRGINIA MASON	07893	11,504
93.000	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	AM03	19,156
93.000	3600	BROAD INSTITUTE, INC.	52158105500000119MOD02	10,722
93.000	3600	BROAD INSTITUTE, INC.	52158105500000120MOD02	1,823
93.000	3600	CARACAL, INC.	UW BUD# 635390	28,238
93.000	3600	CASE WESTERN RESERVE UNIVERSITY	RES502421 AM05	226,838
93.000	3600	CASE WESTERN RESERVE UNIVERSITY (CWRU)	UW BUD# 664591	4,830
93.000	3600	CASE WESTERN RESERVE UNIVERSITY (CWRU)	UW BUD# 664934	6
93.000	3600	CENTER FOR PSYCHOLOGICAL CONSULTATION	UW BUD# 664815	3,871
93.000	3600	COLUMBIA RIVER MENTAL HEALTH SERVICES	UW BUD# 664361	1,632
93.000	3600	COLUMBIA UNIVERSITY	UW BUD# 664066	2,004
93.000	3600	COMPUTERCRAFT CORPORATION	CC FORM SUB UW#1 MOD04	545,911
93.000	3600	CONGRESSIONAL GLAUCOMA CAUCUS FOUNDATION	SSSP #50	164
93.000	3600	CORIXA CORP	PO323870HHSN2722009000	256,205
93.000	3600	DIMERA, INC.	UW BUD# 630647	-7,875
93.000	3600	DIR OF HEALTH PROMOTION AND EDUCATION	12-803000-007	23,484
93.000	3600	DUKE CLINICAL RESEARCH INSTITUTE (DCRI)	SPS #162060, SITE 070	4,014
93.000	3600	DUKE UNIVERSITY	N01-AI-05419 MOD03	1,235
93.000	3600	EDENSPACE SYSTEMS CORPORATION	UW BUD# 660713	39,596
93.000	3600	ENGINEERING ARTS	030512	-23,540
93.000	3600	EVANSTON NORTHWESTERN HEALTHCARE	EH06201S9N01AG60007CMO	58,274
93.000	3600	FHCRC	0000722560	54,710
93.000	3600	FHCRC	0000724839	4,373
93.000	3600	FHCRC	SA0600356	-24,571

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93.000	3600	FHCRC	SA1100800	4,743
93.000	3600	FHCRC	SA1200850	59,141
93.000	3600	FHCRC	SA1200891	21,070
93.000	3600	FHCRC	SA1200899	34,136
93.000	3600	FIRSTHAND TECHNOLOGY	UW BUD# 635605	19,502
93.000	3600	FOCALPOINT CONSULTING GROUP	HSH230200532040C*	4
93.000	3600	FORDHAM UNIVERSITY	1 R25 DA 03160802 AM01	5,740
93.000	3600	FOX CHASE CANCER CENTER	11138-04, MOD04	-97,514
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000695859	-2,849
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000695859 AM01	-1,640
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	SA1000698	-4
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	SA1100823	3,851
93.000	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664490	10,717
93.000	3600	GROUP HEALTH COMMUNITY FNDN	PSA10-BIO-DOM-02/MOD01	5,111
93.000	3600	GROUP HEALTH COOPERATIVE	PSA-201109-STRATTON	39,106
93.000	3600	GROUP HEALTH RESEARCH INSTITUTE	2008113462 MD2	3,018
93.000	3600	GROUP HEALTH RESEARCH INSTITUTE	2008113462 MD5	26,285
93.000	3600	GROUP HEALTH RESEARCH INSTITUTE	2008113462 MOD07	-24,210
93.000	3600	HANOI SCHOOL OF PUBLIC HEALTH	UW BUD# 661690	12,375
93.000	3600	HARVARD SCHOOL OF PUBLIC HEALTH	PRIME5R01OH00878102AM0	-4,248
93.000	3600	HEALTH RESEARCH & EDUCATION TRUST	PJ 8079 TO02	10,503
93.000	3600	HEALTHY HOUSING SOLUTIONS, INC	UW BUD# 673743	6,896
93.000	3600	IMMUNE TOLERANCE NETWORK	108151	73,696
93.000	3600	IMMUNE TOLERANCE NETWORK	ITN10212-00SC AM02	106,343
93.000	3600	IMPERIAL COLLEGE	UW BUD# 639399	193,604
93.000	3600	INT SOCIETY FOR DISEASE SURVEILLANCE	CONTRACT #A53625 S01	146,864
93.000	3600	JOHN SNOW, INCORPORATED	UW BUD# 664156	5,898
93.000	3600	KINETA, INC.	5013	1

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93.000	3600	KINETA, INC.	5013 AM01	39,489
93.000	3600	KING COUNTY	D41082D	11,670
93.000	3600	KITWARE, INC.	K000121-S01	1,667
93.000	3600	MACRO INTERNATIONAL INC.	633430-9S-1414, MOD 3	31,100
93.000	3600	MATHEMATICA POLICY RESEARCH, INC.	06947S02227	14,868
93.000	3600	MCKING CONSULTING CORPORATION	#4554	10,030
93.000	3600	MOUNT SINAI SCHOOL OF MEDICINE	R01 HL071988 AM04	5
93.000	3600	NANOFACTURE, INC.	UW BUD# 637773	35,520
93.000	3600	NANOFACTURE, INC.	UW BUD# 637823	19,333
93.000	3600	NATIONAL CONGRESS OF AMERICAN INDIANS	U261HS300293/01	28,417
93.000	3600	NATIONAL CONGRESS OF AMERICAN INDIANS	U26IHS30029301SA03AM04	192,632
93.000	3600	NATIONAL ENVIRONMENTAL EDUCATION &	UW BUD# 673561	277
93.000	3600	NAVASOTA ISD	UW BUD# 637266	141,583
93.000	3600	NEW ENGLAND RESEARCH INSTITUTES, INC. (NERI)	#01756	-2,900
93.000	3600	NEW ENGLAND RESEARCH INSTITUTES, INC. (NERI)	UW BUD# 635905	35
93.000	3600	NORTHROP GRUMMAN	7500031154	-3,567
93.000	3600	NORTHROP GRUMMAN	7500031154, AM08	41,722
93.000	3600	NORTHROP GRUMMAN INFORMATION TECHNOLOGY	7500032630MOD03	2,771
93.000	3600	NORTHWEST INDIAN COLLEGE	NWIC# 24214 MOD02	188,857
93.000	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0103UOFWNKATZEAM0	602,903
93.000	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GPEDC0036A SAHN AM02	34,470
93.000	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GPEDC0036A SAHN AM03	18,187
93.000	3600	OREGON HEALTH AND SCIENCE UNIVERSITY (OHSU)	UW BUD# 663968	121,142
93.000	3600	PATH	NIH131107261SUBAM08	68,313
93.000	3600	PATH	NIH131107261SUBAMEND5	33,529
93.000	3600	PENNINGTON BIOMEDICAL RESEARCH CENTER	1RO1AG03026601A201	-47
93.000	3600	PORTLAND STATE UNIVERSITY	209YAN147 AM02	27,526
93.000	3600	RADIOLOGICAL SOCIETY OF NORTH AMERICA	HHSN268200800020C AM03	32,913

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93.000	3600	RADIOLOGICAL SOCIETY OF NORTH AMERICA	HHSN268201000050C12A	66,841
93.000	3600	RADIOLOGICAL SOCIETY OF NORTH AMERICA	UW BUD# 639920	20,435
93.000	3600	SAIC FREDERICK INC	PO#1170364S	33,507
93.000	3600	SAIC-F	10XS175 MOD05	19,171
93.000	3600	SAINT LOUIS UNIVERSITY	UW BUD# 666580	194
93.000	3600	SANTEC SYSTEMS, INC	UW BUD# 662758	22,089
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077N MOD06	115,315
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077P MOD05	237,929
93.000	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-1077P MOD06	581,184
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664753	2,581
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664792	2,128
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664793	3,515
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664794	4,504
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664795	2,903
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664796	10,408
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664797	4,272
93.000	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 664801	3,171
93.000	3600	SIBCR	JPAPOTG110MUNDIT2SIBCR	7,006
93.000	3600	SIBCR	KS140PJ11SIBCR	6,981
93.000	3600	SIBCR	TD13MEICHS3SIBCR	36,105
93.000	3600	SOCIAL & SCIENTIFIC SYSTEMS INC	A320.63U OF WASH	15,490
93.000	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	CRB-UCLA1-S-10-00052	15,189
93.000	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	PHR-SSS-S-11-001633	24,296
93.000	3600	SOCIAL SCIENTIFIC SYSTEMS INC	PHRSIS01S1000117MOD01	137,777
93.000	3600	STANFORD UNIVERSITY	UW BUD# 635740	3,134
93.000	3600	SYM TREND, INC.	UW BUD# 637810	30,304
93.000	3600	THE EMMES CORPORATION	UW BUD# 660119	7,484
93.000	3600	THE LEWIN GROUP, INC.	282-98-0016, T.O. 14	-6,630

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93.000	3600	TUFTS MEDICAL CENTER	5005011-SERV	27,101
93.000	3600	UNIV OF ALABAMA	000404693007AM3N01HC95	-2,635
93.000	3600	UNIV OF ALABAMA	000419431-007 AM05	16,008
93.000	3600	UNIV OF MED & DENTISTRY OF NEW JERSEY	UW BUD# 662157	102,696
93.000	3600	UNIV OF TEXAS	GMO-100503 MOD02	183,315
93.000	3600	UNIVERSITY OF ALABAMA	191999-010	383,033
93.000	3600	UNIVERSITY OF ALABAMA BIRGMINGHAM	NO.000189671-288 AM02	30,246
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000404693-002 AM03	-4,524
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000419431-006 AM06	42,674
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	UW BUD# 660660	995
93.000	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	UW BUD# 664407	2,295
93.000	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIEN	31603 AMD 3	16
93.000	3600	UNIVERSITY OF CALIFORNIA	5579SC AM04	67,343
93.000	3600	UNIVERSITY OF CALIFORNIA	5579SC, AMD2	578
93.000	3600	UNIVERSITY OF CALIFORNIA	6216SC AM01	-5,778
93.000	3600	UNIVERSITY OF CALIFORNIA	6216SC AM02	94,039
93.000	3600	UNIVERSITY OF CALIFORNIA	7008SC	18,021
93.000	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2010-2385 AM 2	30,068
93.000	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2011-2591AM01	330,978
93.000	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2011-2593 AM01	367,100
93.000	3600	UNIVERSITY OF CALIFORNIA, IRVINE	2011-2593AM01	173,767
93.000	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10313800	106,241
93.000	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10313800-SUB	72,437
93.000	3600	UNIVERSITY OF MICHIGAN	F025217, AM01	16,002
93.000	3600	UNIVERSITY OF NAIROBI	UW BUD# 673698	77,224
93.000	3600	UNIVERSITY OF NAIROBI	UW BUD# 674006	36,402
93.000	3600	UNIVERSITY OF NAIROBI	UW BUD# 674171	15,731
93.000	3600	UNIVERSITY OF NAIROBI	UW BUD# 807248	219,603

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93.000	3600	UNIVERSITY OF PENNSYLVANIA	UW BUD# 664128	16,302
93.000	3600	UNIVERSITY OF PITTSBURGH	00240316HHSN2722011000	65,941
93.000	3600	UNIVERSITY OF PITTSBURGH	UW BUD# 664638	9,063
93.000	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1117-00-AM	7,902
93.000	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, HOUSTON	UW BUD# 663382	159,596
93.000	3600	UNIVERSITY OF VIRGINIA	PO 979166	9
93.000	3600	VANDERBILT UNIVERSITY	UW BUD# 665234	77,596
93.000	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC33951 AM02	5
93.000	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC35637/AM02	6,392
93.000	3600	VPDIAGNOSTICS, INC	UW BUD# 631409	4,521
93.000	3600	WAKE FOREST UNIVERSITY	NO1-HC-95178 AMEND 16	35,949
93.000	3600	WAKE FOREST UNIVERSITY	WUHS 30225	21,930
93.000	3600	WAKE FOREST UNIVERSITY	WUHS 30225 AM01	236,205
93.000	3600	WAKE FOREST UNIVERSITY	WUHS 33000 AM04	1,028,537
93.000	3600	WAKE FOREST UNIVERSITY	WUHS GTS 35888 AM06	593,712
93.000	3600	WESTAT, INC.	8846.02-S04	3,278
93.000	3650	AXIO RES CO LLC	WSU000335	49,849
93.000	3650	NW INDIAN COLLEGE FED FLOW	2421310421000	46,362
93.000	3650	UNIV OF FL FED FLOW	UFEIS0714033WSU	11,222
93.000	6990	WDC-Seattle-King County	10/624-HHS	51,135
93.000	6990	WDC-Seattle-King County	10/634-HHS	3,568
93.000	6990	WDC-Seattle-King County	10/648-HHA	33,092
93.000	6990	WDC-Seattle-King County	11/648-HHS	56,504
93.000	6990	Workforce Dev. Council of Seattle King County	145-111-1v08	39,910
93.000A	3600	ISPP INGENIX PUBLIC SECTOR SOLUTIONS INC	140005	1,580
93.000A	3600	SRI INTERNATIONAL	LOA#03-000076	32,942
93.051	3600	STATE OF OREGON	130311	41,045
93.067	3600	APHL	UW BUD# 664167	19,466

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93.067	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	5U2GPS001177-04	34,796
93.067	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	5U2GPS0011773BIDMCAMD1	58,638
93.067	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	UW BUD# 662382	11,843
93.067	3600	CDC FOUNDATION	504-10	8,387
93.067	3600	CDC FOUNDATION	634-01-SC	2,386
93.067	3600	COPTIC ORTHODOX CHURCH	001-2 REV01	28,960
93.067	3600	COPTIC ORTHODOX CHURCH	SUBCONTRACT 001-2	406,376
93.067	3600	COPTIC ORTHODOX CHURCH	SUBCONTRACT 002-2	127,165
93.067	3600	COPTIC ORTHODOX CHURCH	SUBCONTRACT 003-2	67,292
93.067	3600	COPTIC ORTHODOX CHURCH	SUBCONTRACT 004-2	46,131
93.067	3600	COPTIC ORTHODOX CHURCH	SUBCONTRACT0011MOD01	41,224
93.067	3600	COPTIC ORTHODOX CHURCH	UW BUD# 638927	32,277
93.067	3600	NASTAD	ITECH 12# 1.0	99,356
93.067	3600	NASTAD	ITECH11#1.0	172
93.067	3600	NASTAD	ITECH11#1.1	78,171
93.067	3600	RTI INTERNATIONAL	0212736G2011002MOD01	51,012
93.067	3600	RTI INTERNATIONAL	12736-G-FY11-02	16,421
93.067	3600	UNIV OF CA SAN FRANCISCO	6607SC	7,379
93.067	3600	UNIV OF CA SAN FRANCISCO	6607SC AM02	19,039
93.067	3600	UNIVERSITY OF CALIFORNIA	6293SC	205,389
93.067	3600	UNIVERSITY OF CALIFORNIA	6293SC AMEND #2	395,895
93.067	3600	UNIVERSITY OF CALIFORNIA	6370SC AM01	204,116
93.067	3600	UNIVERSITY OF CALIFORNIA	6370SCPRIMEU2GPS001468	3,743
93.067	3600	UNIVERSITY OF CALIFORNIA	6601SC	19,810
93.067	3600	UNIVERSITY OF CALIFORNIA	6601SCAM01DPA628015295	38,580
93.067	3600	UNIVERSITY OF CALIFORNIA	6601SCAM02DPA628015295	126,762
93.067	3600	UNIVERSITY OF CALIFORNIA	6614SC	15,506
93.067	3600	UNIVERSITY OF CALIFORNIA	6935SC	126

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93.067	3600	UNIVERSITY OF NAIROBI	UONUWCDC5U2GPS00118304	193,875
93.069	3600	OREGON DEPARTMENT OF HUMAN SERVICES	134342 AM01	2,961
93.070	3600	PUBLIC HEALTH - SEATTLE & KING COUNTY	EHS2478	20,832
93.088	3600	THURSTON COUNTY	UW-CHC-P2-Y1	52,649
93.093	2350	Workforce Development Council of Seattle King County	11/650-HHS	53,948
93.103	3600	COLUMBIA UNIVERSITY	5RO1FD000372802SUB01AM	68,465
93.103	3600	UNIVERSITY OF ROCHESTER	415628-G	105,394
93.104	3600	YAKIMA COUNTY	CMHI UW 10	18,100
93.110	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	10301SUB	13,369
93.110	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10471SUB	20,245
93.110	3600	UCLA	1920 G KB359 AM01	-7
93.110	3600	UCLA	1920 G KB359 AM04	-3,575
93.110	3600	UCLA	1920 G KB359 AM05	32,467
93.110	3600	UNIVERSITY OF ALASKA ANCHORAGE	P0424035 AM001	10,090
93.113	3600	BATTELLE PACIFIC NW LABS	TO141096MA75501MOD02	65,524
93.113	3600	BRIGHAM & WOMENS HOSP	104281	-360
93.113	3600	BRIGHAM & WOMENS HOSP	104281 AM03	170,401
93.113	3600	CHILDREN'S HOSPITAL	10149SUB AM03	-16,266
93.113	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-111008 AM04	15,579
93.113	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570.114018 AM03	60,092
93.113	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GCROE0137C, AM03	17,483
93.113	3600	SEATTLE - KING COUNTY DEPT OF PUBLIC HEA	T03387T	16,022
93.113	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10387 SUB	11,767
93.113	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10480SUB	66,929
93.113	3600	SUNY	PO#R694299 AM03	23,344
93.113	3600	SWEDISH MED CTR	WU07136PO29932PAM05	15,554
93.113	3600	THE RESEARCH FOUNDATION OF SUNY	1091095101-2-57609	65,067
93.113	3600	UCLA MEDICINE-CARDIOLOGY	1553 G MC571-AM1	-1

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93.113	3600	UCLA-MEDICINE-CARDIOLOGY	1553 G MC571 AM02	64,308
93.113	3600	UNIV OF MARYLAND	Z036104	15,143
93.113	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-10-138 MOD01	19,926
93.113	3650	UNIV OF CA DAVIS	SUB07004128WSU	5,415
93.113	3650	UNIV OF TX	UTA09000505	2,719
93.115	3600	UNIVERSITY OF MARYLAND, BALTIMORE	SR00000562, AM05	-6,145
93.121	3600	BENAROYA RSCH INST AT VIRGINIA MASON	FY110410100803A55933	39,960
93.121	3600	CASE WESTERN RESERVE UNIVERSITY	RESS066101R34DE022262	13,086
93.121	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	414450020101.UW01 MOD3	27,556
93.121	3600	SEATTLE CHILDREN'S HOSPITAL	10356SUB	203,836
93.121	3600	SEATTLE CHILDREN'S HOSPITAL	10509SUB	17,316
93.121	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	10575SUB	42,828
93.121	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10332SUB	36,669
93.121	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	UW BUD# 635830	-10,423
93.121	3600	UNIV OF NORTH CAROLINA CHAPEL HILL	5-51223 AM05	17,112
93.121	3600	UNIV OF NORTH CAROLINA CHAPEL HILL	5-51223, AM01	1,604
93.121	3600	UNIVERSITY OF MINNESOTA	P001901001 AM01	159,594
93.121	3600	USC	114038 AM05	12,752
93.135	3600	TEXAS A&M UNIVERSITY SYSTEM	99-S120037	13,990
93.136	3600	OREGON HEALTH & SCIENCE UNIVERSITY	1001502_UW	30,379
93.136	3600	OREGON HEALTH & SCIENCE UNIVERSITY	SUBAWARD1001502UWAM01	122,316
93.136	3600	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20092114-01	-11,152
93.136	3600	U. OF OKLAHOMA - DEPT OF PEDIATRICS	RS20092114-02AM01	14,409
93.142	3600	UCLA	2105 G HB431 AM05	1,844
93.142	3600	UCLA	2105 G NA299	29,669
93.142	3600	UCLA	2105 G NA299 AM01	296,232
93.143	3600	UNIV OF CA BERKELEY	SA5306-11523 AM05	-43
93.143	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	00007683/2000107277	2,199

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93.153	3600	SEATTLE KING COUNTY DEPT OF HLTH	D38477D, AMD 1	-3,385
93.153	3600	SEATTLE KING COUNTY DEPT OF HLTH	D40400D	8,384
93.155	3600	NATIONAL RURAL HEALTH ASSOCIATION	UW BUD# 639885	7,599
93.155	3600	NATIONAL RURAL HEALTH ASSOCIATION	UW BUD# 663174	25,630
93.172	3600	ARIZONA STATE UNIVERSITY	10-225	1,042
93.172	3600	ARIZONA STATE UNIVERSITY	11-436	341,955
93.172	3600	ARIZONA STATE UNIVERSITY	11-436 AM04	31,953
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 634391	24,804
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 639361	14,875
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 639362	377
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 639385	135,397
93.172	3600	ARIZONA STATE UNIVERSITY	UW BUD# 639452	55,617
93.172	3600	BRIGHAM AND WOMEN'S HOSPITAL	105074 AM01	113,086
93.172	3600	CARNEGIE MELLON UNIV	1090329-269758	34,002
93.172	3600	EUROPEAN MOLECULAR BIOLOGY LAB-EBI	5U01HG00469504AM06SUBC	95,244
93.172	3600	GROUP HEALTH COOPERATIVE	2010121139	7,413
93.172	3600	GROUP HEALTH COOPERATIVE	PO#2009119755	-766
93.172	3600	GROUP HEALTH RESEARCH INSTITUTE	2010121244	28,860
93.172	3600	GROUP HEALTH RESEARCH INSTITUTE	2011119338	232,133
93.172	3600	JOHN HOPKINS UNIV.	2001060591 AM02	17,623
93.172	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10462SUB	281,298
93.172	3600	STANFORD UNIVERSITY	26366880-49414-D AM04	273,560
93.172	3600	THE REGENTS OF UNIV OF CA-SANTA CRUZ	S0183592	17,099
93.172	3600	UNIV NC CHAPEL HILL EPIDEMIOLOGY	5-51148 YEAR4#3	152,264
93.172	3600	UNIV OF ALASKA FAIRBANKS	UAF110078MOD1FP13240	153,900
93.172	3600	UNIVERSITY OF CALIFORNIA, DAVIS	06-002367-1	47,917
93.172	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-11-256 AM02	49,238
93.172	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-12-275	98,477

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.173	3600	FATHER FLANAGAN'S BOYS' HOME	PRIME #R01DC010202-01	-1,428
93.173	3600	FATHER FLANAGAN'S BOYS' HOME	PRIME5R01DC01020202MOD	661
93.173	3600	FHCRC	0000679351	967
93.173	3600	FHCRC	0000696361	1,352
93.173	3600	FHCRC	0000719273	98,086
93.173	3600	NORTHWESTERN UNIVERSITY	SP0011426-PROJ0003112	100,230
93.173	3600	OREGON HEALTH AND SCIENCE UNIVERSITY	GOTOL0173A_UW/AM02	64,987
93.173	3600	SAN DIEGO STATE UNIVERSITY RSCH FDN	54065EP35317801211AM01	26,953
93.173	3650	UNIV OF IA FED FLOW	1000783312	21,495
93.213	3600	BASTYR UNIVERSITY	H34B11-01 MOD01	472,952
93.213	3600	BASTYR UNIVERSITY	H34B12-01 MOD01	119,115
93.213	3600	BASTYR UNIVERSITY	H34B12-02	1,471
93.213	3600	BASTYR UNIVERSITY	H34B12-02 MOD1	11,318
93.213	3600	BASTYR UNIVERSITY	H72B12-01	-2,634
93.213	3600	BASTYR UNIVERSITY	H94B11 MOD 5	19,628
93.213	3600	GROUP HEALTH COOPERATIVE	2011115678	40,133
93.213	3600	GROUP HEALTH COOPERATIVE	PO#2011102817	15,442
93.213	3600	GROUP HEALTH RESEARCH INSTITUTE	2012104196	10,294
93.213	3600	GROUP HEALTH RESEARCH INSTITUTE	UW BUD# 664676	2,574
93.224	3600	HEALTH CARE FOR THE HOMELESS PROGRAM	D40926D	28,999
93.224	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	CHS2458	29,141
93.226	3600	DUKE CLINICAL RESEARCH INSTITUTE	3035485	207
93.226	3600	DUKE UNIVERSITY	303-5486AM01	6,629
93.226	3600	DUKE UNIVERSITY	3035486 AM02	84,217
93.226	3600	GROUP HEALTH COOPERATIVE	2011113573	8,988
93.226	3600	INDIANA UNIVERSITY	UW BUD# 664248	19,267
93.226	3600	KAISER FOUNDATION HEALTH PLAN OF GEORGIA	SUBCONTRACT AM03	144,775
93.226	3600	SEATTLE CHILDREN'S HOSPITAL	10234SUB AM01	5,389

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93.226	3600	SEATTLE CHILDREN'S HOSPITAL	10327SUB	86,914
93.226	3600	UNIVERSITY OF ILLINOIS, CHICAGO	2007-02872-04-04 KN	-3
93.226	3600	UNIVERSITY OF ILLINOIS, CHICAGO	2007-02872-11-00	17,256
93.226	3600	UNIVERSITY OF ILLINOIS, CHICAGO	FP049252-B	7,272
93.226	3600	UNIVERSITY OF NORTH CAROLINA	5-51352	11,265
93.226	3600	UNIVERSITY OF PITTSBURGH	106283 AM02	-14,446
93.226	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR	0007879A AMO1	46,359
93.230	3600	POCAAN	5 H79TI5917-05	-50,853
93.231	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	NARCHVIU26IHS30041301	67,027
93.231	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	U26IHS300107/04 AM2	16,336
93.231	3600	NORTHWEST INDIAN COLLEGE	NWIC 24213 104 22000	45,589
93.238	3600	PUBLIC HEALTH-SEATTLE & KING COUNTY	T03317T	4,937
93.242	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	#10328 SUB	51,722
93.242	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	415140010101.UW MOD02	-3,946
93.242	3600	DUKE UNIV	UW BUD# 634089	8,188
93.242	3600	DUKE UNIVERSITY	10-NIH-1015/MOD02	28,811
93.242	3600	HEALTHPARTNERS RESEARCH FOUNDATION	A06-102 DIAMOND, AM04	32,239
93.242	3600	NEW YORK UNIVERSITY	070925PROJ847250AM04	249,303
93.242	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	07-0925, AMENDMENT #3	-6,907
93.242	3600	SEATTLE CHILDREN'S HOSPITAL	SUB#10001SUB AM#3	13,179
93.242	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	JPAPOTD13TD12SIBCR	14,324
93.242	3600	SIBCR	TD13-TD1-3-SIBCR	10,232
93.242	3600	SIBCR	TD13MH065558MEICHLE02	47,498
93.242	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSIMPCTS1100002100167	10,985
93.242	3600	TUFTS UNIVERSITY	HS1778 AM01	83,715
93.242	3600	UC DAVIS	0800094 AM03	51,717
93.242	3600	UC DAVIS	SUB0800037 AM05	1,036,834
93.242	3600	UC DAVIS	SUB0800044 AM4	262,067

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93.242	3600	UCLA MED-GIM & HSR	1350GNA655AM06	33,679
93.242	3600	UNIV OF COLUMBIA	1-5-27585AM07	-27,310
93.242	3600	YALE UNIVERSITY	M10A10818 (A07872) AM02	94,903
93.243	3600	KING COUNTY DCHS	516838 AMO3	4,725
93.243	3600	KING COUNTY DCHS	T03286T	17,613
93.243	3600	KING COUNTY DCHS	T03353T	101,991
93.243	3600	KING COUNTY DEPT OF COMM & HUMAN SERV	T03342T AM01	89,652
93.243	3600	NATIONAL COUNCIL	UW BUD# 661873	107,061
93.243	3600	OREGON HEALTH SCIENCES UNIVERSITY	GPHPM0144-ADAI AM03	14,645
93.243	3600	OREGON HEALTH SCIENCES UNIVERSITY	GPHPM0144-ADAI AM04	43,060
93.243	3600	YOUTH SUICIDE PREVENTION PROGRAM	1 U79 SM 060393-01	61,086
93.243	3650	CLARK COUNTY	2011A14	36,668
93.243	3650	ICF INC FED FLOW	WSU002300	499
93.243	3650	JUSTICE RESOURCE INSTITUTE	WSU001170	18,519
93.243	3650	SPOKANE CNTY	WSU001129	41
93.243	3650	SPOKANE CNTY	WSU001130	54,213
93.262	2350	University of California San Francisco	R01 OH009712-02	4,666
93.262	3600	BASSETT HEALTHCARE NETWORK	#451	5,491
93.262	3600	UCLA EPIDEMIOLOGY	1935 G PA501	2,182
93.262	3600	UNIVERSITY OF CINCINNATI	005180 AM04	74,202
93.262	3600	UNIVERSITY OF CINCINNATI	COEUS#005180 AM03	30,373
93.262	3650	RSCH FNDN SUNY-BUFFALO FED	109014825522	8,572
93.262	3700	CPWR-Workplace Solutions 09-10	30101102 U60OH009762	-641
93.262	3700	CPWR-Workplace Solutions 10-11	3002-011-02-A1	23,346
93.262	3700	CPWR-Workplace Solutions 11-12	3003-011-02 Amend#1	21,931
93.273	3600	GROUP HEALTH RESEARCH INSTITUTE	2011115737	18,966
93.273	3600	GROUP HEALTH RESEARCH INSTITUTE	2011120264	45,696
93.273	3600	PALO ALTO INSTITUTE FOR RSRCH & EDUCATIO	HAX0005-01	7,419

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93.273	3600	PENNSYLVANIA STATE UNIVERSITY	4332-UW-DHHS-2529AM01	201,528
93.273	3600	RUTGERS UNIVERSITY	4046 MOD03	57,652
93.273	3600	SEATTLE CHILDREN'S HOSPITAL RSCH FNDN	10181SUB AM02	58,711
93.273	3600	SIBCR	JPAPORD111RD12SIBCR	33,609
93.273	3600	SIBCR	JPAPOST19FLAHERTY04	6,275
93.273	3600	UCSF CONTROLLER'S OFFICE	6985SC	7,748
93.273	3600	UNIV OF MICHIGAN	3001520412 AM01	11,337
93.273	3600	UNIV OF TEXAS SAN ANTONIO	1603-56UW AM01	17,735
93.273	3600	UNIVERSITY OF HOUSTON	R-12-0031 G102004	16,353
93.276	3750	KCCN/WTSC	MOU	3,807
93.279	3000	WESTAT-NIDA	B00A00	12,822
93.279	3000	WESTAT-NIDA	B01A10	69,319
93.279	3600	BAYLOR COLLEGE OF MEDICINE	5600291023	-8,584
93.279	3600	ERNEST GALLO CLINIC & RESEARCH CENTER	32-21-1AM1	73,018
93.279	3600	FATHER FLANAGAN'S BOYS' HOME	MOD01PRIME5R01DA025651	180,001
93.279	3600	FATHER FLANAGAN'S BOYS' HOME	UW BUD# 639499	32,533
93.279	3600	FATHER FLANAGAN'S BOYS' HOME	UW BUD# 639501	244,400
93.279	3600	GROUP HEALTH RESEARCH INSTITUTE	2009113192	-1
93.279	3600	NATIONAL DEVELOPMENT & RESEARCH INST.	618B	28,985
93.279	3600	NATIONAL DEVELOPMENT & RESEARCH INST.	NDRI PROJECT 618C	4,399
93.279	3600	NORTHWEST INDIAN COLLEGE	#24215/MOD02	184,432
93.279	3600	NORTHWEST INDIAN COLLEGE	NWIC# 24216.03 MOD02	48,406
93.279	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GPSYC0113E	7,500
93.279	3600	SUNY	R433627AM04	13,716
93.279	3600	SUNY	R446560 AM05	16,765
93.279	3600	TALARIA, INC.	AM01	19,620
93.279	3600	TALARIA, INC.	STTR2R42DA020284AM03	1,532
93.279	3600	TALARIA, INC.	UW BUD# 634311	-126

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93.279	3600	THE REGENTS OF THE UNIV OF CALIFORNIA	5170SC AM04	11,170
93.279	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIEN	31603 AMD05	1,719
93.279	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIEN	37223	5,104
93.279	3600	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIEN	37223 AM01	36,823
93.279	3600	UNIVERSITY OF CALIFORNIA - UCLA	1935 G JB131 AM04	51,736
93.279	3600	UNIVERSITY OF MARYLAND	SR00002142	3,029
93.279	3600	UNIVERSITY OF ROCHESTER	414141-G, AMD 1	-26
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PT091038-SC100202 AM01	10,803
93.279	3600	VIRGINIA COMMONWEALTH UNIVERSITY	PT103743SC101985/AM 02	11,518
93.279	3650	PACIFIC INST FOR RES & EVAL	00490201	22,142
93.279	3650	UNIV OF CA LOS ANGELES	SP30DA016383	11,329
93.282	3600	DARTMOUTH COLLEGE	819	1,533
93.282	3600	DARTMOUTH COLLEGE	819 (5T32MH073553-07)	74,503
93.283	3600	CHILDREN'S HOSPITAL (SEATTLE)	414230010401.UW MOD 01	-134
93.283	3600	PROGRAM FOR APPROPRIATE TECH IN HEALTH	CDC 1654-01-05432-SUB	36,061
93.283	3600	PROGRAM FOR APPROPRIATE TECH IN HEALTH	CDC14210308889SUBAM02	11,672
93.283	3600	SAINT LOUIS UNIVERSITY	5U84DD000512-02	14,053
93.283	3600	SAINT LOUIS UNIVERSITY	5U84DD000512-03	227
93.283	3600	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	D37483D	-10,032
93.283	3600	UTAH DEPARTMENT OF HEALTH	101820 AM02	22,893
93.283	3600	UTAH DEPARTMENT OF HEALTH	101820 AM1	64,423
93.286	3600	INSON MEDICAL SYSTEMS, INC.	UW OSP #A60605 AM02	81,270
93.286	3600	PATH	NIH13740408996SUBAM01	-250
93.286	3600	PATH	NIH13740505450SUBAM1	312,764
93.286	3600	SBC-LODESPIN LABS LLC	A66450	60,445
93.286	3600	UNIVERSITY OF CALIFORNIA	6860120 MOD04	55,351
93.286	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	00007673	83,323
93.286	3600	UNIVERSITY OF UTAH	10008615 AM04	134,573

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93.286	3600	WEST VIRGINIA UNIVERSITY	06-674-UW AM03	48,321
93.301	3600	FHCRC	0000723870	72,678
93.307	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	C09-11 AM03; PO#20256	33,069
93.307	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	C09-11 AM04 (PO 21314)	13,986
93.307	3600	TALARIA, INC.	UW BUD# 635158	1,042
93.310	3600	FHCRC	0000680299	3,534
93.310	3600	FHCRC	0000680306	2,817
93.310	3600	FHCRC	680309	2,161
93.310	3600	FHCRC	723894PRIME5R01HG00581	193,302
93.310	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000697191	-744
93.310	3600	ROCKEFELLER UNIV	2U54RR022220-06	-1,412
93.310	3600	ROCKEFELLER UNIV	5 U54 RR 022220-07AM01	108,035
93.310	3600	UNIVERSITY OF NAIROBI	PRIME #1R24TW008907-02	217,821
93.310	3600	UNIVERSITY OF NAIROBI	UW BUD# 672848	51,248
93.359	3600	UIC	E4915 491423	812
93.359	3600	UIC	E4915 491423 AM01	66,404
93.361	3600	BAYLOR COLLEGE OF MEDICINE	4600412829-AM04	1,389
93.361	3600	DANA-FARBER CANCER INSTITUTE	1145306-AM2	15,875
93.361	3600	DUKE UNIVERSITY	2039925AM25R01NR011873	61,057
93.361	3600	MASSACHUSETTS GENERAL HOSPITAL	217966 AM01	31,838
93.361	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10171SUB AM02	211,549
93.361	3600	THE JOHNS HOPKINS UNIVERSITY	2001433044 AM01	5,829
93.361	3600	THE JOHNS HOPKINS UNIVERSITY	96008754	17,327
93.361	3600	UNIVERSITY OF CALIFORNIA	4308SC, AMO6	45,019
93.361	3600	UNIVERSITY OF MISSOURI-COLUMBIA	C00036084-1 AM02	33,527
93.389	3600	BAYLOR COLLEGE OF MEDICINE	O#5600503441 AM01	-65,007
93.389	3600	BOSTON UNIVERSITY	9500300567	20,188
93.389	3600	HARVARD MEDICAL SCHOOL	149734.386542.0483	12,935

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93.389	3600	HARVARD MEDICAL SCHOOL	151208.0009	45,219
93.389	3600	OCEAN NANO TECH, LLC	PRIME9R44RR02801902	68,370
93.389	3600	SEATTLE CHILDREN'S HOSPITAL	10037SUB AM03	29,571
93.389	3600	UNIV OF CA DAVIS	20111808601U54CA153499	1,500
93.389	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	5798SC AM02	25,333
93.389	3650	UNIV OF CT FED FLOW	004210	-659
93.389	3650	UNIV OF CT FED FLOW	101711	70,133
93.389	3650	UNIV OF CT FED FLOW	UCHC627605288	3,334
93.393	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	21681.975007.6694	3,219
93.393	3600	DARTMOUTH COLLEGE	9901PRIMERO1CA149365	23,819
93.393	3600	FHCRC	0000675045	-1,610
93.393	3600	FHCRC	0000695089	1,673
93.393	3600	FHCRC	0000695963	1,348
93.393	3600	FHCRC	0000698662	8,651
93.393	3600	FHCRC	0000704345	194,316
93.393	3600	FHCRC	0000706034 AM01	24,004
93.393	3600	FHCRC	0000710857 AM01	15,905
93.393	3600	FHCRC	0000713810AM1	11,387
93.393	3600	FHCRC	0000718399	13,281
93.393	3600	FHCRC	0000718419	18,441
93.393	3600	FHCRC	0000719459	35,489
93.393	3600	FHCRC	0000719489 AMO1	12,214
93.393	3600	FHCRC	0000719556	7,883
93.393	3600	FHCRC	0000722644	47,855
93.393	3600	FHCRC	0000722735	25,218
93.393	3600	FHCRC	0000722798	27,762
93.393	3600	FHCRC	0000723009AM01PRIMECA1	34,894
93.393	3600	FHCRC	0000724377	12,687

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93.393	3600	FHCRC	0000724425	2,572
93.393	3600	FHCRC	0000729607 AMEND 1	27,757
93.393	3600	FHCRC	04-106157-03-S0910	-7,482
93.393	3600	FHCRC	SA1000743 MOD02	-14
93.393	3600	FHCRC	SA1100781	1,579
93.393	3600	FHCRC	SA1200866	17,372
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000691608	-10,780
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000694019 AM1	-1,284
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000701221	40,712
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000703575	4,805
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000704045	1,955
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000705442	12,779
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000719995 AM01	34,817
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732978	124,604
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000736791	5,397
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	SA1100826	778
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664165	160,821
93.393	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664171	2,607
93.393	3600	GROUP HEALTH COOPERATIVE	2010104795MOD1	-606
93.393	3600	GROUP HEALTH COOPERATIVE	2011120746	9,933
93.393	3600	GROUP HEALTH COOPERATIVE	PSA-201109-POCOBELLI	11,442
93.393	3600	GROUP HEALTH COOPERATIVE	PSA10-BIO-ZHE-02 MOD02	-2,047
93.393	3600	GROUP HEALTH COOPERATIVE	PSA10-BIO-ZHE-02 MOD03	7,159
93.393	3600	GROUP HEALTH COOPERATIVE	PSA10EPICLI01MOD04	5,336
93.393	3600	GROUP HEALTH RESEARCH INSTITUTE	CA154292-UW MOD02	112,489
93.393	3600	GROUP HEALTH RESEARCH INSTITUTE	PSA-201109-LOWRY	33,179
93.393	3600	GROUP HEALTH RESEARCH INSTITUTE	PSA10-EPI-POC-02	5,042
93.393	3600	H. LEE MOFFITT CANCER CENTER & RSCH INST	10-15885-03-01	153,554

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93.393	3600	KAISER FOUNDATION HEALTH PLAN COLORADO	08JDEAR-01WU AM03	-1
93.393	3600	KAISER FOUNDATION HEALTH PLAN COLORADO	PRIME 5P20CA137219-05	47,947
93.393	3600	KAISER FOUNDATION HEALTH PLAN COLORADO	PRIME5P20CA13721902AM4	26,754
93.393	3600	MASSACHUSETTS GENERAL HOSPITAL	217156AM01U01CA1529260	267,441
93.393	3600	MASSACHUSETTS GENERAL HOSPITAL	217156U01CA15292601	82,713
93.393	3600	TALARIA, INC.	4R42CA14187502AM02	194,272
93.393	3600	UNIVERSITY OF HAWAII	KA0018	44,640
93.393	3650	IA ST UNIV FED FLOW	4304626A	75,833
93.393	3650	IN UNIV FED FLOW	IUPUI479159WSU	1,424
93.393	3650	UNIV OF PITTSBURGH FED FLOW	0010074	276
93.393	3650	VANDERBILT UNIV-FED FLOW	VUMC38944	29,753
93.393	3650	WASHINGTON UNIV IN ST LOUIS	WU11229	16,072
93.393	3650	WASHINGTON UNIV IN ST LOUIS	WU1130	35,381
93.394	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING NETWORK (ACRIN)	ACRIN6685	9,218
93.394	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING NETWORK (ACRIN)	SUBCONTRACTNO4221ACRIN	19,662
93.394	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING NETWORK (ACRIN)	UW BUD# 663512	19,063
93.394	3600	BROAD INSTITUTE, INC.	6610200-5500000433	130,284
93.394	3600	DUKE UNIVERSITY	303-5419 AM02 REV	43,638
93.394	3600	FHCRC	0000656297 AM02	-588
93.394	3600	FHCRC	0000712116	8,096
93.394	3600	FHCRC	0000720573	7,233
93.394	3600	FHCRC	SUBAWARD #0000739078	2,456
93.394	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000723434	7,826
93.394	3600	THE BROAD INSTITUTE, INC	6615110-55000000289	1,825
93.394	3600	THE BROAD INSTITUTE, INC	66151105500000288MOD03	5,424
93.394	3600	THE UNIVERSITY OF MICHIGAN	3001942556AM02	86,146
93.394	3600	WEST VIRGINIA UNIVERSITY	01-335-UW AM03	26,300
93.395	3600	BOSTON MEDICAL CENTER	1920 AM01	21,320

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.395	3600	COMPLIMENT CORP C/O DARRICK CENTER	CHECK #6625	59,007
93.395	3600	FHCRC	0000681879 AM01	9,566
93.395	3600	FHCRC	0000695762	248
93.395	3600	FHCRC	0000702931AM01	61,834
93.395	3600	FHCRC	0000703624 AM01	52,055
93.395	3600	FHCRC	0000704668	66,812
93.395	3600	FHCRC	0000707701 AM02	96,920
93.395	3600	FHCRC	0000707716 AM01	11,391
93.395	3600	FHCRC	0000710184 AM02	17,002
93.395	3600	FHCRC	0000718704	4,825
93.395	3600	FHCRC	0000719687	186,977
93.395	3600	FHCRC	0000719690	26,399
93.395	3600	FHCRC	0000719697	12,412
93.395	3600	FHCRC	0000719699	52,797
93.395	3600	FHCRC	0000719947	20,504
93.395	3600	FHCRC	0000723010	423,002
93.395	3600	FHCRC	0000726086	17,700
93.395	3600	FHCRC	0000730890	14,662
93.395	3600	FHCRC	0000740783	18,080
93.395	3600	FHCRC	0000740885	13,089
93.395	3600	FHCRC	0000741697	7,087
93.395	3600	FHCRC	SA1200869	2,176
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000705323 AM01	54,176
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000731871	50,076
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000736638	40,936
93.395	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	SUB# 0000719343	39,342
93.395	3600	JOHN WAYNE CANCER INSTITUTE (JWCI)	2 PO1 CA 029605	2,498
93.395	3600	JOHNS HOPKINS UNIVERSITY	2000056564, AM #4	-11,355

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93.395	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	020953 AM03	303,863
93.395	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	19837	-248
93.395	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LS2-16-KR11SIBCR MOD03	7,913
93.395	3600	UNIVERSITY OF TEXAS	30681/98014830	4,996
93.395	3650	FRED HUTCHINSON CANCER RSCH FED	0000692248	-5,010
93.396	3600	BROAD INSTITUTE, INC.	6610210-5500000403	122,681
93.396	3600	FHCRC	0000704739 AM02	55,862
93.396	3600	FHCRC	0000708492	-1,140
93.396	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000734512AM1	89,510
93.397	3600	FHCRC	00000714828	2,079
93.397	3600	FHCRC	00000740155	562
93.397	3600	FHCRC	0000690497	-391
93.397	3600	FHCRC	0000690500	844
93.397	3600	FHCRC	0000690740 AM01	-925
93.397	3600	FHCRC	0000691127	-35
93.397	3600	FHCRC	0000693670	8,385
93.397	3600	FHCRC	0000693675	-2,156
93.397	3600	FHCRC	0000699787	23,566
93.397	3600	FHCRC	0000699789	10,280
93.397	3600	FHCRC	0000700867	-212
93.397	3600	FHCRC	0000705880	42,846
93.397	3600	FHCRC	0000705888 AM02	114,430
93.397	3600	FHCRC	0000705892 AM02	37,985
93.397	3600	FHCRC	0000705897 AM02	97,769
93.397	3600	FHCRC	0000706006 AM02	8,145
93.397	3600	FHCRC	0000706008 AM02	48,837
93.397	3600	FHCRC	0000706013 AM02	87,600
93.397	3600	FHCRC	0000706029 AM02	84,331

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93.397	3600	FHCRC	0000706030 AM02	78,725
93.397	3600	FHCRC	0000708666	1,629
93.397	3600	FHCRC	0000710116	35,499
93.397	3600	FHCRC	0000710143	14,048
93.397	3600	FHCRC	0000713102	74,322
93.397	3600	FHCRC	0000713118	30,871
93.397	3600	FHCRC	0000713301	4,321
93.397	3600	FHCRC	0000713336	46,525
93.397	3600	FHCRC	0000713339	8,229
93.397	3600	FHCRC	0000713342	43,460
93.397	3600	FHCRC	0000713347	-1,083
93.397	3600	FHCRC	0000713358	1,403
93.397	3600	FHCRC	0000713364	20,714
93.397	3600	FHCRC	0000713367	11,975
93.397	3600	FHCRC	0000713373	7,090
93.397	3600	FHCRC	0000713410	5,674
93.397	3600	FHCRC	0000714830	6,982
93.397	3600	FHCRC	0000722072	220,297
93.397	3600	FHCRC	0000723926	95,214
93.397	3600	FHCRC	0000725522	11,002
93.397	3600	FHCRC	0000727277	45,135
93.397	3600	FHCRC	0000732948	87,522
93.397	3600	FHCRC	0000732949	32,659
93.397	3600	FHCRC	0000732953	68,821
93.397	3600	FHCRC	0000732964	88,145
93.397	3600	FHCRC	0000732976	9,050
93.397	3600	FHCRC	0000740162PRIMEP30CA01	14
93.397	3600	FHCRC	0000740163	20,514

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93.397	3600	FHCRC	0000740180	13,133
93.397	3600	FHCRC	0000740224	11,689
93.397	3600	FHCRC	0000740275	39,607
93.397	3600	FHCRC	0000741523	20,555
93.397	3600	FHCRC	0000742374	9,063
93.397	3600	FHCRC	000713779	42,433
93.397	3600	FHCRC	5P30CA01570434S3AMEND5	-3,969
93.397	3600	FHCRC	7400429	2,900
93.397	3600	FHCRC	PO # 741052	11,836
93.397	3600	FHCRC	SA #0000726138	115,284
93.397	3600	FHCRC	SUBAWARD NO 0000615660	-18,516
93.397	3600	FHCRC	UW BUD# 663477	603
93.397	3600	FHCRC	UW BUD# 664040	11,843
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000699788	34,579
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000705882 AM02	49,727
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000705886	19,976
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000721832	4,106
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000722023	46,022
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000726266	110,406
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732954 AM01	72,162
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732959	76,915
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732962	42,701
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732963	45,330
93.397	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000740164	1,357
93.397	3600	GROUP HEALTH RESEARCH INSTITUTE	2011120266	11,273
93.397	3600	NOTHING IS IN SERA	0000620680	100
93.397	3600	RAPID CITY REGIONAL HOSPITAL	5 U54 CA 42157-3UWASH	20,585
93.397	3600	RAPID CITY REGIONAL HOSPITAL	5U54CA142157-2UWASH	16,502

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93.397	3600	UNIVERSITY OF CALIFORNIA, DAVIS	200912673-03 AM03	5,927
93.397	3600	UNIVERSITY OF CALIFORNIA, DAVIS	200912673-03, AM002	28,516
93.398	3600	FHCRC	SA1100844 MOD01	10,180
93.399	3600	FHCRC	00006791165P50CA097186	-7,214
93.399	3600	FHCRC	0000679117 AMEND. 1	-715
93.399	3600	FHCRC	0000698371	29,331
93.399	3600	FHCRC	0000705322 AM01	39,938
93.399	3600	FHCRC	0000716784	75,580
93.399	3600	FHCRC	0000716835	29,646
93.399	3600	FHCRC	0000721493	7,362
93.399	3600	FHCRC	0000724148	3,462
93.399	3600	FHCRC	0000724388	99,249
93.399	3600	FHCRC	0000725325	47,678
93.399	3600	FHCRC	717389 AM01	32,757
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000695105	-544
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000698257	3,259
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000698263	80,106
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000698659	-560
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000700082	11,167
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000721492	79,106
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000733173	16,073
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	000698257	5,208
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	695279	5,199
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	725835	188,096
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	UW BUD# 639598	4,235
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	UW BUD# 639599	4,155
93.399	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664174	16,000
93.399	3600	NATIONAL SURGICAL ADJUVANT BREAST AND BOWEL PROJECT (NSABP)	UW BUD# 664551	2,431

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93.399	3600	NSABP FNDN	UW-YR24, AMEND 2	-313
93.399	3600	NSABP FNDN	UW-YR25 AM 3	-1
93.399	3600	NSABP FNDN	UW-YR26 AM04	23,644
93.399	3600	SIBCR	JPA/PO#PS19LIUG1SIBCR	2,445
93.399	3600	SIBCR	PS19-SUN-10-11	6,272
93.399	3600	SIBCR	PS19-SUN-S1SIBCR	31,361
93.399	3600	SIBCR	PS19LIUG2SIBCR	20,140
93.399	3600	UNIVERSITY OF MICHIGAN	3001397930, AM02	119,980
93.399	3600	UNIVERSITY OF MICHIGAN	3002149613	62,308
93.399	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	3001290173	-2,943
93.416	3600	YAKIMA VALLEY FARM WORKERS CLINIC	UW BUD# 674022	24,539
93.420	3600	FENWAY COMMUNITY HEALTH	UB2HA20233	33,795
93.420	3600	FENWAY COMMUNITY HEALTH	UWAS2	147,840
93.441	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	C12-05-PO#20989	49,579
93.441	3600	NW PORTLAND AREA INDIAN HEALTH BOARD	PO#19799	62,204
93.508	3600	UNITED INDIANS OF ALL TRIBES FOUNDATION	A71880MOD1	23,425
93.556	3700	IDHW-ICPC 2010-11	1C087200 Amend#3	205,485
93.558	3700	IDHW-Region 3 ICPC	3C085100	4,860
93.558	5400	WDC09	7461	137,707
93.575	3650	SCHOOLS OUT WA	WSU001043	1,923
93.575	3650	SCHOOLS OUT WA	WSU001044	418
93.575	3650	SCHOOLS OUT WA	WSU001045	72
93.575	3650	SCHOOLS OUT WA	WSU002129	66,611
93.575	3650	SCHOOLS OUT WA	WSU002144	64,616
93.575	3650	SCHOOLS OUT WA	WSU002145	62,985
93.575	3760	DHHS-D.O.COM.	12-83400-159	15,000
93.600	3650	CHILDREN'S HOME SOC WA	WSU001276	2,295
93.600	3650	CHILDREN'S HOME SOC WA	WSU002132	12,372

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93.600	6990	Department of Health & Human Services	100-3446	16,272
93.600	6990	Olympic ESD 114	145-161-1N46	138,866
93.600	6990	Olympic ESD 114	145-161-1N47	61,383
93.600	6990	Olympic ESD 114	145-161-1N48	23,882
93.600	6990	Puget Sound Educational Services District	1011 HEADSTART	35,205
93.600	6990	Puget Sound Educational Services District	1112 HEADSTART	70,534
93.600	6990	Puget Sound Educational Services District	LOA#6901	217,026
93.600	6990	Puget Sound ESD Headstart	06934	15,194
93.600	6990	Puget Sound ESD Headstart	570-265-1550	179,711
93.652	3600	CENTER FOR CHILDREN & YOUTH JUSTICE	SC3002080525	32,509
93.658	3700	IDHW-PRIDE & RPPD	KC247700 RFP KCB1103	372,417
93.658	3700	IDHW-Resource Family	KC241000 Amend#5	83,838
93.658	3700	IDHW-RPR & RPM Hub 1	KC247400 RFP KCB1001	110,935
93.658	3700	IDHW-RPR & RPM Hub 2	KC247500 RFP KCB1001	100,794
93.658	3700	IDHW-RPR & RPM Hub 3	KC247600 RFP KCB1001	143,885
93.658	3700	IDHW-Scholars Program 2010-11	KC244100 Amend#1	127,500
93.670	3650	SPOKANE REGIONAL HEALTH DISTRICT	200225608	76,492
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4221	75,629
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	4421	9,998
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING	6687	31,014
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING NETWORK (ACRIN)	4221, RTOG2701	47,133
93.701	3600	AMERICAN COLLEGE OF RADIOLOGY IMAGING NETWORK (ACRIN)	ACRIN 6688	66,676
93.701	3600	BAYLOR COLLEGE OF MEDICINE	SHOPPINGCART101098627	99,887
93.701	3600	BECKMAN RESH. INST. OF THE CITY OF HOPE	30.6692.910135	-10
93.701	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	0189301	5,821
93.701	3600	CEDARS-SINAI MEDICAL CENTER	5UC2 HL103010-02	3,018
93.701	3600	CINCINNATI CHILDREN'S HOSPITAL MEDICAL C	108259	69,451
93.701	3600	COLUMBIA UNIVERSITY	2ACCT538156PO580188AME	18,438

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93.701	3600	DANA-FARBER CANCER INSTITUTE	SUBAWARD 2815108	98,463
93.701	3600	DANA-FARBER CANCER INSTITUTE, INC.	2802302AMENDMENTNO1	14,196
93.701	3600	DUKE UNIVERSITY	3034920AMENDMENTNO1	750
93.701	3600	EMORY UNIVERSITY	S329788	4,739
93.701	3600	FHCRC	0000678787	2,242
93.701	3600	FHCRC	0000680206	7,024
93.701	3600	FHCRC	0000695520	630
93.701	3600	FHCRC	0000696997	45,920
93.701	3600	FHCRC	0000721274	64,863
93.701	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000696739	7,568
93.701	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000696759	3,116
93.701	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000721837	3,549
93.701	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000736587	16,460
93.701	3600	GEORGIA HEALTH SCIENCES UNIVERSITY	23789-15	33,878
93.701	3600	GROUP HEALTH COOPERATIVE	2010114789	6,117
93.701	3600	GROUP HEALTH COOPERATIVE	2010116377	27,503
93.701	3600	GROUP HEALTH COOPERATIVE	PSA10-EPI-POC-02	-1
93.701	3600	GROUP HEALTH COOPERATIVE	PSA10EPILOW03MOD4	10,533
93.701	3600	GROUP HEALTH RESEARCH INSTITUTE	PSA10EPIPOC02MOD2	1,736
93.701	3600	H. LEE MOFFITT CANCER CENTER & RSCH INST	14-15885-01-01-G2	32,344
93.701	3600	H. LEE MOFFITT CANCER CENTER & RSCH INST	14-15885-01-02-G2	17,178
93.701	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-09-15-09-UW-ARRA-AS	1,633
93.701	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-09-15-09-UW-ARRA-CR	1,349
93.701	3600	JOHN WAYNE CANCER INSITUTE (JWCI)	2 PO1 CA029605	267
93.701	3600	JOHNS HOPKINS UNIVERSITY	2000784427	221,791
93.701	3600	LA BIOMED RES INST, HARBOR-UCLA MED CTR	0002032294AMENDMENTNO1	10,885
93.701	3600	LOYOLA UNIVERSITY CHICAGO	3R01CA12545502S1SUBAWA	2,075
93.701	3600	MEDICAL COLLEGE OF WISCONSIN	1R01HD061312-01 ARRA	11,422

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93.701	3600	MOREHOUSE SCHOOL OF MEDICINE	325011.300001.80180	340,465
93.701	3600	MOUNT SINAI SCHOOL OF MEDICINE	0256-8102-4609	177,136
93.701	3600	MOUNTAIN STATES GROUP, INC	8350-6	10,249
93.701	3600	NATIONAL CHILDHOOD CANCER FOUNDATION	20246	10,982
93.701	3600	OREGON HEALTH & SCIENCE UNIVERSITY	9003774-06S2NW	77,820
93.701	3600	OREGON HEALTH & SCIENCE UNIVERSITY	9003774_06S1_UW	19,069
93.701	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AFAMP0076ST-UW	10,754
93.701	3600	OREGON HEALTH AND SCIENCE UNIVERSITY	9003774_06S2_UW	27,247
93.701	3600	OREGON HEALTH AND SCIENCE UNIVERSITY	GVGTI0101UOFWNMAIZELS	205,796
93.701	3600	OREGON STATE UNIVERSITY	P0304A-A	137,037
93.701	3600	PUBLIC HEALTH FNDN ENTERPRISES, INC	2324.002 AWARE	112,028
93.701	3600	ROLLINS SCHOOL OF PUBLIC HEALTH	S363826AMENDMENTNO2	23,101
93.701	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10025SUBAMENDMENTNO3	76,362
93.701	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10302SUB	60,887
93.701	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	JPAPOBJ18DEVSWATSON1	21,633
93.701	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	SA 131-DONOVAN-YR2	1,664
93.701	3600	SEATTLE INSTITUTE FOR CARDIAC RESEARCH	5RC1HL10062502UW02	-1,105
93.701	3600	SIBCR	BJ118-SFS-BAKER2	488
93.701	3600	SIBCR	BJ18-SFS-CALLAGHAN2	2,465
93.701	3600	SIBCR	JPAPOBJ18BAKER2ARRA	46,825
93.701	3600	SIBCR	TG19ARRA-MEI-01	5,673
93.701	3600	SIBCR	TG19ARRA-MUNDINGER-01	5,765
93.701	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSAQUREQ0600130T004	11,874
93.701	3600	SOCIAL SCIENTIFIC SYSTEMS INC	CRB-DCR01-09-00291	60,473
93.701	3600	THE MIRIAM HOSPITAL	7107142005AMENDMENTNO1	1,086
93.701	3600	THE UNIVERSITY OF TEXAS	0007224EAMENDMENTNO1	40,625
93.701	3600	THE UNIVERSITY OF TEXAS	0007224EAMENDMENTNO5	197,254
93.701	3600	UCSF CONTROLLER'S OFFICE	6371SC	1,287

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93.701	3600	UCSF CONTROLLER'S OFFICE	7093SC	1,427
93.701	3600	UNIV OF MIAMI	ER185625	-30
93.701	3600	UNIVERISTY OF UTAH	100162380-02	31,921
93.701	3600	UNIVERSITY OF ALABAMA	000240501-115	12,439
93.701	3600	UNIVERSITY OF ALABAMA	000259927-011	53,653
93.701	3600	UNIVERSITY OF CALIFORNIA, LOS ANGELES	0125 G NA553	38,698
93.701	3600	UNIVERSITY OF CHICAGO	42989EAMENDMENTNO2	5,596
93.701	3600	UNIVERSITY OF CINCINNATI	006467 AMEND 2	9,174
93.701	3600	UNIVERSITY OF CINCINNATI	COEUS006467AMENDMENT02	-1,135
93.701	3600	UNIVERSITY OF CINCINNATI	COEUS006467AMENDMENT3	10,633
93.701	3600	UNIVERSITY OF COLORADO, DENVER	FY11.253.002 #2515395	7,809
93.701	3600	UNIVERSITY OF FLORIDA	3 U01 GM 074492-05S1	-506
93.701	3600	UNIVERSITY OF IOWA	W000219330	6,784
93.701	3600	UNIVERSITY OF KANSAS CENTER FOR RESEARCH	FY2011-046	19,167
93.701	3600	UNIVERSITY OF MIAMI	M165155	36,878
93.701	3600	UNIVERSITY OF MINNESOTA	N000949304AMENDMENTNO1	19,470
93.701	3600	UNIVERSITY OF PENNSYLVANIA	555449	118,344
93.701	3600	UNIVERSITY OF PITTSBURGH	9004667PROJECTNO117119	308,783
93.701	3600	UNIVERSITY OF PITTSBURGH	SUB9005955PJT1174861	-4,324
93.701	3600	UNIVERSITY OF ROCHESTER	100056-N	21,498
93.701	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1211-00-E	3,989
93.701	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR	0007006-C	16,281
93.701	3600	UNIVERSITY OF VIRGINIA	ZC10075-139369	20,693
93.701	3600	UNIVERSITY OF VIRGINIA	ZC10075-139370	45,055
93.701	3600	UNIVERSITY OF WISCONSIN-MADISON	180K541AMENDMENTNO1	23,088
93.701	3600	VANDERBILT UNIVERSITY	VUMC36046	20,458
93.701	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC35940AMENDMENTNO1	44,428
93.701	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-11-175 PO 2911561P	5,501

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93.701	3650	SYRACUSE UNIV FED FLOW	2363902331S01	18,122
93.701	3650	UNIV OF CA DAVIS	20101617401	22,297
93.709	3650	CHILDREN'S HOME SOC WA	WSU001275	798
93.709	6990	Puget Sound Educational Services District	LOA#6902	88,191
93.713	3600	THRIVE BY FIVE WASHINGTON	UW BUD# 203840	300,000
93.715	3600	ACADEMYHEALTH	UW BUD# 203859	7,390
93.718	3600	QUALIS HEALTH	REC009A	3,936
93.719	3600	HEALTHSHARE MONTANA	CHECK#1902	95,826
93.724	3600	PUBLIC HEALTH - SEATTLE AND KING COUNTY	D40221D	43,217
93.724	3600	PUBLIC HEALTH - SEATTLE AND KING COUNTY	D40396D TOB1591	73,387
93.724	3600	PUBLIC HEALTH - SEATTLE AND KING COUNTY	T03288T	-1,279
93.724	3600	SEATTLE-KING COUNTY	D40394D HEAL 1590	92,401
93.724	3600	SEATTLE-KING COUNTY	D40447D	144,931
93.724	3600	SEATTLE-KING COUNTY	D40457D	83,209
93.724	3600	SEATTLE-KING COUNTY	D40528D	195,812
93.724	3600	SEATTLE-KING COUNTY	D40536D	34,528
93.724	3600	SEATTLE-KING COUNTY DEPTOF PUBLIC HEALTH	T03290T	1,279
93.724	3600	TREESWING	UW BUD# 203669	64,722
93.724	3650	KING CNTY	D40527D	87,273
93.727	3030	Beacon Community of the Inland Northwest	N18609	138,227
93.727	3600	INLAND NORTHWEST HEALTH SERVICES	2997	136,824
93.727	3700	BCIN-Survey 2011	Subaward #3199	12,242
93.728	3600	THE UNIVERSITY OF TEXAS HEALTH	0007512G (PROJECT 1)	304,192
93.728	3600	UNIVERSITY OF ILLINOIS	2010-03958-09	113,495
93.728	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER, HOUSTON	UW BUD# 203797	-74,823
93.789	3600	UNIVERSITY OF MARYLAND	PO# SR00001218 MOD03	174,773
93.789	3600	UNIVERSITY OF MARYLAND	SR00002171	197,392
93.824	3600	MONTANA STATE UNIVERSITY - AHEC	G227-12-W3750	5,545

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93.824	3600	MONTANA STATE UNIVERSITY - AHEC	G267-10-W2821 AM01	24,388
93.824	3600	UNIVERSITY OF ALASKA ANCHORAGE	PO427777	5,473
93.824	3600	UNIVERSITY OF ALASKA, ANCHORAGE	UW BUD# 674203	3,068
93.837	3600	AXIO RESEARCH CORP	NHL243-01	590,998
93.837	3600	AXIO RESEARCH CORPORATION	UW BUD# 630548	134,612
93.837	3600	AXIO RESEARCH CORPORATION	UW BUD# 630629	47,523
93.837	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110420189104A55926	249,655
93.837	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	5R01HL09455503AM02	366,138
93.837	3600	BETH ISRAEL DEACONESS MEDICAL CENTER	UW BUD# 637189	-1,741
93.837	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	NHLBI CVD	3,379
93.837	3600	BLACK HILLS CTR FOR AMERICAN INDIAN HLTH	NHLBI CVD AM06	9,468
93.837	3600	BOSTON UNIVERSITY	9500240921	19,557
93.837	3600	BOSTON UNIVERSITY	9500301065	3,769
93.837	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	422955R01HL09332803	6,445
93.837	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	4500000679	64,229
93.837	3600	BRIGHAM AND WOMEN'S HOSPITAL	105963 AM03	7,617
93.837	3600	BRIGHAM AND WOMEN'S HOSPITAL	105963 AM04	41,439
93.837	3600	CASE WESTERN RESERVE UNIVERSITY	RES507061PRIMEHL103622	5,851
93.837	3600	CHILDREN'S HOSPITAL & RSRCH CTR OAKLAND	12_8044_11.12_6 AM01	995,115
93.837	3600	CHILDRENS HOSPITAL AND REGIONAL MED CTR	10144SUB/AMD02	24,314
93.837	3600	DUKE UNIV	303-6869 AM03	22,985
93.837	3600	DUKE UNIVERSITY	203-9990 AM01	72,743
93.837	3600	DUKE UNIVERSITY	303-1586 AM04	28,080
93.837	3600	FHCRC	0000715339	107,667
93.837	3600	FHCRC	0000715992	4,312
93.837	3600	FHCRC	00007212130	229,172
93.837	3600	FHCRC	0000732366	23,625
93.837	3600	FHCRC	0000732372 AM01	15,618

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93.837	3600	FHCRC	0000744295	37,229
93.837	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000718683	3,452
93.837	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664191	36,698
93.837	3600	GROUP HEALTH RESEARCH INSTITUTE	2011120267	16,272
93.837	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-113954 AM06	10,046
93.837	3600	INSILICOS LLC	2R44HL08357803A2SUB2MO	177,930
93.837	3600	INSILICOS LLC	UW BUD# 661551	-9,532
93.837	3600	JOSLIN DIABETES CENTER	SUB2_HL110400	10,335
93.837	3600	NORTHWESTERN UNIVERSITY	60028536 UW	3,568
93.837	3600	NORTHWESTERN UNIVERSITY	60028536 UW AM01	816
93.837	3600	NORTHWESTERN UNIVERSITY	60029331 UW	7,101
93.837	3600	OREGON HEALTH AND SCIENCE UNIVERSITY	ABMEN0080-UWAM02	97,780
93.837	3600	PUGET SOUND BLOOD CTR	976-UW-2011	8,433
93.837	3600	SEATTLE CHILDREN'S HOSPITAL RSCH FNDN	10281SUB	36,846
93.837	3600	SEATTLE CHILDREN'S HOSPITAL RSCH FNDN	PO#10361SUB	157,502
93.837	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10299SUB	22,736
93.837	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10314SUB	36,800
93.837	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10351SUB AM02	48,979
93.837	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	JPAOSM58SMITNSIBCR3	8,264
93.837	3600	SEATTLE INSTITUTE FOR CARDIAC RESEARCH	5U01HL08970903SICR03	69,256
93.837	3600	SEATTLE INSTITUTE FOR CARDIAC RESEARCH	5U01HL08970903SICR04	41,749
93.837	3600	SIBCR	JPAOSM58SMITN4SIBCR	1,653
93.837	3600	THE GEORGE INSTITUTE FOR INT'L HEALTH	UW BUD# 669966	-37,000
93.837	3600	THE TRUSTEES OF COLUMBIA UNIVERSITY	8 (ACCT #5-30257)	116,095
93.837	3600	THE TRUSTEES OF COLUMBIA UNIVERSITY	8(ACCT.#538786)	-56,068
93.837	3600	THE UNIVERSITY OF IOWA	1000943128 AM01	4,197
93.837	3600	THE UNIVERSITY OF IOWA	W000296090	61,612
93.837	3600	THE UNIVERSITY OF PENNSYLVANIA	553525	-1

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93.837	3600	THE UNIVERSITY OF PENNSYLVANIA	556790	143,799
93.837	3600	UC DAVIS	201222606-01 AM01	31,470
93.837	3600	UNIV OF KANSAS MEDICAL CTR RESEARCH INST	QR852020U01HL10523201	-6
93.837	3600	UNIV OF KANSAS MEDICAL CTR RESEARCH INST	QR852021AM01U01HL10523	22,664
93.837	3600	UNIV OF KANSAS MEDICAL CTR RESEARCH INST	QR852022 AM2	1,768
93.837	3600	UNIV OF MICHIGAN	3001598618 AM02	31,987
93.837	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10283220-004	26,495
93.837	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10299796-002	65,308
93.837	3600	UNIVERSITY OF COLORADO	5 R01 HL073824-05EXT	-19,842
93.837	3600	UNIVERSITY OF COLORADO	UW BUD# 632613	-5,924
93.837	3600	UNIVERSITY OF MARYLAND	SR00001764	201,292
93.837	3600	UNIVERSITY OF MICHIGAN	3001290982 AM02	15,817
93.837	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	3001290982AM02	-1,321
93.837	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	UW BUD# 664356	10,523
93.837	3600	UNIVERSITY OF MICHIGAN, ANN ARBOR	UW BUD# 664427	1,555
93.837	3600	UNIVERSITY OF MINNESOTA	P001435606 AM01	114,730
93.837	3600	UNIVERSITY OF MINNESOTA	P002081501	18,379
93.837	3600	UNIVERSITY OF PENNSYLVANIA	551412 MOD03	12,275
93.837	3600	UNIVERSITY OF PENNSYLVANIA	UW BUD# 664485	40,135
93.837	3600	UNIVERSITY OF TEXAS HEALTH SCIENCE CTR	0008215A AM01	124,869
93.837	3600	UNIVERSITY OF VERMONT	24225 50868 AM01	81,507
93.837	3600	VANDERBILT UNIVERSITY	VUMC 36120 AM02	42,308
93.837	3600	VPDIAGNOSTICS, INC	A57620	57,077
93.837	3600	WAKE FOREST UNIVERSITY	UW BUD# 664825	1,371
93.837	3600	WAKE FOREST UNIVERSITY	WUHS 13862 AM02	32,978
93.837	3600	WAKE FOREST UNIVERSITY	WUHS 14062 AM03	8,885
93.837	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-07-222 AM08	55,322
93.837	3600	YALE UNIVERSITY	M0700086 AM08	152,211

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93.838	3600	BATTELLE PACIFIC NORTHWEST DIVISION	TASKORD140660MOD01MSTR	524,081
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY100310199301A49438	-1,683
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY100320199001A49439	-24,989
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110300199002A55920	152,910
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110310198902A55921	456,690
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110320199302A55922	172,216
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON	UW BUD# 664540	31,582
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON	UW BUD# 664654	10,705
93.838	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON	UW BUD# 664655	12,681
93.838	3600	COLUMBIA UNIVERSITY	3 (ACCT# 5-36361) AM05	94,423
93.838	3600	COLUMBIA UNIVERSITY	4 (ACCT #5-30084) AM1	60,752
93.838	3600	DUKE CLINICAL RESEARCH INSTITUTE (DCRI)	4566 IPF-ACE 009	21,154
93.838	3600	DUKE UNIV	UW BUD# 635327	5
93.838	3600	DUKE UNIVERSITY	UW BUD# 634090	320,895
93.838	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000693278 AM01	12,544
93.838	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	000726094	35,374
93.838	3600	INDIANA UNIVERSITY MEDICAL CENTER	IN-4685522-UW	3,057
93.838	3600	INDIANA UNIVERSITY MEDICAL CENTER	IN4685553UW	36,003
93.838	3600	SEATTLE CHILDREN'S HOSPITAL	10216SUB AM01	170,729
93.838	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	10216SUB	-15,006
93.838	3600	SUNNYBROOK HEALTH SCIENCES CENTRE	HL67939, AM02	23,496
93.838	3600	TALARIA, INC.	AM01	39,945
93.838	3600	THE JOHNS HOPKINS UNIVERSITY	2001502917	18,136
93.838	3600	UCSF CONTROLLER'S OFFICE	6020SC	-1,275
93.838	3600	UCSF CONTROLLER'S OFFICE	6020SC AM02	1,272
93.838	3600	UCSF CONTROLLER'S OFFICE	6020SC AM03	16,488
93.838	3600	UCSF CONTROLLER'S OFFICE	6737SC AM01	47,211
93.838	3600	UNIVERSITY OF PENNSYLVANIA	SUBAWARD #551976AM03	4,382

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93.838	3600	UNIVERSITY OF PITTSBURGH	0016623PROJ1164384AMD0	106,768
93.838	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-09-179 AM03	352,213
93.838	3600	WASHINGTON UNIVERSITY SCHOOL OF MEDICINE	UW BUD# 664280	62,140
93.839	3600	FHCRC	0000674235 AM03	98,566
93.839	3600	FHCRC	0000705607	105,052
93.839	3600	FHCRC	0000735109	9,079
93.839	3600	FHCRC	0000739098PRIME5R01HL0	155,438
93.839	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000682728 AM02	11,615
93.839	3600	PUGET SOUND BLOOD CTR	715 UW2009/10 -1, AM02	22,770
93.839	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10237SUB AM02	92,255
93.839	3600	UNIVERSITY OF ALABAMA AT BIRMINGHAM	000308405-001 AM2	77,501
93.839	3600	UNIVERSITY OF PENNSYLVANIA	5R01HL06617609551114AM	13,380
93.839	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC33664AM02R01HL0651	155,411
93.839	3600	WA UNIV	2905423A, AMD#04	-94,783
93.846	3600	FHCRC	0000678603	-6,972
93.846	3600	FHCRC	0000693854	8,514
93.846	3600	FHCRC	SUB# 0000718109	62,992
93.846	3600	INDIANA UNIVERSITY	IU PROPOSAL # 100801	1,646
93.846	3600	NORTHWESTERN UNIVERSITY	60027789 UW AM03	82,923
93.846	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AFAMP0076-UW, AMD#6	45,303
93.846	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10166SUB AME02	28,360
93.846	3600	UNIVERSITY OF MICHIGAN	3002095759PRIMER01AR06	2,698
93.846	3700	UC-NIH Stress Evoked 2011-12	FY11.553.002 2558399	7,845
93.847	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY100160189702A49424	-12
93.847	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110360189703A55927	17,698
93.847	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110390197801A55930	33,788
93.847	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110400197801A55931	13,637
93.847	3600	CASE WESTERN RESERVE UNIVERSITY	RES118674	1,038

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93.847	3600	CASE WESTERN RESERVE UNIVERSITY	RES506698	341,602
93.847	3600	CEDARS-SINAI MEDICAL CENTER	806216	2,849
93.847	3600	CEDARS-SINAI MEDICAL CENTER (CSMC)	UW BUD# 664426	158
93.847	3600	CHILDREN'S HOSPITAL OF PITTSBURGH-UPMC	0015374PROJECT1178623	25,892
93.847	3600	CHILDREN'S HOSPITAL RESEARCH FOUNDATION	5U01DK07249305103075M6	32,167
93.847	3600	CINCINNATI CHILDREN'S HOSPITAL MEDICAL C	109748	72,173
93.847	3600	FHCRC	0000735533	10,136
93.847	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000741252	8,150
93.847	3600	GEORGE WASHINGTON UNIV	02C09PTA233012CCLS2012	327
93.847	3600	GEORGE WASHINGTON UNIV	11-D14 MOD01	841,524
93.847	3600	GEORGE WASHINGTON UNIVERSITY	11-D13	15,402
93.847	3600	GEORGE WASHINGTON UNIVERSITY	S-DPP1011-MR02	507,939
93.847	3600	GEORGE WASHINGTON UNIVERSITY	S-DPP1011-MR03	305,309
93.847	3600	GEORGE WASHINGTON UNIVERSITY	UW BUD# 663854	232,960
93.847	3600	GEORGE WASHINGTON UNIVERSITY	UW BUD# 664401	9,725
93.847	3600	GEORGIA HEALTH SCIENCES UNIVERSITY	20497-27	-945
93.847	3600	GEORGIA HEALTH SCIENCES UNIVERSITY	20497-29	-2,255
93.847	3600	HEALTHPARTNERS RESEARCH FOUNDATION	85285270X0813200MOD02	148,018
93.847	3600	HEALTHPARTNERS RESEARCH FOUNDATION	X0813200 MOD01	54,365
93.847	3600	INDIANA UNIVERSITY MEDICAL CENTER	IN4685546UW	9,060
93.847	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	1000119PROJ867040AM01	30,675
93.847	3600	NEW YORK UNIVERSITY SCHOOL OF MEDICINE	1000119PROJECT67040	16,231
93.847	3600	SEATTLE CHILDREN'S	10362SUB	480,570
93.847	3600	SEATTLE CHILDREN'S	UW BUD# 639236	11,659
93.847	3600	SEATTLE CHILDREN'S	UW BUD# 639407	-66
93.847	3600	SEATTLE CHILDREN'S HOSPITAL	10348SUB	14,137
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	JAPPOLD12DKZAVA1SIBCR	74,328
93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	JPAPOLD12DKBENNEJ1SIBC	38,105

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93.847	3600	SEATTLE INST FOR BIOMED & CLINICAL RSCH	LD12DKZAVA2SIBCR MOD01	-2,944
93.847	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	JPA/PO# KS121KS11SIBCR	13,593
93.847	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	KS121-KAHN2	1,412
93.847	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	JPAPOTG110MUNDIT1SIBCR	62,318
93.847	3600	SIBCR	JPA/PO# HR15HR11SIBCR	97,038
93.847	3600	SIBCR	JPA/PO#LD12DKLD1SIBCR	29,712
93.847	3600	SIBCR	JPA/PO#TG110MEIQ1SIBCR	55,417
93.847	3600	SIBCR	JPA/PO#TG110MEIQ2SIBCR	12,324
93.847	3600	SIBCR	JPA/PO#TG110SCBK1SIBCR	15,522
93.847	3600	SIBCR	JPA/PO#UK16UK11SIBCR	30,045
93.847	3600	SIBCR	JPAPOBW24MOROFY1SIBCR	36,066
93.847	3600	SIBCR	JPAPOBW24MOROFY2SIBCR	25,793
93.847	3600	SIBCR	JPAPOKS121SCTD11SIBCR	11,297
93.847	3600	SIBCR	JPAPOLD12DKZAVA3SIBCR	26,276
93.847	3600	SIBCR	KS1-21-LIPKIN2	56,472
93.847	3600	SIBCR	KS1-21-LOVATO	11,046
93.847	3600	SIBCR	KS1-21-SCUK11-SIBCR	28,059
93.847	3600	SIBCR	KS1-21-SOCHA	64,474
93.847	3600	SIBCR	KS1-21-SOCHA2	5,407
93.847	3600	SIBCR	KS1-21-SPIVEY	3,639
93.847	3600	SIBCR	KS1-21-TRENCE2	1,027
93.847	3600	SIBCR	KS121-SPIVEY2	331
93.847	3600	SIBCR	KS16KS11SIBCR	9,890
93.847	3600	SIBCR	KS16KS12SIBCR	8,418
93.847	3600	SIBCR	KS16LOVATC1SIBCR	3,183
93.847	3600	SIBCR	KS16LOVATC2SIBCR	2,274
93.847	3600	SIBCR	KS16SCTD11SIBCR	4,622
93.847	3600	SIBCR	KS16SPIVEL1SIBCR	2,316

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
93.847	3600	SIBCR	KS16SPIVEL2SIBCR	1,654
93.847	3600	SIBCR	KS16TRENCE1SIBCR	7,189
93.847	3600	THE UNIVERSITY OF TEXAS	GMO-111131	7,550
93.847	3600	THE UNIVERSITY OF TEXAS	GMO1111315U01DK0583691	37,776
93.847	3600	TUFTS MEDICAL CENTER	5005665-SERV	4,688
93.847	3600	UNIVERSITY OF CALIFORNIA, LA	1553GPC5391DP3DK094311	130,276
93.847	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10289887-003	229,010
93.847	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10289887-002	-512
93.847	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10303997-002	25,946
93.847	3600	UNIVERSITY OF IOWA	PO 1000822691 AM09	5,541
93.847	3600	UNIVERSITY OF IOWA	W000311482PO1000944041	100,517
93.847	3600	UNIVERSITY OF LOUISVILLE	OICB111041Z02	6,808
93.847	3600	UNIVERSITY OF MIAMI	66444RAM035R01DK078907	23,212
93.847	3600	UNIVERSITY OF MICHIGAN	3001343695U54DK083912A	8,404
93.847	3600	UNIVERSITY OF MICHIGAN	3001693367PRIMER01DK05	42,346
93.847	3600	UNIVERSITY OF MINNESOTA	N002174701	5,831
93.847	3600	UNIVERSITY OF NORTH CAROLINA	SUBAWARD550803AMEND4	14,775
93.847	3600	UNIVERSITY OF PITTSBURGH	0008705 (118203-1)	-183
93.847	3600	UNIVERSITY OF PITTSBURGH	0012368 119570-1	305,670
93.847	3600	UNIVERSITY OF PITTSBURGH	0012368PROJECT1179431	329
93.847	3600	UNIVERSITY OF PITTSBURGH	008705 119727-1	357,933
93.847	3600	UNIVERSITY OF PITTSBURGH	UW BUD# 664585	40,412
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AD MOD 2	341
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-AD MOD 3	210,233
93.847	3600	UNIVERSITY OF SOUTH FLORIDA	6119-1144-00-Z MOD04	778,803
93.847	3600	UNIVERSITY OF TEXAS AT AUSTIN	UTA08-443 AM03	61,414
93.847	3600	WA UNIV	WU0895PO2905423AAM05	374,219
93.847	3600	WAKE FOREST UNIVERSITY	WUHS 14111 AM04	24,452

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93.847	3600	WAKE FOREST UNIVERSITY	WFUHS 14122 AM07	348,002
93.847	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU11198PO2911630PAM02	38,744
93.847	3650	PROVIDENCE MEDICAL RESEARCH CTR	NIDDK20110001	51,069
93.847A	3650	ARCADIA BIOSCIENCES INC	WSU001086	80,924
93.848	3600	UNIV OF TEXAS	GMO 900069, MOD06	-9,813
93.848	3600	UNIVERSITY OF MINNESOTA	Q6636457103, AMD #5	-7,835
93.849	3600	INDIANA UNIVERSITY	IUPUI4682197UWASH AM03	327,385
93.853	3600	CARACAL, INC.	PRIME R43NS067866-01A1	-303
93.853	3600	DUKE UNIVERSITY	203-1590	376,745
93.853	3600	EMORY UNIVERSITY	S381854 (G-19)	-10,530
93.853	3600	FHCRC	0000690301	-5,213
93.853	3600	FHCRC	0000708757 AM02	196,477
93.853	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000738837	83,200
93.853	3600	INARIAN NEURODIAGNOSTIC, LLC	UW OSP# A_A54454	33,577
93.853	3600	MASSACHUSETTS GENERAL HOSPITAL	208248AM03R01NS0597270	7,782
93.853	3600	MEDICAL COLLEGE OF WISCONSIN	UW BUD# 665169	4,504
93.853	3600	NORTHWESTERN UNIVERSITY	60026665 UW, AM01	53,922
93.853	3600	NORTHWESTERN UNIVERSITY	60030115 UW	134,402
93.853	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AAIRC0023A AM02	57,368
93.853	3600	SIBCR	JPAPOBW25KOVACA2SIBCR	29,134
93.853	3600	ST. JOSEPH'S HOSPITAL AND MEDICAL CENTER	5UO1NS05247805AMD2	12,368
93.853	3600	THE MEDICAL COLLEGE OF WISCONSIN, INC.	SUBAWARD #1	40,149
93.853	3600	U OF TEXAS SW MEDICAL CTR	100104	67,753
93.853	3600	U OF TEXAS SW MEDICAL CTR	MOD 01 GMO-100104	19,537
93.853	3600	UNIV OF CALIFORNIA, SAN DIEGO	10316345-01 SUB	38,363
93.853	3600	UNIVERSITY OF ALABAMA	000377209-038 AMEND 1	5
93.853	3600	UNIVERSITY OF BRITISH COLUMBIA	F09-04487 AM02	13,742
93.853	3600	UNIVERSITY OF CALIFORNIA	6495SC	23,811

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93.853	3600	UNIVERSITY OF CALIFORNIA	6495SC AM02	71,837
93.853	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB08-000674	-6
93.853	3600	UNIVERSITY OF IOWA	W000223681 AM13	-2,036
93.853	3600	UNIVERSITY OF IOWA	W000311706 AM14	34,625
93.853	3600	UNIVERSITY OF MINNESOTA	N001257301	8,960
93.853	3600	UNIVERSITY OF MINNESOTA	N001257301AM01	2,052
93.853	3600	UNIVERSITY OF NOTRE DAME	201770-UW AM01	69,126
93.853	3600	UNIVERSITY OF PITTSBURGH	00005174 AM01	28,639
93.853	3600	UNIVERSITY OF PITTSBURGH	PROJECT #112868	-25,282
93.853	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	142318	1,269
93.853	3600	UNIVERSITY OF SOUTHERN CALIFORNIA	157934	83,549
93.853	3600	WASHINGTON UNIVERSITY IN ST. LOUIS	WU-08-204 AM03	-1
93.853	3600	YALE UNIVERSITY SCHOOL OF MED	A07917M11A10873AM01	10,735
93.855	3600	BAYLOR COLLEGE OF MEDICINE	101114198 AM03	27,982
93.855	3600	BRIGHAM AND WOMEN'S HOSPITAL	108079	21,720
93.855	3600	COLORADO STATE UNIVERSITY	G-7851-1	44,454
93.855	3600	DANA-FARBER CANCER INSTITUTE	1015109AMENDMENTNO7	6,009
93.855	3600	DANA-FARBER CANCER INSTITUTE	1015110 AM10	202,539
93.855	3600	DREXEL UNIVERSITY	DREXEL 232284 MOD7	176,921
93.855	3600	FHCRC	0000675914 AMEND 2	35,143
93.855	3600	FHCRC	0000694051	-1,455
93.855	3600	FHCRC	0000694225	-919
93.855	3600	FHCRC	0000694536	2,305
93.855	3600	FHCRC	0000696556	7,096
93.855	3600	FHCRC	0000696595 AM01	-351
93.855	3600	FHCRC	0000699368 AM01	32,226
93.855	3600	FHCRC	0000705149 AM01	23,146
93.855	3600	FHCRC	0000705215 AM01	32,169

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93.855	3600	FHCRC	0000705667	56
93.855	3600	FHCRC	0000708079 AM01	51,027
93.855	3600	FHCRC	0000709819	76,587
93.855	3600	FHCRC	0000709819 AM01	66,589
93.855	3600	FHCRC	0000711014	75,337
93.855	3600	FHCRC	0000711391	115,747
93.855	3600	FHCRC	0000711408	19,610
93.855	3600	FHCRC	0000712462	233,183
93.855	3600	FHCRC	0000716293	524,517
93.855	3600	FHCRC	0000716294	854,714
93.855	3600	FHCRC	0000716858	76,601
93.855	3600	FHCRC	0000716858 AM02	455,881
93.855	3600	FHCRC	0000716858 AM03	2,500,019
93.855	3600	FHCRC	0000717608	45,090
93.855	3600	FHCRC	0000717637	45,090
93.855	3600	FHCRC	0000718106	54,287
93.855	3600	FHCRC	0000719987	14,997
93.855	3600	FHCRC	0000721715	35,086
93.855	3600	FHCRC	0000721718	66,654
93.855	3600	FHCRC	0000721728	18,090
93.855	3600	FHCRC	0000722794	50,970
93.855	3600	FHCRC	0000723368AM1	71,244
93.855	3600	FHCRC	0000723371 AM01	314,153
93.855	3600	FHCRC	0000723373 AM01	319,916
93.855	3600	FHCRC	0000723374 AM01	200,425
93.855	3600	FHCRC	0000723375 AM01	155,820
93.855	3600	FHCRC	0000723683	109,238
93.855	3600	FHCRC	0000724093 REV	298,674

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93.855	3600	FHCRC	0000724172	327,890
93.855	3600	FHCRC	0000724410	515,010
93.855	3600	FHCRC	0000725343	147,810
93.855	3600	FHCRC	0000728730	113,578
93.855	3600	FHCRC	0000730790	117,756
93.855	3600	FHCRC	0000739400	27,817
93.855	3600	FHCRC	0000739784	43,632
93.855	3600	FHCRC	0000740184	1,063
93.855	3600	FHCRC	0000741659	20,192
93.855	3600	FHCRC	SUBAWARD0000675336AMD1	-33,691
93.855	3600	FHCRC	SUBAWARD10144/PO690492	-1,762
93.855	3600	FHCRC	UW BUD# 662061	133,771
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000695951PRIME5R37AI4	-5
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000703642	175,089
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000703858	666
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000723372	262,413
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000730219	40,037
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000731434	200,341
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000732834	157,548
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000734544	40,240
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000735180	5,717
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000735301	122,866
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0007287355U01AI068618	611,559
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	0000740451	17,500
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 663916	44,234
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 663932	22,996
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664419	16,880
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664424	12,213

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93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664428	46,527
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664466	55,150
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664544	21,537
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664589	42,700
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664610	52,174
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664651	4,087
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664653	4,087
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664756	236
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664761	31
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664816	4,323
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664818	2,052
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664819	11,895
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664822	19,068
93.855	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUD# 664960	1,530
93.855	3600	GEORGIA HEALTH SCIENCES UNIVERSITY	23069-10	36,797
93.855	3600	GEORGIA HEALTH SCIENCES UNIVERSITY	23069-21	140,383
93.855	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570-114063 AM02	32,257
93.855	3600	INDIANA UNIVERSITY	BL-4624492-UW	14,936
93.855	3600	JOHNS HOPKINS UNIVERSITY	2001317198	115,152
93.855	3600	JOHNS HOPKINS UNIVERSITY	2001317198 MOD01	295,515
93.855	3600	JOHNS HOPKINS UNIVERSITY	JHUPO2000056550MOD4	-1,363
93.855	3600	JOHNS HOPKINS UNIVERSITY	JHUPO2000056550MOD5	-550
93.855	3600	KINETA, INC.	SUBCONTRACT 3470 MOD01	162,802
93.855	3600	MAGEE-WOMEN'S RESEARCH INST. & FDTN	4483	281,554
93.855	3600	MAGEE-WOMEN'S RESEARCH INST. & FDTN	4611	16,318
93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE	4349 AM1	-68
93.855	3600	MAGEE-WOMEN'S RESEARCH INSTITUTE	9211 AM01	610,334
93.855	3600	MAGEE-WOMENS RESEARCH INSTITUTE AND FOUNDATION	UW BUD# 664851	54,642

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93.855	3600	MEDICINE FOR MALARIA VENTURES	MMV06/0013	-163,016
93.855	3600	MMV MEDICINES FOR MALARIA VENTURE	CONSORTIUM AGREEMENT	88,976
93.855	3600	MMV MEDICINES FOR MALARIA VENTURE	MMV06/0013	393,617
93.855	3600	NORTHWESTERN UNIVERSITY	SP0007967PROJ0002212AM	187,620
93.855	3600	OHIO STATE U RESEARCH FOUNDATION	60022770 MOD01	138,334
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0103UOFWNBEVANAM0	381,621
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0103UOFWNGALEAM03	224,640
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0103UOFWNGALEAM05	136,457
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	AVGTI0103UOFWNKATZEAM0	337,965
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GVGT1010308 AM 2	165,692
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GVGT1010308 AM03	58,307
93.855	3600	OREGON HEALTH & SCIENCE UNIVERSITY	GVGTI0103UWKATZESUPPAM	9,258
93.855	3600	PUBLIC HEALTH FOUNDATION ENTERPRISES	SUB 1 R01 AI 083060-03	49,625
93.855	3600	PUBLIC HEALTH FOUNDATION ENTERPRISES	SUB 1R01AI083060-02	-7,845
93.855	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW #10073	121,332
93.855	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-15015 MOD03	14,561
93.855	3600	SEATTLE BIOMEDICAL RESEARCH INSTITUTE	UW-15026 MOD01	9,171
93.855	3600	SEATTLE BIOMEDICAL RSCH INST	UW-12534 MOD01	45,040
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10013 SUB AM03	66,387
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10038SUB-AM03	66,886
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10189SUB AM01	65,999
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10289SUB	3,459
93.855	3600	SEATTLE CHILDREN'S HOSPITAL	10330SUB AM01	67,531
93.855	3600	SEQUELLA, INC.	UW BUD# 661891	80,598
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACURES1100004600095	1
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACURES1100004600121	248,270
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACURES1100004600131	10,832
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC	BRSACURES1100004600173	8,477

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93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRS-ACURE-S-12-002216	596
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSACUREQ0600130T006	-362
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSACURES1100004600139	17,953
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSACURES1100004600206	2,441
93.855	3600	SOCIAL & SCIENTIFIC SYSTEMS, INC.	BRSACURES1200049200230	17,953
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACUREQ0600130T002MO	-40,781
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACUREQ0600130T005	25,399
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACURES1000004600079	-1
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACURES1100004600121	282,452
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACURES1100004600132	11,990
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACURES1200004600249	19,484
93.855	3600	SOCIAL SCIENTIFIC SYSTEMS INC	BRSACURES1200004600250	94
93.855	3600	STANFORD UNIVERSITY	22941520-39760-A AM2	3,718
93.855	3600	THE BRIGHAM AND WOMEN'S HOSPITAL, INC.	108081	19,864
93.855	3600	THE BRIGHAM AND WOMEN'S HOSPITAL, INC.	108088	733
93.855	3600	TULANE NATIONAL PRIMATE CENTER	TUL-HSC-280-11/12	100,345
93.855	3600	U OF TEXAS SW MEDICAL CTR	GMO111101PRIME2R56AI53	130,493
93.855	3600	UMDNJ	191675W AM02	474,707
93.855	3600	UNIV OF COLORADO, DENVER	FY11.284.002	43,351
93.855	3600	UNIV OF COLORADO, DENVER	FY11284002FY12AM02UW	175,989
93.855	3600	UNIVERISTY OF UTAH	10009618-UW MOD02	80,830
93.855	3600	UNIVERISTY OF UTAH	10009618-UW-01	47,870
93.855	3600	UNIVERSITY OF ALABAMA	000338217-002	3,701
93.855	3600	UNIVERSITY OF ALABAMA	000384588-001 AM01	17,269
93.855	3600	UNIVERSITY OF ALABAMA	000384599-002 AM031	259,706
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000259927-001 AM07	124,391
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000338217-007	-4,476
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000384599-007 AM03	226,638

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93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000397076-005	198,836
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	000397076-012 AM01	424,914
93.855	3600	UNIVERSITY OF ALABAMA, BIRMINGHAM	UW BUD# 639551	61,041
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10293192, AM04	24,355
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10289256-003	24,805
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO# 10289256-004	12,402
93.855	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	PO#10293192-003	144,557
93.855	3600	UNIVERSITY OF COLORADO DENVER	FY11.112.003	2,159
93.855	3600	UNIVERSITY OF MASSACHUSETTS, WORCESTER	6123657/RFS2011076AM01	190,282
93.855	3600	UNIVERSITY OF MASSACHUSETTS, WORCESTER	6135321/RFS2012035	333,558
93.855	3600	UNIVERSITY OF MASSACHUSETTS-AMHERST	07-004309 B-03 AM03	-1
93.855	3600	UNIVERSITY OF NORTH CAROLINA	5-50817 AM05	168,009
93.855	3600	UNIVERSITY OF PITTSBURGH	00052631139862AM03	137,419
93.855	3600	UNIVERSITY OF PITTSBURGH	00052631139862AM04	9,961
93.855	3600	UNIVERSITY OF PITTSBURGH	0010255 (119015-1)	72,522
93.855	3600	UNIVERSITY OF PITTSBURGH	0022494 (119409-2)	12,610
93.855	3600	UNIVERSITY OF PITTSBURGH	0022494 (119409-3)	7,454
93.855	3600	UNIVERSITY OF PITTSBURGH	0026975AM031197431	181,594
93.855	3600	UNIVERSITY OF PITTSBURGH	UW BUD# 663957	2,481
93.855	3600	UNIVERSITY OF WISCONSIN-MADISON	171K765 AM02	201,265
93.856	3600	COLUMBIA UNIVERSITY	1ACCT539481AMD1	2,665
93.856	3600	FHCRC	04-104848-02-S0958	-27,313
93.856	3600	FHCRC	05-104559-05-S0981	-4,103
93.856	3600	FHCRC	0510816405S1366PO59656	-5,503
93.856	3600	UCLA CENTER FOR PREVENTION RESEARCH	1556 G FD985, AMEND.4	-5
93.859	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	9-526-2175AM01	64,027
93.859	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	9-526-5266	-15,692
93.859	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	9-526-5433	26,734

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93.859	3600	ARIZONA STATE UNIVERSITY	09-130 AM03	93,164
93.859	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY110290197601A55915	28,184
93.859	3600	BENAROYA RESEARCH INSTITUTE AT VIRGINIA	FY12197601	7,368
93.859	3600	COLORADO UNIV	FY07001007FY12001010AM	187,494
93.859	3600	COLORADO UNIV	FY10,001-003 AMEND #2	-315
93.859	3600	COLORADO UNIV	FY10.001.111 AMEND 3	-1,452
93.859	3600	COLORADO UNIV	FY12.001.005 AM05	682,134
93.859	3600	DUKE UNIVERSITY	303-4705 AM02	8,592
93.859	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570114041AM01U54GM08	45,230
93.859	3600	HARVARD SCHOOL OF PUBLIC HEALTH	23570114041AM02U54GM08	13,461
93.859	3600	INDIANA UNIVERSITY	PO 539704 AM04	39,991
93.859	3600	MASSACHUSETTS GENERAL HOSPITAL	2-U54-GM062119-06	-5,132
93.859	3600	MASSACHUSETTS GENERAL HOSPITAL	204804 MOD05	53,595
93.859	3600	MASSACHUSETTS GENERAL HOSPITAL	204804 MOD06	62,553
93.859	3600	MEDICAL COLLEGE OF WISCONSIN	PRIME1P50GM09450301A1	90,339
93.859	3600	MONTANA STATE UNIVERSITY	G126-07-W1286, AM 04	-139
93.859	3600	NEW YORK STRUCTURAL BIOLOGY CENTER	#1	22,758
93.859	3600	NEW YORK STRUCTURAL BIOLOGY CENTER	SUB AGREEMENT 02	107,546
93.859	3600	PUGET SOUND BLOOD CTR	PO-027505	2,724
93.859	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	GM058881075184045402	31,299
93.859	3600	SEATTLE CHILDREN'S HOSPITAL RESEARCH INSTITUTE	UW BUD# 662666	345,149
93.859	3600	UMDNJ	P01-2 MOD03	42,181
93.859	3600	UNIV OF CALIFORNIA, SAN DIEGO	10318834-SUB	185,043
93.859	3600	UNIVERSITY OF MASSACHUSETTS-AMHERST	05-003292B02AM02	-20
93.859	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5-30194 AM02	104,672
93.859	3600	UNIVERSITY OF NORTH CAROLINA CHAPEL HILL	5-30194AM01	30,233
93.859	3600	UNIVERSITY OF VIRGINIA	GC11617-134421	-432
93.859	3600	UNIVERSITY OF VIRGINIA	GC11617-137048	2,985

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93.859	3600	VANDERBILT UNIVERSITY	18821-S1 AM05	80,649
93.859	3650	UNIV OF CA-BERKELEY FED FLOW	00006379	73,870
93.859	3650	WASHINGTON UNIV IN ST LOUIS	WU11306	103,802
93.859	3700	UF-Sigma Virus	ORH00080194 S#UF09051	56,567
93.859	6990	University of Washington	681978-Bldg	34,111
93.865	3600	ALBERT EINSTEIN HEALTHCARE NETWORK	UW BUD# 663085	97,603
93.865	3600	BAYLOR COLLEGE OF MEDICINE	101545939	220,412
93.865	3600	BOSTON COLLEGE	1521-2 AM01	28,312
93.865	3600	CEDARS-SINAI MEDICAL CENTER	PO#0000771499	163,080
93.865	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	10211SUB AM5	29,433
93.865	3600	CHILDREN'S HOSPITAL OF PITTSBURGH-UPMC	0019692 (119569-05)	211,525
93.865	3600	CHILDREN'S MERCY HOSPITAL	10-0002 AM01	115,745
93.865	3600	CHILDREN'S MERCY HOSPITAL	10-0002 AM02	63,948
93.865	3600	CHILDRENS HOSPITAL LOS ANGELES	000223 AM04	39,260
93.865	3600	CINCINNATI CHILDREN'S HOSPITAL MEDICAL C	108863 AM02	101,607
93.865	3600	CINCINNATI CHILDREN'S HOSPITAL MEDICAL C	108863/109556	43,197
93.865	3600	CINCINNATI CHILDREN'S HOSPITAL MEDICAL C	PO3100189344SA108863AM	-1,416
93.865	3600	DREXEL UNIVERSITY	232290-3684 AM02	18,059
93.865	3600	EAST-WEST CENTER	HC12663 AM01	37,464
93.865	3600	FHCRC	0000	4,812
93.865	3600	FHCRC	0000678522	-28,684
93.865	3600	FHCRC	0000694817	8,674
93.865	3600	FHCRC	0000697392	70,333
93.865	3600	FHCRC	0000697393	8,707
93.865	3600	FHCRC	0000708308	11,941
93.865	3600	FHCRC	0000708311	72,024
93.865	3600	FHCRC	0000718052 AM01	177,371
93.865	3600	FHCRC	0000720524	135,362

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93.865	3600	FHCRC	0000720538 AMEND1	428,626
93.865	3600	FHCRC	0000720543	350,304
93.865	3600	FHCRC	684136	882
93.865	3600	FHCRC	SUBAWARD# 0000697384	107,946
93.865	3600	FHCRC	UW BUD# 661943	105,473
93.865	3600	FHCRC	UW BUD# 661971	53,701
93.865	3600	FRED HUTCHINSON CANCER RESEARCH CENTER (FHCRC)	UW BUDGET# 664380	10,511
93.865	3600	GEORGE WASHINGTON UNIV	S-MFM1112-VD12	15,689
93.865	3600	JOHNS HOPKINS UNIVERSITY	1 R01 HD 07020-01	4,163
93.865	3600	POPULATION COUNCIL	SR1108 AM01	17,754
93.865	3600	RTI INTERNATIONAL	UW BUD# 661178	30,736
93.865	3600	SEATTLE CHILDREN'S HOSPITAL	10286SUB AM01	20,793
93.865	3600	SEATTLE CHILDREN'S HOSPITAL RSCH FNDN	10255SUB AM01	37,509
93.865	3600	SIMBEX, LLC	04162012	893
93.865	3600	SWEDISH HEALTH SERVICES	803033 A YR1	29,513
93.865	3600	SWEDISH HEALTH SERVICES	UW 803235A MOD03	77,139
93.865	3600	UCLA CCPR	1215 G JB215 AM04	5,693
93.865	3600	UNIV OF KANSAS, CENTER FOR RESEARCH INC	FY2007091MOD06	180,498
93.865	3600	UNIV OF TEXAS SOUTHWESTERN MEDICAL CTR	SUB1202103UO1HD0426520	29,896
93.865	3600	UNIVERSITY OF ALABAMA	000396222-001 AM01	6,192
93.865	3600	UNIVERSITY OF CONNECTICUT	7023	175,798
93.865	3600	UNIVERSITY OF ILLINOIS	2011-01659-02 AM01	4,252
93.865	3600	UNIVERSITY OF MIAMI	AM02	8,532
93.865	3600	UNIVERSITY OF NORTH CAROLINA	5-51032 AM02	-143,284
93.865	3600	UNIVERSITY OF NORTH CAROLINA	5-51032 AM03	344,880
93.865	3600	UNIVERSITY OF NORTH CAROLINA	551032AMENDMENTNO1	-128
93.865	3600	UNIVERSITY OF NORTH CAROLINA	551355AMENDMENTNO1	2,663
93.865	3600	UNIVERSITY OF PITTSBURGH	001142411824515AM01	65,452

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93.865	3600	UNIVERSITY OF PITTSBURGH	0024922 (120171-9)	30,459
93.865	3650	BAYLOR COLLEGE OF MED FED	5600653614	83,234
93.865	3650	PRINCETON UNIV	00001542	41,539
93.866	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	9-526-4859 AMEND 01	3,901
93.866	3600	ALBERT EINSTEIN COLLEGE OF MEDICINE	95262762AM02KR01AG0318	19,298
93.866	3600	BOSTON UNIVERSITY	9500234634	3,662
93.866	3600	BOSTON UNIVERSITY MEDICAL CAMPUS	9500223494 AM03	69,060
93.866	3600	BROWN UNIVERSITY	00000056PO992706AM05	298,531
93.866	3600	BUCK INSTITUTE FOR AGE RESEARCH	UW BUD# 660248	21,623
93.866	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	10213SUB AM02	109,473
93.866	3600	CHILDREN'S HOSPITAL AND REGIONAL MED CTR	41531001.UW AM01	-305
93.866	3600	FHCRC	0000697752	5,120
93.866	3600	FRED HUTCHINSON CANCER RESEARCH CENTER	0000730637	24,057
93.866	3600	GROUP HEALTH COOPERATIVE	2010118154	102,864
93.866	3600	GROUP HEALTH COOPERATIVE	2010118319	5,173
93.866	3600	GROUP HEALTH COOPERATIVE	2011113094	109,456
93.866	3600	GROUP HEALTH COOPERATIVE	2012101790	15,995
93.866	3600	GROUP HEALTH COOPERATIVE	2012108386	11,992
93.866	3600	GROUP HEALTH COOPERATIVE	UW BUD# 639412	49,633
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2011115843	18,906
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2011118910	808,990
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2011122050 MOD01	49,594
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2012107330	15,331
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2012110257	10,664
93.866	3600	GROUP HEALTH RESEARCH INSTITUTE	2012110766	1,719
93.866	3600	HONOLULU HEART PROG (HHP), AUTOPSY STUDY	SC-08-1-08-UW MOD3	4,913
93.866	3600	SANFORD BURNHAM MRI	56160-11676-UWS AM03	146,860
93.866	3600	SCRIPPS RSCH INST	KB24MCMIP1SIBCR	11,252

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93.866	3600	SEATTLE INST FOR BIOMED & CLIN RESEARCH	JPAPOPE1AG033133SHOFER	2,080
93.866	3600	SEATTLE INST. FOR BIOMEDICAL & CLINICAL	BT123STEINE1SIBCRM02	-530
93.866	3600	SEATTLE INSTITUTE FOR BIOMEDICAL AND CLI	JPAPOCS120BL11SIBCR	9,267
93.866	3600	SIBCR	BW22BW2_3_SIBCR	16,790
93.866	3600	SIBCR	BW22HANSEK2SIBCR	7,434
93.866	3600	SIBCR	JPA/PO#BW22BW2_2_SIBCR	33,547
93.866	3600	SIBCR	JPAPOCS120BL12SIBCR	3,414
93.866	3600	SIBCR	JPAPOPE1AG033133LG11SI	13,624
93.866	3600	SIBCR	JPAPOPE1AG033133PE1SIB	33,259
93.866	3600	SIBCR	JPAPOPE1AG033133SHOFER	22,878
93.866	3600	SIBCR	PE1AG033133SIKKEC1SIBC	10,096
93.866	3600	SYSTIMA TECHNOLOGIES, INC.	UW BUD# 664207	8,196
93.866	3600	TUFTS MEDICAL CENTER	5005011-SERV	16,096
93.866	3600	UMDNJ	AMENDMENT 3	30,058
93.866	3600	UNIV OF MED & DENTISTRY OF NEW JERSEY	UW BUD# 635837	-21
93.866	3600	UNIVERSITY OF CALIFORNIA, DAVIS	SUB0900012 AM03	61,998
93.866	3600	UNIVERSITY OF CALIFORNIA, DAVIS	UW BUD# 664565	5,874
93.866	3600	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	1536 AM02	15,730
93.866	3600	UNIVERSITY OF COLORADO	FY08.001.011 AMEND 4	183,570
93.866	3600	UNIVERSITY OF COLORADO	FY11001004AMD032574454	855
93.866	3600	UNIVERSITY OF COLORADO	FY10001007AMD2UWASH	-20,723
93.866	3600	UNIVERSITY OF COLORADO, DENVER	FY09001012AMD1UWASH	-16,214
93.866	3600	UNIVERSITY OF PENNSYLVANIA	556636	24,395
93.866	3600	UNIVERSITY OF PENNSYLVANIA	556636 PRIME 2706577	48,366
93.866	3600	UNIVERSITY OF PITTSBURGH	00012200 119695-6	138,907
93.867	3600	DARTMOUTH COLLEGE	686, AMENDMENT NO. 1	-357
93.867	3600	HEALIONICS CORPORATION	UW BUD# 638479	-3,408
93.867	3600	JAEB CENTER FOR HEALTH RESEARCH, INC.	9-29-03	47,939

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93.867	3600	JAEB CENTER FOR HEALTH RESEARCH, INC.	UW BUD# 636315	8,234
93.867	3600	UNIVERSITY OF CALIFORNIA SAN DIEGO	PO#10317338-SUB	362,480
93.867	3600	UNIVERSITY OF CALIFORNIA, BERKELEY	00007517 AM01	241,143
93.867	3600	UNIVERSITY OF CALIFORNIA, SAN DIEGO	10315588-002	42,168
93.867	3600	UNIVERSITY OF MINNESOTA	N640615302 AM03	29,296
93.867	3650	OR HLTH SCI UNIV FED FLOW	GCAEI0244A	64,988
93.867	3650	OR HLTH SCI UNIV FED FLOW	GPHYP0181WSU	90,990
93.867	3650	UNIV OF MD/BALT CNTY	0000006880	45,173
93.879	3600	CLARK & PARSIA LLC	UW BUD# 662794	110,881
93.879	3650	YALE UNIV FED FLOW	M11A10935	15,777
93.889	3600	SEATTLE-KING COUNTY DEPT PUBLIC HEALTH	D37914D AM02	-7,941
93.912	3650	COLUMBIA BASIN HEALTH ASSN	WSU002073	27,227
93.912	3700	CBHA-Assessment	N/A	614
93.945	3600	SEATTLE CHILDREN'S HOSPITAL	10283SUBPRIME1U18DP002	5,776
93.945	3600	SEATTLE CHILDREN'S RESEARCH INSTITUTE	10397SUB	23,865
93.945	3600	WAKE FOREST UNIVERSITY	WFUHS11240U01DP000250A	12,379
93.958	3000	NEW FREEDOM INT.	841305	27,473
93.958	6990	Optum Health	2011-SOW-10.01-PIER	3,969
93.959	3650	KING CNTY	D40283D	2,652
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDI	5 D 43 TW 008438 3	48,948
93.989	3600	UNIVERSIDAD PERUANA CAYETANO HEREDI	5 D43 TW 008438-2	-90
93.989	3600	UNIVERSITY OF NAIROBI	5 R24 TW 008889-02 REV	325,700
93.989	3600	UNIVERSITY OF NAIROBI	UW BUD# 672847	43,338
93.989	3600	VANDERBILT U MED CTR ACAD & RSCH ENT.	VUMC35544AM25R24TW0079	23,223
93.989	3600	VANDERBILT U MED CTR INST FOR GLOB HLTH	VUMC35559AM35R24TW0079	107,824
93.989	3600	VANDERBILT UMC GLOBAL HEALTH INST.	VUMC 38302 AM01	48,040
93.989	3600	VANDERBILT UMC GLOBAL HEALTH INST.	VUMC 38425 AM01	62,626
93.989	3600	VANDERBILT UMC GLOBAL HEALTH INST.	VUMC35543AM035R24TW007	14,421

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93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	SUB# VUMC 35540 AM02	17,850
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 34749 AM03	53,623
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 34749, AM02	5,805
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 35540 AM01	4,668
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 35542 AM01	2,688
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 36924	1,396
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC 36924 AM01	52,778
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC36834AM01	33,215
93.989	3600	VANDERBILT UNIVERSITY MEDICAL CENTER	VUMC36908AM15R24TW0079	18,856
93.999	3760	VICHEALTH	None	100,000
94.005	3600	WASHINGTON CAMPUS COMPACT	54571-P AM01	2,099
94.006	3600	JUMPSTART FOR YOUNG CHILDREN	480200	185,193
94.021	3750	501 Commons	201136 & 551	4,325
97.000	3600	BAKERAECOM, LLC	TO# UWA-PTS-001 MOD03	188,165
97.000	3600	THE UNIVERSITY OF TEXAS AT SAN ANTONIO	26-0201-15 UOW	15,000
97.000	3600	UNIVERSITY OF MICHIGAN	3001657166 AM02	45,026
97.000	3650	EXCELLIMS CORP	WSU000938	46,243
97.005	6990	National Partnership for Environmental Technology Education	10425 FEMA	17,838
97.005	6990	National Partnership for Environmental Technology Education	10466 FEMA	66,973
97.036	6990	Military Dept.	D12-024	1,241
97.039	3760	FEMA	E-10-198	720,357
97.039	3760	FEMA	NONE	14,920
97.039	3760	Wa St. Military	FEMA 1817-E11-144	463,418
97.061	3600	KANSAS STATE UNIVERSITY	S11198.01 MOD01	38,780
97.061	3600	UNIVERSITY OF ARIZONA	Y503225 MOD5	43,133
97.061	3650	NORTHEASTERN UNIV	504928P0902320	203,877
97.065	3650	TN TECH UNIV	P0005219	66,763
97.077	3650	FISK UNIVERSITY	WSU001066	170,207

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98.000	3650	PURDUE UNIV	410600008000044906	44,942
98.001	3600	MANAGEMENT SCIENCES FOR HEALTH, INC.	A197-2011-03-ITECH	226,006
98.001	3650	IA ST UNIV FED FLOW	4044087D	105,141
98.001	3650	NAT'L ACADEMIES	PGAP280179	23,295
98.001	3650	SRA INT'L INC	RQ000351	2,586
98.001	3650	TOTAL LANDCARE MALAWI	WSU001162	264,101
98.001	3650	VA TECH UNIV	42597619276	31,044
99.000	3600	BERGERABAM ENGINEER, INC.	FABLD-11-031	3
99.000	3600	CHICAGO BOTANIC GARDEN	PO 6832JSB01.04.10	1,798
99.000	3600	COLUMBIA UNIVERSITY	UW BUD# 662497	130,302
99.000	3600	ENERTECHNIX, INC.	UW BUD# 631156	-17,953
99.000	3600	FHCRC	0000716165	257,367
99.000	3600	NATIONAL ACADEMIES	HR 03-96 MOD02	60,259
99.000	3600	NORTHWEST HIDTA	9000000069	22,017
99.000	3600	PURDUE UNIVERSITY	4112-31804, AM07	2,068
99.000	3600	STATE OF ILLINOIS	11AQ3700007	127,957
99.000	3600	UC - LOS ALAMOS NATIONAL LABORATORY	119449	39,536
99.000	3600	UNIV OF MICHIGAN	3001316273 AM01	7,046
99.000	3600	WESTAT, INC.	UW BUD# 664484	9,664
99.000	3650	ETHIOPIA COLL TELECOM INFO TECH	USTDA200511025B	11,202
99.000	3700	BMI-Lake Pend Oreille-ARRA	145444	52,321
99.000	3700	Kal Tr-Bull Trout 10-11	BPA 2007-246-00	3,266
99.000	3700	Kal Tr-Bull Trout 11-12	2007-246-00 4733	111,535
99.000	3700	Kal Tr-Bull Trout 12-13	BPA2007-246-00 #47330	11,513
99.000	3700	Spo Tribe-BPA Lake Roosevelt 10-11	00048768 1994-04300	28,871
99.000	3700	Spo Tribe-BPA Lake Roosevelt 11-12	BPA Proj#1994-043-00	136,890
99.000	3700	UCUT-Monitoring 11-12	200800700	106,136
99.000	3700	UCUT-Monitoring 12-13	BPA#200800700	17,695

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99.000	4610	National Fish and Wildlife Foundation/BPA FY 11	C011011	30,543
99.000	4610	National Fish and Wildlife Foundation/BPA FY 12	C012035	100,911
99.999	3650	BATTELLE COLUMBUS FED FLOW	227868	21,776
99.999	3650	CORP FOR PUBLIC BROADCASTING	1656	47,408
99.999	3650	CORP FOR PUBLIC BROADCASTING	1889	138,598

Total Pass-Through Funds 200,546,299

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Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
17.258	360	Worksystems, Inc	10-67525 MOD01	4.00
17.258	540	Olympic Consortium WDC	731x 732x 733x 647x 649x 65x 742x 743x 744x	425,095.31
17.258	540	Pacific Mountain WDC	504x	146,751.55
17.258	540	SnohomishCounty WDC	672x 674x	62,847.31
17.258	540	North Central WA WDC	770x 764x 765x 786x	114,646.66
17.258	540	South Central WA WDC	757x 758x 741x	102,990.77
17.258	540	Spokane Area WDC	781x 783x	216,972.83
17.258	699	Kitsap County WIA	KC-353-11	50,811.07
17.258	699	Workforce Central - Tacoma	NAC IBEST B124-B231	18,988.09
17.258	699	Seattle King County WDC	11/190-VAR	47,080.09
17.258 WIA Adult Total				1,186,187.68
17.258A	699	Seattle King County WDC	11-186-VAR	135,333.03
17.258A	699	Spokane Area WDC	IEL-WIA-Lighthouse	2,316.50
17.258A	699	Spokane Area WDC	SFCC-WIA-T&L	19,710.10
17.258A WIA Adult Total				157,359.63
17.259	540	North Central WA WDC	771x 775x 786x	132,249.62
	540	South Central WA WDC	748x 749x	97,591.30
17.259 WIA Youth Total				229,840.92
17.259A	699	Pacific Mountain WDC	WBS09-C772-ICTSPS	1,602.92
17.259A WIA Youth Total				1,602.92
17.260	699	Skillsource	SKS12	11306.20
17.260 WIA Dislocated Workers				11306.20
17.260A	699	Spokane Area WDC	ARRA-Gov10%-Cust	200.00
17.260 WIA Dislocated Workers				200.00
17.277	540	Southwest WA WDC	295x	49,170.79
	540	North Central WA WDC	769x	4,236.53
	540	South Central WA WDC	296x	24,016.07
	540	Eastern WA Partnership WDC	294x	101,189.95
17.277 WIA NEG Dislocated Worker Total				178,613.34

State of Washington
Schedule of Expenditures of Federal Awards
Note G:

For the Year Ended
June 30, 2012
(Expressed in whole dollars)

Supplemental Information for Pass-Through Federal Assistance (State as Subrecipient not included on the Schedule)

Federal Catalog No.	State Agency No.	Pass-Through Entity Name	Award/Contract Control Number	Expenditure Amount
17.278	360	Seattle King County WDC	10/405 VAR MOD01	15,234.00
	540	Olympic Consortium WDC	630x 734x 735x 736x 647x 649x 65x 742x 743x 744x	836,755.66
	540	Pacific Mountain WDC	505x 506x 507x 508x 509x 512x 518x	605,815.49
	540	Snohomish County WDC	673x 676x 678x	226,345.36
	540	Seattle King County WDC	355x	323,519.83
	540	North Central WA WDC	768x 774x 764x 765x 786x	134,725.72
	540	South Central WA WDC	569x 754x 756x 741x	93,821.29
	540	Eastern WA Partnership WDC	288x 292x 293x 545x	401,199.66
	540	Spokane Area WDC	780x 782x 783x	437,908.48
	699	Tacoma Pierce County Training & Employment Consortium	Bates NAC/OTA	27,134.65
	699	Tacoma Pierce County Training & Employment Consortium	Bates-DW Training	65,695.19
17.278 WIA Formula Dislocated Worker Total				3,168,155.33

State of Washington
Schedule of Expenditures of Federal Awards
Note H: Supplemental Information - Outstanding Loan Balances

For the Year Ended
June 30, 2012
(Expressed in whole dollars)

Federal Catalog No.	Federal Program Title	June 30, 2012 Outstanding Loan Balances
<u>University of Washington (Agency 3600)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	47,029,112 s
93.264	Nurse Faculty Loan Program	1,301,550 s
93.342	Health Professions Student Loans, Including Primar	12,254,252 s
93.364	Nursing Student Loans	1,994,220 s
93.408	ARRA - Nurse Faculty Loan Program	170,867 s
University of Washington Total		62,750,001
<u>Washington State University (Agency 3650)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	17,871,040 s
93.264	Nurse Faculty Loan Program	457,372 s
93.342	Health Professions Student Loans, Including Primar	2,336,208 s
93.364	Nursing Student Loans	1,571,102 s
Washington State University Total		22,235,722
<u>Eastern Washington University (Agency 3700)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	4,860,896 s
Eastern Washington University Total		4,860,896
<u>Central Washington University (Agency 3750)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	7,199,425 s
Central Washington University Total		7,199,425
<u>the Evergreen State College (Agency 3760)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	3,959,332 s
the Evergreen State College Total		3,959,332
<u>Western Washington University (Agency 3800)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	8,214,446 s
Western Washington University Total		8,214,446

State of Washington
Schedule of Expenditures of Federal Awards
Note H: Supplemental Information - Outstanding Loan Balances

For the Year Ended
June 30, 2012
(Expressed in whole dollars)

Federal Catalog No.	Federal Program Title	June 30, 2012 Outstanding Loan Balances
<u>Community College Systems (Agency 6990)</u>		
84.038	Federal Perkins Loan Program_federal Capital Contr	2,550,489 s
Community College Systems Total		2,550,489

Total Loan Balances	111,770,311

Footnote:
 s - Amount included on schedule of expenditures of federal awards

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**State of Washington
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12-02	Department of Health	G – 6	E - 14
12-03	Department of Health	G – 7	E - 16
12-04	Department of Health	G – 8	E - 20
12-05	Department of Health	G – 9	E - 22
12-06	Recreation Conservation Funding Board	G – 10	E - 25
12-07	Department of Commerce	G – 11	E - 27
12-08	Department of Commerce	G – 12	E - 31
12-09	Department of Commerce	G – 13	E - 34
12-10	Employment Security Department	G – 14	E - 37
12-11	Employment Security Department	G – 15	E - 39
12-12	Department of Transportation	G – 16	E - 45
12-13	Department of Health	G – 18	E - 48
12-14	Department of Services for the Blind	G - 19	E - 50
12-15	Department of Services for the Blind	G – 20	E - 52
12-16	Department of Services for the Blind	G - 21	E - 54

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12-18	Office of Superintendent of Public Instruction	G – 23	E - 59
12-19	Department of Health	G – 24	E - 61
12-20	Department of Health	G – 25	E - 64
12-21	Department of Health	G – 26	E - 69
12-22	University of Washington	G – 27	E - 72
12-23	Department of Social and Health Services	G - 28	E - 75
12-24	Department of Social and Health Services	G – 29	E - 77
12-25	Department of Commerce	G – 30	E - 79
12-26	Department of Commerce	G – 31	E - 81
12-27	Department of Commerce	G – 32	E - 83
12-28	Department of Early Learning	G – 33	E - 85
12-29	Department of Early Learning	G – 34	E - 88
12-30	Department of Social and Health Services	G – 35	E - 91
12-31	Edmonds Community College	G – 37	E - 96
12-32	Department of Social and Health Services	G – 38	E - 100

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12-33	Department of Health	G – 39	E - 105
12-34	Department of Social and Health Services	G – 40	E - 110
12-35	Department of Social and Health Services	G – 41	E - 113
12-36	Department of Social and Health Services	G – 43	E - 119
12-37	Department of Social and Health Services	G – 45	E - 125
12-38	Department of Social and Health Services	G – 46	E - 129
12-39	Department of Social and Health Services	G – 47	E - 138
12-40	Department of Social and Health Services	G – 48	E - 142
12-41	Department of Social and Health Services	G – 50	E - 146
12-42	Health Care Authority	G – 51	E -150
12-43	Health Care Authority	G – 52	E - 154
12-44	Health Care Authority	G – 53	E - 158
12-45	Health Care Authority	G – 55	E - 163
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Finding No.	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
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12-50	Health Care Authority	G – 62	E - 188
12-51	Health Care Authority	G – 63	E - 193
12-52	Health Care Authority	G – 65	E - 198
12-53	Health Care Authority	G – 66	E - 201
12-54	Health Care Authority	G – 68	E - 207
12-55	Health Care Authority	G – 70	E - 212
12-56	Health Care Authority	G – 71	E - 216
12-57	Department of Health	G – 72	E - 221
12-58	Department of Health	G - 73	E - 224
12-59	Military Department	G - 74	E - 227
12-60	Military Department	G – 75	E - 230
12-61	Military Department	G – 76	E - 233
12-62	Military Department	G – 77	E - 235
12-63	Military Department	G – 78	E - 239

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Office of Financial Management (OFM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	01	Finding: The State's internal controls over Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded. Questioned Costs: none Status: Corrective action in progress Corrective Action: While the State does not fully agree with the finding, it recognizes the significance and the priority of internal controls and takes them very seriously. Upon notification by the auditor that one step in the process to validate that the daily interface from ProviderOne to the state's accounting system was lacking, the Health Care Authority immediately instituted the validation step. The validation was performed for the entire period it was missing and the results of that validation indicated that all ProviderOne transactions were properly accounted for in the state's accounting system. The Authority relied on the certification process conducted by the federal Centers for Medicare and Medicaid Services (CMS) to document the sufficiency of ProviderOne internal controls. The CMS certification process was very comprehensive in nature and resulted in the state's ProviderOne being the first in the country to achieve federal certification without a single finding. The state recognizes the value of and has added a requirement to the ProviderOne contract for an independent audit of the system of internal controls at the vendor location. The first report is expected in the spring of 2014. Completion Date: Estimated April 2014	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	02	Finding: The Department of Health did not obtain sub-award information or file reports required by the Federal Funding Accountability and Transparency Act for the Special Supplemental Nutrition Program for Women, Infants, and Children. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 10.557 \$0 Status: Corrective action complete Corrective Action: Effective October 1, 2012, the Department requires all sub-grantees to complete a Federal Funding Accountability and Transparency Act (FFATA) data collection form which includes the required sub-award information. In addition, the FFATA Sub-award Reporting System (FSRS) is reviewed monthly for current and new grant awards available to report on for the Department. Available and reportable sub-award information is entered monthly by Grants staff into the FSRS. The Grants Supervisor reviews and submits the reports monthly to FSRS and retains a system print out for audit verification. Completion Date: October 2012	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	03	Finding: The Department of Health does not adequately monitor subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 10.557 \$0 Status: Corrective action in progress Corrective Action: The Department will conduct an internal review of its subrecipient monitoring processes to determine an appropriate level of activity to address the risks and ensure federal requirements are met. This may include development of a risk model to help inform the type and frequency of monitoring for each subrecipient. The Department will develop agency-level policies and training addressing subrecipient monitoring. Completion Date: Estimated December 2013	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	04	Finding: The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Special Supplemental Nutrition Program for Women, Infants, and Children. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 10.557 \$0 Status: Corrective action complete Corrective Action: The Department now requires all sub-grantees to complete a Federal Funding Accountability and Transparency Act (FFATA) data collection form which includes the required sub-award information, including the Data Universal Numbering System (DUNS) number. Completion Date: October 2012	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	05	Finding: The Department of Health does not have sufficient internal controls to ensure all of its subrecipients receive audits when required. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>10.557</td><td>\$0</td></tr><tr><td>93.069</td><td></td></tr><tr><td>93.889</td><td></td></tr><tr><td>93.917</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department acknowledges the finding by the State Auditor and is committed to resolving the issue and putting into place more effective internal controls by developing and/or improving upon existing processes and controls necessary to ensure that all of the Department’s sub-grantees required to have a single audit will have such an audit. Beginning in December 2012, the Department has initiated additional telephone contacts with sub-grantees who did not provide a response to our original inquiry and/or who did not provide a copy of their single audit to the Department and/or the federal Single Audit Clearinghouse in order to achieve 100 percent audit determination compliance. Completion Date: Estimated June 2013	<u>CFDA #</u>	<u>Amount</u>	10.557	\$0	93.069		93.889		93.917		
<u>CFDA #</u>	<u>Amount</u>												
10.557	\$0												
93.069													
93.889													
93.917													

**State of Washington
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Recreation Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	06	Finding:	The Recreation and Conservation Office did not file reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program.				
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>11.438</td><td>\$0</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	11.438	\$0
<u>CFDA #</u>	<u>Amount</u>						
11.438	\$0						
		Status:	Corrective action in progress				
		Corrective Action:	The Board will complete the Federal Funding Accountability and Transparency Act reports on a monthly basis. The lead financial analyst will take the lead on reporting the awards each month. If technical difficulties in reporting the costs should arise, the Board will document the questions, communications and resolution of the issues.				
		Completion Date:	Estimated March 2013				

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	07	Finding: The Department of Commerce does not adequately monitor subrecipients of the HOME Investment Partnership Program to ensure subrecipients use federal grant money for authorized purposes and in compliance with laws, regulations, and grant and contract provisions. Questioned Costs: <u>CFDA #</u> 14.239 <u>Amount</u> \$0 Status: Corrective action in progress Corrective Action: The Department concurs with the finding and has taken corrective action including entering client income information into the federal Integrated Disbursement and Information System (IDIS) to ensure compliance with the earmarking requirement. The Department is requesting copies of participation income verification and Housing Quality Standards (HQS) inspection reports to ensure unit and tenant eligibility. The Department's Housing Assistance Unit is following its monitoring protocols and procedures by conducting annual risk assessments. Risk assessment scores based on programmatic review determine the grantees to receive onsite monitoring. Completion Date: Estimated September 2013	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	08	Finding: The Department of Commerce does not have internal controls to ensure the Department pays out HOME Investment Partnership program income before requesting federal cash draws and interest earned on federal cash advances is returned to the federal government. Questioned Costs: <u>CFDA #</u> 14.239 <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Department concurs with this audit finding. The Department reviewed its processes and updated its procedures so that program income is used prior to federal funding sources. The Department will contact the federal grantor regarding the disposition of the \$214 interest earned on federal cash advances. Completion Date: November 2012	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
12	09	Finding:	The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>14.239</td><td>\$0</td></tr><tr><td>66.468 - ARRA and non-ARRA</td><td></td></tr><tr><td>81.042</td><td></td></tr><tr><td>93.568</td><td></td></tr><tr><td>93.569</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	14.239	\$0	66.468 - ARRA and non-ARRA		81.042		93.568		93.569	
<u>CFDA #</u>	<u>Amount</u>														
14.239	\$0														
66.468 - ARRA and non-ARRA															
81.042															
93.568															
93.569															
		Status:	Corrective action in process												
		Corrective Action:	The Department will refine written guidance on roles and responsibilities for monitoring audits. Training on use of the Department’s Contract Management System audit tracking module is underway and will be completed no later than April 30, 2013.												
			The conditions noted in this finding were previously reported in finding 11-10.												
		Completion Date:	Estimated April 2013												

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	10	Finding: The Employment Security Department did not attempt to collect \$440,925 overpaid to claimants for Federal Additional Compensation Unemployment Insurance. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 17.225 - ARRA and non-ARRA \$440,925 ARRA Status: Corrective action complete Corrective Action: On September 7, 2012, the Department completed the necessary computer programming to bill, collect, and account for Federal Additional Compensation (FAC) overpayments. Billing statements were subsequently mailed to claimants who had outstanding FAC overpayment balances. As of November 13, 2012, the Department successfully collected \$1,978,762 in FAC overpayments. Department efforts will continue as permitted by state and federal law to collect outstanding FAC overpayment balances. Questioned costs will be addressed with the federal grantor during their audit resolution process after the report is issued. Completion Date: September 2012	

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	11	Finding: The Employment Security Department does not have controls to ensure compliance with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>17.225 - ARRA and non-ARRA</td><td>\$0</td></tr></table> Status: Corrective action complete Corrective Action: The Department has continued to work on improving Benefits Accuracy Measurement (BAM) program processes to ensure complete, accurate and timely investigations are conducted. The Department has completed the following actions: • Updated the BAM procedures manual as of July 2012. Continue to revise the manual as needed to remain compliant with USDOL requirements. • Standardized the number of contacts attempts required for compliant BAM claim investigations. • Provided additional investigative and adjudicative training to staff. • Increased communication among staff, other department units and with USDOL to improve quality and consistency of case investigations. • Created standardized forms for use in improving accuracy and quality of investigations. • Implemented a toll-free phone number to increase claimant and employer response rates. • Increased number of contact attempts to verify work search. The Department will continue to make improvements in BAM investigative processes during the next audit period including increasing the number of files reviewed by supervisory staff. The conditions noted in this finding were previously reported in finding 11-08. Completion Date: September 2012	<u>CFDA #</u>	<u>Amount</u>	17.225 - ARRA and non-ARRA	\$0	
<u>CFDA #</u>	<u>Amount</u>						
17.225 - ARRA and non-ARRA	\$0						

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Department of Transportation (DOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
12	12	Finding: The Department of Transportation did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>20.500</td><td>\$0</td></tr><tr><td>20.507</td><td></td></tr><tr><td>20.509 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: 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. The Department appreciates the State Auditor’s work regarding the Statewide Single Audit (SWSA). The “technical difficulties” encountered in filing the required Federal Funding Accountability and Transparency Act (FFATA) reports resulted when the Department made its initial attempts to file the FFATA reports in Fiscal Year 2012 and discovered that the grantor, the Federal Transit Administration (FTA), had not yet entered the award information in its computer system to allow the Department to enter sub-award data and file the reports. The FTA recently input grant award information into the computer system; however, to prevent entering data twice or losing data in the event the FTA did not input all award data into the FTA system, the Department has contacted them to determine if WSDOT can now safely input sub-award data and file the required FFATA reports. The Department also made several other attempts to contact the FTA during and after fiscal year 2012 for guidance and to determine when the system would be available for filing reports. As a result of the audit, the Department is seeking written clarification with the FTA on system availability and use for filing reports. The Department will strengthen internal controls and will continue to work with the FTA until the required FFATA sub-award data can be input and the reports can be filed.	<u>CFDA #</u>	<u>Amount</u>	20.500	\$0	20.507		20.509 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>										
20.500	\$0										
20.507											
20.509 - ARRA and non-ARRA											

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Department of Transportation (DOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	12 (Cont'd)	Additionally in response to the auditor's recommendations: • The Public Transportation Division is implementing new procedures to ensure FFATA reporting is filed timely. • Procedures for FFATA reporting will include appropriate training for employees. • FFATA reporting is assigned to one individual, with review and monitoring by another staff member and management. Completion Date: Estimated June 2013

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	13	Finding: The Department of Health did not file reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water Program. Questioned Costs: <u>CFDA #</u> 66.468 - ARRA and non-ARRA <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Federal Funding Accountability and Transparency Act (FFATA) reporting on award FS-99083910-0 is now complete. Clarification has also been received from the federal Environmental Protection Agency (EPA) regarding how to report FFATA on future grants. The Department's Drinking Water Program will ensure this is completed annually at the time of contract execution. Completion Date: Fall 2012	

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	14	Finding: The Department of Services for the Blind did not determine eligibility for all Vocational Rehabilitation program applicants within the allowed period of time. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.126</td><td>\$0</td></tr></table> Status: Corrective action complete Corrective Action: The Department of Services for the Blind (DSB) agrees with the audit finding and recommendation. While individual situations may create need to delay an eligibility past the 60-day timeline, case file documentation should be clear about the reason for a delay, and ensure that the applicant is in agreement for the delay in accordance with the auditor’s recommendation Training was provided at the Vocational Rehabilitation (VR) Counselor meeting on October 10, 2012, and at subsequent regional team meetings, to ensure that the awareness of the timeline, the need to meet the timeline, and the need to clearly document reasons for delay of eligibility beyond the 60-day timeline is understood by counselors and supported by their fellow counselors, support staff and supervisors. A system for monthly review of timelines to eligibility is in place. Team leaders review overdue eligibility cases to ensure documentation is in place that describes clearly the reasons for delay. A method for checking status of eligibilities before they are overdue exists in the system, and training for accessing that tool was provided VR counselors on October 10, 2012. The tool requires multiple steps; in a future planned upgrade of the case management system this tool will be in a more prominent “dashboard” feature, allowing more streamlined, easy access to the data. Completion Date: November 2012	<u>CFDA #</u>	<u>Amount</u>	84.126	\$0	
<u>CFDA #</u>	<u>Amount</u>						
84.126	\$0						

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	15	Finding: The Department of Services for the Blind did not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for its federal Vocational Rehabilitation program. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.126</td><td>\$0</td></tr></table> Status: Corrective action complete Corrective Action: The Department agrees with the audit finding and recommendation. As a corrective action, the Department revised contract general terms and conditions document in April 2012. This attachment now includes appropriate certification language for contractor signatures. Additionally, the Department initiated a monthly process effective August of 2012 to review expenditures and identify any vendor that has been paid in excess of \$25,000 over the prior 12 months. These vendors are checked against the federal System for Award Management (SAM) to verify that vendors have not been suspended or debarred. When the Department learned of the finding, immediate action was taken to train principle contract developers with the need to include suspension and debarment language. The Department now includes business staff in training functions sponsored by Technical Assistance & Continuing Education Northwest and is planning on sending four staff to the U.S. Department of Education – Rehabilitation Services Administration National Fiscal Conference in August 2013. The conditions noted in this finding were previously reported in finding 11-14. Completion Date: August 2012	<u>CFDA #</u>	<u>Amount</u>	84.126	\$0	
<u>CFDA #</u>	<u>Amount</u>						
84.126	\$0						

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	16	Finding: The Department of Services for the Blind did not comply with federal requirements for reporting Vocational Rehabilitation program expenditures. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>84.126</td><td>\$0</td></tr></table> Status: Corrective action complete Corrective Action: The Department agrees with the audit finding and recommendation. The Department is now current on Vocational Rehabilitation federal cost reports. The Department contacted the Department of Education – Rehabilitation Services Administration (RSA) staff to correct prior SF-425 reports. The corrections included separation of indirect costs from direct allocated expenditures and to correctly reflect the federal portion of the indirect costs. The rates used for indirect costs are addressed by the Department in the response to finding 12-17 regarding questioned indirect costs. The Department has developed an internal checklist for steps in preparation and review of the federal cost reports. The checklist requires interaction from three separate staff members to ensure proper reviews of submitted cost information. The Department will take advantage of any training opportunities made available through RSA and the Region 10 Technical Assistance & Continuing Education (TACE) center. TACE now includes fiscal staff in their quarterly meetings. The Department contacted RSA for potential actions in response to the audit findings. Completion Date: December 2012	<u>CFDA #</u>	<u>Amount</u>	84.126	\$0	
<u>CFDA #</u>	<u>Amount</u>						
84.126	\$0						

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	17	Finding: The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 84.126 \$1,259,024.49 Status: Corrective action in progress Corrective Action: The Department agrees with the audit finding and recommendation. Department staff did not fully understand the indirect cost recovery rules for the Department of Education. The Department submitted an indirect cost rate proposal to the Department of Education on February 26, 2013 and requested a negotiated settlement for questioned costs. The Department of Education – Rehabilitation Services Administration has been notified about this finding. Completion Date: Estimated June 2013	

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Office of Superintendent of Public Instruction (OSPI)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	18	Finding: The Office of Superintendent of Public Instruction's internal controls over subrecipient monitoring are not adequate to ensure only proper and allowable costs are charged to the School Improvement Grants program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 84.377 \$0 84.388 - ARRA Status: Corrective action complete Corrective Action: The increased fiscal monitoring for the School Improvement Grant was determined a priority for Office of Superintendent of Public Instruction (Office) last spring. A detailed fiscal monitoring form was developed in the summer of 2012 for use during the 2012-2013 school fiscal year subrecipient monitoring on-site visits. Additionally, the School Improvement Division formally joined the larger comprehensive consolidated program review process (CPR). The CPR process is the basis for monitoring all but one of the Department of Education grants received by this Office. As of February 2013, the school improvement team is out in the field performing subrecipient monitoring of the School Improvement Grant program, with a significant focus on compliance with fiscal requirements. Completion Date: September 2012	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	19	Finding: The Department of Health paid unreasonable indirect cost rates to a subrecipient of the Public Health Emergency Preparedness grant. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$9,156.27</td></tr></table> Status: Corrective action in progress Corrective Action: The Department concurs with the audit finding and has initiated corrective action. Effective January 1, 2012, the Department has required supporting documentation for all public health invoices. The supporting documentation is sourced from the entity’s accounting system. Review of backup documentation is done by each program independently. The Department’s Grants Office requires programs to check the indirect cost rate plans for each of its subrecipients who bill indirect costs. Programs are not allowed to pay indirect costs if the billing entity does not have an approved indirect cost plan. The Department will review all bills and backup documentation detail to determine the indirect amount being charged. The Department will continue to monitor the indirect cost plan schedule maintained by the Department’s Grants Office to verify approved indirect costs charged by its contractors are within the approved rate. The Department will address the issue of the questioned costs with its federal grantor. Completion Date: Estimated December 2014	<u>CFDA #</u>	<u>Amount</u>	93.069	\$9,156.27	
<u>CFDA #</u>	<u>Amount</u>						
93.069	\$9,156.27						

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
12	20	Finding: The Department of Health does not adequately monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$0</td></tr><tr><td>93.889</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: Effective January 2012, the Department requires all contractors to submit backup documentation for all invoices. The programs review the invoice and backup documentation for allowability, reasonableness of cost and fulfillment of contract deliverables. If questions come up regarding the invoice or backup documentation, the program follows up with the contractor and/or consults with the Department’s internal auditor or other staff as necessary. The Department had a contractor resume subrecipient fiscal monitoring effective September 2012. A Department employee works with programs to track and resolve fiscal monitoring issues that may arise. The program consults with the contractor to resolve issues and develop a corrective action plan. The Department has followed up on the contractors with questioned costs and has received pay back from those contractors on the unallowable costs identified. In the future, the Department will track issues identified in fiscal monitoring reports and follow up with contractors to resolve those issues, establish corrective action plans and collect unallowable costs if necessary on a more timely basis. As of October 2012 the Department requires all grant information, including CFDA number, CFDA title, federal grant award number, federal grant award name and federal agency name, be included in all subrecipient contracts. This information is included in the Statement of Work templates which are used for all subrecipient contracts. The conditions noted in this finding were previously reported in finding 11-17. Completion Date: Estimated December 2014	<u>CFDA #</u>	<u>Amount</u>	93.069	\$0	93.889		
<u>CFDA #</u>	<u>Amount</u>								
93.069	\$0								
93.889									

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	21	Finding: The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.069 \$0 93.889 Status: Corrective action in progress Corrective Action: The Department is not certain that the State Auditor's Office interpretation of how to determine level of effort is accurate. The Department will confer with federal grantors on this matter to get a clear understanding of how level of effort should be determined and resolve this issue. The conditions noted in this finding were previously reported in finding 11-20. Completion Date: Estimated June 2013	

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University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
12	22	Finding:	The University of Washington does not have monitoring controls to ensure subrecipients receiving less than \$500,000 from the University obtain audits when required to.						
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.145</td><td>\$0</td></tr><tr><td>93.600</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.145	\$0	93.600	
<u>CFDA #</u>	<u>Amount</u>								
93.145	\$0								
93.600									
		Status:	Corrective action in progress						
		Corrective Action:	The University will work to enhance its existing controls to ensure all of its subrecipients receive audits when required including entities who receive less than \$500,000 from the University but whose total expenditures may exceed more than \$500,000 annually.						
		Completion Date:	Estimated February 2014						

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	23	Finding: The Department of Social and Health Services does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Support Enforcement grant are filed. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.563 \$0 Status: Corrective action complete Corrective Action: The Department concurs with this finding. In December 2012 the Department took the following actions: • Updated the desk manual used by fiscal staff to track federal grant reporting requirements to include FFATA reporting requirements. • Trained the fiscal staff responsible for grant reporting via Federal Funding Accountability and Transparency Act (FFATA) webinars about reporting requirements. • Completed the reporting requirements for grants issued in fiscal year 2012 and fiscal year 2013. Completion Date: December 2012	

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	24	Finding: The Department of Social and Health Services did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under Child Support Enforcement grant. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.563 \$0 Status: Corrective action complete Corrective Action: The Department concurs with this finding. In December 2012 the Department took the following actions: • Obtained DUNS numbers from all subrecipients. The DUNS numbers will be included in annual federal reports that require them. • Trained Department fiscal staff responsible for Federal Funding Accountability and Transparency Act (FFATA) reporting via webinars to learn more about reporting requirements. On an ongoing basis, fiscal staff will collect DUNS numbers for subrecipients and maintain them in an electronic file. Completion Date: December 2012	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	25	Finding: The Department of Commerce does not have adequate controls to ensure it draws Low-Income Home Energy Assistance Program federal funds in accordance with the Cash Management Improvement Act Agreement. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.568 \$0 Status: Corrective action complete Corrective Action: The Department concurs with this audit finding. The Department reviewed its procedures and corrected the timing of the Low-Income Home Energy Assistance Program federal draws to coincide with the state's Cash Management Improvement Act Agreement. Completion Date: November 2012	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	26	Finding: The Department of Commerce does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed for the Low-Income Home Energy Assistance Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.568 \$0 Status: Corrective action in progress Corrective Action: The Department trained the appropriate Low-Income Home Energy Assistance Program (LIHEAP) staff on the Federal Funding Accountability and Transparency Act (FFATA) requirements and the use of the Federal Funding Accountability and Transparency Sub-award Reporting System (FSRS) database to submit LIHEAP data. The Department is finalizing procedures to ensure FFATA data is entered FSRS and that LIHEAP complies with reporting requirements. Completion Date: Estimated March 2013	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	27	Finding: The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Low-Income Home Energy Assistance program. Questioned Costs: <u>CFDA #</u> 93.568 <u>Amount</u> \$29,944.23 Status: Corrective action complete Corrective Action: The Department reviewed the federal criteria regarding period of availability with fiscal staff. The focus of this review was to ensure staff understand to match the period of service to the award's period of availability when expenditures are made or are moved from one fiscal year to another. The Department will work with the granting agency to determine the treatment of questioned costs. Completion Date: March 2013	

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Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
12	28	Finding: The Department of Early Learning does not have adequate internal controls over direct payments to child care providers. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$0</td></tr><tr><td>93.596</td><td></td></tr><tr><td>93.713 - ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department contracted with an independent consultant to review the eligibility system and make recommendations for improvement. The Department and the Department of Social and Health Services (DSHS) developed an action plan to implement the recommendations. Included in the action plan is: • improvement of eligibility worker training to better understand the Department’s mission; • simplification of policies that would benefit families and DSHS staff, and • coordination with DSHS to make system improvements so that eligibility workers are able to accurately determine eligibility. The Department has also hired five more auditors (in addition to the five hired in January 2012) to specifically audit child care subsidy payments by comparing subsidy child care provider billings with attendance records. The conditions noted in this finding were previously reported in finding 11-23. Completion Date: Estimated July 2014	<u>CFDA #</u>	<u>Amount</u>	93.575	\$0	93.596		93.713 - ARRA		
<u>CFDA #</u>	<u>Amount</u>										
93.575	\$0										
93.596											
93.713 - ARRA											

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Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
12	29	Finding: The Department of Early Learning did not maintain federally required documentation for \$21,328.61 in payroll costs charged to the Child Care Development Fund. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$21,328.61</td></tr><tr><td>93.596</td><td></td></tr><tr><td>93.713 - ARRA</td><td></td></tr></table> Status: Corrective action complete Corrective Action: A previous audit performed in February 2012 had already identified an issue with the recording of payroll certifications to support grant costs. The Department implemented a new more formal, closely reviewed process at that time for collecting payroll certifications. The incident cited in this audit occurred prior to these changes. The payroll costs charged to the Child Care Development Fund (CCDF) were valid, as the employee was working half-time on CCDF-related activities during this time period. However, the certifications were not completed accurately. The Department is confident the new payroll certification policy and procedure will ensure that all employee salaries and benefits are accurate and supported with the proper documentation. The Department has notified the appropriate federal regional staff, and is waiting for their response to this finding. Completion Date: February 2012	<u>CFDA #</u>	<u>Amount</u>	93.575	\$21,328.61	93.596		93.713 - ARRA		
<u>CFDA #</u>	<u>Amount</u>										
93.575	\$21,328.61										
93.596											
93.713 - ARRA											

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
12	30	Finding: The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund, resulting in the payment of child care services for ineligible clients. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$3,590</td></tr><tr><td>93.596</td><td></td></tr><tr><td>93.713 - ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department of Social and Health Services partially concurs with this finding. The Department has taken or will take a variety of corrective actions through the course of the year to correct the deficiencies identified during the audit. In February 2013 the Department: • Began formal auditing of 1.6% of all case actions, 100% of all new employee case actions and 100% of all instances where a single staff person has authorized multiple payments in the Social Service Payment System (SSPS) in a month. • Began utilizing “Find It/Fix It” procedures based on Department policy, which require all staff to fix errors as they are discovered. This policy incorporates a reporting mechanism to identify trends and error prone processes. • Ensured the Department’s Child Care Subsidy Program Handbook is up-to-date and accurately reflects changes in policy, guidance and procedures. By March 2013 the Department’s policy staff will review exceptions. Any overpayment requests that are written will be sent to the Office of Financial Recovery for processing. By April 2013 the Department will hire additional staff that will allow the childcare program to be fully staffed.	<u>CFDA #</u>	<u>Amount</u>	93.575	\$3,590	93.596		93.713 - ARRA		
<u>CFDA #</u>	<u>Amount</u>										
93.575	\$3,590										
93.596											
93.713 - ARRA											

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	30 (Cont'd)	By June 2013 the Department will transfer responsibility for TANF childcare eligibility determinations to WorkFirst Program Specialists. By July 2013 the Department in conjunction with the Department of Early Learning (DEL) will review program policy and attempt to streamline where appropriate. This could include benefit calculation and payment issuance. By October 2013 the Department will: • Work with DEL to review the Washington Childcare Program (WCAP) to identify technology solutions that enhance accuracy of payments and eligibility determinations. • Fully implement episodic auditing (auditing a single action, not the entire case) which allows auditors to focus their review on one portion of the eligibility process at a time. This change in audit approach (from full case to episodic) will allow the Department to focus on error prone cases, while increasing the total percentage of cases audited. By December 2013 the Department will fully utilize BarCode AuditPlus to track, trend and analyze audits to identify and improve error-prone elements including pre-authorization requirements for error-prone cases. Completion Date: Estimated December 2013

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Edmonds Community College (ECC)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	31	Finding: Edmonds Community College did not comply with time and effort requirements for its Head Start Program. Questioned Costs: <u>CFDA #</u> 93.600 <u>Amount</u> \$596,035.20 Status: Corrective action in progress Corrective Action: Payroll detail was extracted to create a certification form for fiscal year 2012 which included a statement verifying that the dollar figures reported were an accurate and appropriate representation of the exempt employees' Head Start effort. The certification was then signed by the employees, supervisors and the Head Start Executive Director. For the future, the college is planning to add the exempt employees to the internal Time & Accountability System (TAS) which will provide a mechanism for exempt employees to certify their time and effort on a monthly basis. This document will circulate to supervisors and the Executive Director for signature. The College has contacted the U.S. Department of Health and Human Services (HHS), Region X and been advised of the official audit finding/repayment procedure. After the finding is reported and reviewed HHS (the granting agency), Region X personnel will be notified. Region X will then communicate directly with the College to determine if any repayment is warranted. Completion Date: Estimated June 2013	

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.659</td><td>\$79,590</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.659	\$79,590
<u>CFDA #</u>	<u>Amount</u>						
93.659	\$79,590						
		Status:	Corrective action in progress				
		Corrective Action:	The Department concurs with this finding. In December 2012 the Department took action to correct the issues identified in the audit. The actions taken were: • Implementation of an automated process within FamLink, the Department’s child welfare and payment system, to suspend all adoption assistance payments when the child reaches 18 years of age. For payments to continue the social worker is required to have proper documentation. • Fiduciary staff does a review of documented proof that payment beyond age 18 is appropriate as a secondary review prior to the manual approval of payment. By March 2013 the Department will review the exceptions identified during the audit. If the exception does not have appropriate supporting documentation the federal share will be returned to the grantor. The conditions noted in this finding were previously reported in finding 11-24.				
		Completion Date:	Estimated March 2013				

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	33	Finding: The Department of Health did not survey all hospitals and ambulatory surgical centers in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department now has dedicated and discrete teams for both hospital inspections and ambulatory surgical center inspections and will continue its expanded recruitment efforts to ensure that these teams have the staffing and other resources necessary to conduct timely inspections. To this end, by April 2013, the Department will hire an additional hospital inspector as well as a new manager to lead this team. The ambulatory team is currently fully staffed and has already achieved a 97% compliance rate with federal inspection frequency standards over the last year. On the hospital inspection front, challenges remain but by July 2013, the Department will have the initial results of its new inspection model. This new model was launched in January 2013 and was the result of a Lean performance improvement initiative begun in June 2012. This year-long effort involves a thorough study of the hospital inspection process to explore potential greater efficiencies in the face of ever-increasing regulatory burdens due to heightened federal standards and the hospital growth. In the next six months, the Department will gather the data to determine whether it can inspect larger hospitals using smaller teams thus freeing up staff to run concurrent inspections and increase overall proficiency reducing the backlog. The Department anticipates resolving the backlog of overdue hospitals by June 2014. The conditions noted in this finding were previously reported in finding 11-25. Completion Date:	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		Estimated June 2014
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	34	Finding: The Department of Social and Health Services, Aging and Disability Services Administration does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action complete Corrective Action: In November 2012 the Department implemented a client services verification survey. The survey was incorporated into the Department’s annual Quality Assurance monitoring cycle. The survey allows the Department to verify directly with clients that they have received the services for which Medicaid is billed. The verification survey is a supplement to provider timesheet audits which are a part of the Quality Assurance monitoring cycle. The conditions noted in this finding were previously reported in finding 11-35. Completion Date: November 2012	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	35	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure the accuracy of financial eligibility determinations for clients receiving home and community based services. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department implemented a corrective action plan when this condition was first noted in the previous audit; however, the corrective action plan was not fully implemented by the time the current fiscal year began. The corrective action plan for this current finding essentially concludes the plan that was initiated in the prior year. In August 2012 the Department required all regions to comply with the auditing policy outlined in Management H12-054-Financial Services Quality Assurance Policies and Procedures. Compliance is measured by Home and Community Services (HCS) Headquarters staff through reports generated from the Audit 99 system. The specific review actions are: - For all staff new to long-term care (LTC) eligibility, after an initial mentoring period during which staff are assisted with case actions as they occur, 25% - 100% of all case actions will be audited based on the learning level of the staff until they become proficient. - Each region must maintain an average of two audits per month, per worker. These can include full-case audits and focused audits.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	35 (Cont'd)	3. Focused audits will be conducted as deemed appropriate by the region, with emphasis given to compliance during policy changes related to corrective actions taken as a result of previous audit findings. Parameters of special focused audits will be developed based on program size and effect on payment errors and sample sizes will be statistically valid. Focused audits can include but are not limited to: a. Applications that include community spouses and any accompanying spousal resource declarations; b. First annual reviews for cases that include community spouses. The conditions noted in this finding were previously reported in finding 11-33. Completion Date: January 2013

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	36	Finding: The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens, resulting in \$77,352.13 in questioned costs. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720 - ARRA</td><td>\$77,352.13</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action in progress Corrective Action: This finding involved two administrations within the Department, Aging and Disability Services Administration and the Children’s Administration. Both administrations concurred with the finding. <u>Aging and Disability Services Administration (ADSA)</u> ADSA previously developed procedures and new Social Service Payment Codes to ensure billing was done correctly. Due to the timing of when the codes were implemented some payments were made when they should not have been. In January 2013, the Department reimbursed the federal portion of the questioned costs that were identified. In February 2013, the Department confirmed all codes were properly implemented and exceptions identified during the audit were corrected.	CFDA #	Amount	93.720 - ARRA	\$77,352.13	93.775		93.777		93.778 - ARRA and non-ARRA		
CFDA #	Amount												
93.720 - ARRA	\$77,352.13												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	36 (Cont'd)	<u>Children's Administration (CA)</u> Only three of the 29 exceptions identified in the audit were the responsibility of the CA. By May 2013 the CA will review the three exceptions to determine if they were or were not eligible for the services they received. The review will include the status of the children in FamLink, CA's case management system. Any process that allowed the children to be allocated to Medicaid when they should not have been will be corrected. If the children were not Medicaid Eligible, the Department will return the federal portion of the expenditures to the grantor. Completion Date: Estimated May 2013

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	37	Finding:	The Department of Social and Health Services does not have adequate internal controls to ensure daily rates paid to supported living providers for Medicaid clients are accurate and properly authorized.										
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$10,624</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$10,624	93.775		93.777		93.778 - ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$10,624												
93.775													
93.777													
93.778 - ARRA and non-ARRA													
		Status:	Corrective action in progress										
		Corrective Action:	The Department concurs with this finding. By September 2013 the Department will: • Implement an electronic rate approval process. The process will include several steps that require each individual involved in the rate review to document their review in the electronic system. The review will be passed on to subsequent reviewers only when this is done. • Identify overpayments resulting from rate adjustments and repay them to the federal government.										
		Completion Date:	Estimated September 2013										

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	38	Finding: The Department of Social and Health Services, Economic Services Administration, does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible. Questioned Costs: <table><thead><tr><th><u>CFDA #</u></th><th><u>Amount</u></th></tr></thead><tbody><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action in progress Corrective Action: By April 2013 the Department will review all the exceptions identified in the audit finding. As part of the review, common errors will be identified. The errors will be used to develop and enhance current desk aids and materials that will assist eligibility workers to correctly verify and calculate income when determining eligibility for the Children's Medical program. Effective October 2013 applications and renewals for pregnant women, children, and families will be processed through the Health Benefits Exchange web portal. Eligibility will be determined through an automated data-match process. Completion Date: Estimated April 2013	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	39	Finding: The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to supported living providers are allowable and supported. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720 - ARRA</td><td>\$20,376</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action in progress Corrective Action: The Department concurs with this finding. The Department has developed a corrective action plan that addresses the recommendations listed in the audit finding. The corrective action items are meant to improve the Department’s internal controls to ensure Medicaid payments are allowable and supported. By September 2013 the Department will: • Add a new schedule to the residential programs cost report that will better allow the Department to reconcile reported Instruction and Support Services hours and costs to the provider’s actual payroll records. • Determine which providers and clients did not have adequate documentation and verify whether overpayments have already been processed through the Office of Financial Recovery (OFR) or whether they still need to be sent to OFR. • Consult with the Centers for Medicare and Medicaid Services (CMS) to determine the actual extent of overpayments identified in the audit. Completion Date: Estimated September 2013	CFDA #	Amount	93.720 - ARRA	\$20,376	93.775		93.777		93.778 - ARRA and non-ARRA		
CFDA #	Amount												
93.720 - ARRA	\$20,376												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	40	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: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$9,926.70</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: This finding was against two administrations within the Department of Social and Health Services, the Aging and Disability Services Administration (ADSA) and the Economic Services Administration (ESA). Both administrations concur with the finding. Each administration developed an individual corrective action plan. <u>Aging and Disability Services Administration</u> ADSA believes the internal controls in place are sufficient to prevent clients without valid SSNs from receiving Medicaid funded services. New Social Service Payment Systems codes have been developed to ensure Medicaid funds are not used for clients with invalid SSNs. In January 2013 ADSA reimbursed the federal grantor for the questioned costs identified in the audit that related to ADSA clients. ADSA would like to state that this finding is specific to 12 cases out of 60,000 and equal to \$20,000 out of a the Long Term Care annual budget of \$1.7 billion dollars. While this finding represents 0.02% of the cases and 0.001% of the funding, the Department remains committed to pursuing the goal of matching 100% of the clients and SSNs.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$9,926.70	93.775		93.777		93.778 - ARRA and non ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$9,926.70												
93.775													
93.777													
93.778 - ARRA and non ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	40 (Cont'd)	<u>Economic Services Administration.</u> In February 2013 ESA reviewed the list of exceptions identified in the audit. ESA acknowledged the payments were made in error and is prepared to reimburse the grantor the questioned costs. After the federal grantor reviews the finding, ESA will take the action requested by the grantor. Barcode (one of ESA's primary systems used to process work) has the ability to generate a message to advise staff of a missing or invalid SSN in the Automated Client Eligibility System (ACES), the Department's case management system. By April 2013 ESA will develop a process to ensure these messages are followed up timely. By July 2014 ESA is anticipating that ACES 3G will be fully implemented. ACES 3G is an updated version of ACES and includes functions that streamline the client interview process allowing for a real-time cross match of SSNs with the Social Security Administration's database. If the SSN passes, ACES 3G auto-populates the SSN as federally verified. If the SSN does not pass, the invalid SSN is immediately flagged and the worker is prompted to take action to get a valid SSN. Less than 10% of staff currently have access to ACES 3G. Completion Date: Estimated July 2014

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	41	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, did not perform background checks for some in-home care individual providers in accordance with state law. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$91,001</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department concurs with this finding. By September 2013 the Department will ensure that each Area Agency on Aging has a strong tracking system in place to ensure that all individual providers providing services to Medicaid clients have current background checks. The actions the Department will take are: • Develop corrective action plans with three local offices where the most significant deficiencies were noted. • Terminate payments to providers that do not have current background checks. • Terminate contracts of providers that fail to comply with requests to obtain a current background check; • Inform staff of background check policies by way of a management bulletin. The Department will also consult with the Centers for Medicare and Medicaid Services (CMS) to determine the actual extent of overpayments identified in the audit. The conditions noted in this finding were previously reported in finding 11-34. Completion Date: Estimated September 2013	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$91,001	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$91,001												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	42	Finding: The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action not taken Corrective Action: The Authority disagrees with this finding and maintains that adequate controls are in place to assure that Medicaid is the payer of last resort. The following items demonstrate the priority of the work and items that the Authority has put in place to strengthen third-party liability controls. 1. The Office of Program Integrity continues to dedicate two full-time auditors to reviewing pharmacy third-party liability claims for inappropriate use of override codes. The data retrieval has been improved with a better data query (SQL), which has reduced the audit time required. 2. The Authority has also strengthened Coordination of Benefits controls by contracting with Health Management Systems (HMS) to provide supplemental third-party liability recoveries for the Authority. The Authority is tracking the effectiveness of the HMS work. 3. The Office of Payment Integrity has analyzed other potential changes to the system, including an edit that would require a valid date in the OTHER PAYER DATE field if an override code is present on the claim. But since these fields are contained in different segments of the claim transaction, they are not easily configurable, and this system edit is not considered cost effective at this time. However, the Office of Program Integrity will continue to look for ways to enhance third-party liability controls. The condition noted in this finding was previously reported in finding 11-43. Completion Date: N/A	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	43	Finding:	The Health Care Authority does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.										
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													
		Status:	Corrective action in progress										
		Corrective Action:	As of March 25, 2011, the Patient Protection and Affordable Care Act (ACA) introduced new screening procedures for providers and suppliers. The Act identifies Durable Medical Equipment providers as moderate to high-risk business partners who require unscheduled, unannounced site visits. The Authority is finalizing written policies and procedures to comply with the Act. The Authority plans to be compliant with the site visit verification as well as the other ACA screening requirements by March 2013.										
			The condition noted in this finding was previously reported in finding 11-48.										
		Completion Date:	Estimated March 2013										

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	44	Finding: The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and referred to the Medicaid Fraud Control Unit (MFCU), risking the loss of public resources. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action not taken Corrective Action: The Authority does not concur with this finding. The Authority maintains that adequate controls are in place to ensure that violations of Medicaid laws and regulations are identified and referred to the Medicaid Fraud Control Unit (MFCU) in a timely manner. The analysis completed by State Auditor's Office (SAO) focused on "cases" that are entered and tracked through the Authority's Case Tracking System and assigned to Surveillance and Utilization Review (SUR) staff. • The entry of cases into the Case Tracking System should not be considered, by itself, to be a suspicion of fraud or abuse. Rather, the system is used to track a variety of cases, with appropriate timeframes for each type of case. • Sixty (60) percent of the cases identified by SAO as open more than 180 days are Medical Service Verification (MSV) receipts. As noted in finding 12-54, there are no federal timeline requirements for MSV reviews. They are assigned a lower priority based on a historically low return on investment. • Some cases are entered in the case tracking system as placeholders and reminders for staff to follow up with additional review. In addition, there has historically been no consistent criterion for utilization of the Drop Down Labeling in the system so the categories may not be consistent.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	44 (Cont'd)	The Authority complies with the provisions of 42 CFR 455.14 regarding preliminary investigations and 42 CFR 455.15 regarding full investigations. The Authority complies with all federal reporting requirements related to numbers of investigations and detailed processes for conducting each type. In short, this finding identifies inconsistencies in the Authority's use of its Case Tracking System rather than any actual deficiency in identification of fraud or referral to MFCU. SAO's scrutiny assisted the Authority in identifying the need for more consistency in the use of the Case Tracking System. However, it is wrong to conclude that the Authority does not have control of its caseload and does not refer all appropriate cases to MFCU, based upon the length of time a case has been open in the Case Tracking System. Processes are in place to prioritize the work of SUR investigators, ensuring that the Authority is addressing those cases with the highest potential for fraud, waste and abuse and properly utilizing resources to focus on cases that yield the highest return on investment. The condition noted in this finding was previously reported in finding 11-46. Completion Date: N/A

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	45	Finding: The Health Care Authority’s inadequate internal controls over claims from Federally Qualified Health Centers led to payments of more than \$1.4 million for charges improperly calculated and claimed. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$727,690</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority agrees with this finding. Currently, the internal controls for Federal Qualified Health Centers (FQHC) overpayments and improper billings rely more heavily on post-pay claims review and recoupment rather than denial at the point of claim submission. The Authority will make the appropriate updates to the system and billing guides for FQHCs so that the system edits will prevent overpayments and improper billings at the point of claim submission. This will include denial of claims without a qualifying encounter service being billed for the same client on the same day, as well as multiple billings for one client for the same day that should be included in one encounter billing. The Authority will work with its internal audit staff to recoup the improperly paid claims and will work with the U.S. Department of Health and Human Services to determine treatment of questioned costs. Completion Date: Estimated January 2014	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$727,690	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$727,690												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	46	Finding: The Health Care Authority improperly claimed \$48,365.31 in federal reimbursement for the Medicaid program. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$48,365.31</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority agrees with this finding and concurs that 162 claims were erroneously paid after the client's date of death. • The Authority has reviewed and recouped all the payments identified by the State Auditor’s Office as paid to deceased persons. • The Authority continues to strengthen procedures to improve the immediate documentation of a client's death. For managed care and fee-for-service payments, ProviderOne does capture and recoup paid claims when notified of a date of death through the Automated Client Eligibility System (ACES), the eligibility source system. In addition, the Authority will continue to receive death data from the Department of Health to assist with the proper identification of client death information. The Authority will continue to refine post payment processes to capture this information for timely recoveries. • The Authority has reviewed all payments cited by the State Auditor’s Office to ineligible people and concurs with the auditor’s findings. The Authority will arrange repayment of any federal funds received in error by September 30, 2013. • The Authority has reviewed all transactions listed by the auditors and corrected any case errors. • The Authority will strengthen training processes already in place by sending a social security number (SSN) verification reminder memo to Community Services Division staff. The Authority will continue to pursue enhancements to verification procedures that promote SSN accuracy. The Authority anticipates SSN accuracy will improve under health care reform because clients will input their own SSNs and will get instant feedback if an input error was made. Completion Date: Estimated September 2013	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$48,365.31	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$48,365.31												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Corrective Action Plan**

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	47	Finding: The Health Care Authority’s internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority continues to disagree with this finding but will take the following actions in an effort to resolve the repeat findings on this issue: • The Authority will use encounter data submitted from the Managed Care Organizations (MCOs) for the next rate-setting activities. The MCOs will no longer submit encounter data directly to the Authority’s actuary. • With the implementation of a new Medicaid payment system and a new Fraud and Abuse Detection System, Washington Medicaid has launched a Managed Care Program Integrity Initiative. The purpose of the initiative is to assess the quality and completeness of encounter data provided by MCOs and to conduct analyses that identify potential fraud, waste and abuse. If encounter data problems are identified, the Authority will prepare a report with actionable information for the plans. Subsequent encounter data validation runs will determine progress by the MCOs in remediating the identified issues. • The Authority is also participating with the State Auditor’s Office in the performance audit of the MCOs. The condition noted in this finding was previously reported in finding 11-40. Completion Date: Estimated June 2014	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	48	Finding: The Health Care Authority did not complete the required automatic data processing (ADP) risk analysis and system security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority partially agrees with this finding. The Authority considers the safeguarding of personally identifiable and protected health information a top priority and has required controls in place. However, the Authority agrees that additional independent review will strengthen Authority’s ability to ensure that the vendor has effective controls in place. For automatic data processing (ADP) assets under its direct control, the Authority has implemented security controls consistent with the Washington State Office of the Chief Information Officer (OCIO) Security Standard 141.10, OMB Circular A-133, the HIPAA Security Rule, and other guiding and regulatory documents. Examples of controls include, but are not limited to the following: – Utilization of services provided by Consolidated Technology Services to secure the network perimeter; – Implementation of user device endpoint protection to guard against malware and other threats; – Encryption of confidential data where appropriate; – Development of applications which protect against common exploits; – Active management of user access controls; – Implementation of password standards consistent with OCIO requirements; – Appropriate response to security incidents.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	48 (Cont'd)	For assets not under direct Authority control, such as those managed by the ProviderOne vendor, the Authority has received verbal and written documentation that indicates compliance with the above requirements. Examples of controls include, but are not limited to: – Vendor conducts both internal and third-party security assessments annually; – Extensive background checks are conducted on employees; – Employees attend mandatory HIPAA, ePHI and security awareness training; – Data entering or exiting at the vendor facility is encrypted using SSL or SFTP; – Authority hardware and data are physically segregated from other customers. – The ProviderOne Technical Library provides extensive documentation of ProviderOne design and operations, including security components. In the finding, the State Auditor's Office notes the identification of four significant deficiencies that could affect the state's ability to safeguard Medicaid program assets. The Authority previously provided a response to these four identified deficiencies. The responses may be found in the Washington State Auditor's Special Audit Report <i>Health Care Authority ProviderOne</i>, number 1008984. Completion Date: Estimated December 2013

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	49	Finding: The Health Care Authority does not comply with the data-sharing requirements of 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: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action not taken Corrective Action: The Authority continues to disagree with this finding. The Authority maintains that it is in compliance with the Deficit Reduction Act of 2005 (DRA) and applicable state law. The Authority 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 Authority’s position on compliance was further 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 Authority could explore to enhance its cost avoidance and recovery. As a result of this review, the Authority entered into a contract with HMS to strengthen and improve its efforts in the area of TPL recoveries as HMS provides for enhanced data-matching to better identify a client’s medical insurance coverage. The contracted activities include: conducting electronic data exchanges with health insurers, and verifying and updating the insurance eligibility of Medicaid recipients for billing liable third parties on behalf of the Authority. The Authority has taken steps to enhance its recovery effort. The Authority submitted a system change request to incorporate a tool that the federal Centers for Medicare and Medicaid Services (CMS) has identified for DRA data exchange requirements. This activity could not be pursued until CMS issued its guidance in June 2010. The Authority will implement the change request based on prioritization against all other system change requests in their order of importance.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	49 (Cont'd)	Although the Authority has been in compliance with the DRA since it was passed into law in April 2007, the above actions demonstrate how the Authority continues to improve ways to share Medicaid information with health insurers so the state is not paying for claims that should have been paid by a liable third party. The condition noted in this finding was previously reported in finding 11-38. Completion Date: N/A

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	50	Finding: The Health Care Authority did not adequately monitor subrecipients to ensure Medicaid Administrative Match expenditures are allowable and subrecipients obtained federal compliance audits. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action complete Corrective Action: The Authority agrees with the finding and has implemented the following corrective actions: To improve oversight, the Medicaid Administrative Match program added a fiscal component to its monitoring of school districts and local health jurisdictions. Beginning June 1, 2012 the fiscal monitoring for the timeframe monitored, the Authority uses a random sampling process to select time study participants. The Authority compares the actual salaries and benefits of those selected through this process to salaries and benefits claimed for those participants. The Authority also reviews direct and indirect claimed costs for the same period monitored. Additionally, effective November 2012, all contract monitoring tools have been updated to include verification of compliance with subrecipient audit requirements as part of the Authority’s onsite/desk monitoring process. One staff member has been assigned the task of tracking receipt of needed audits from subrecipients, reviewing them and ensuring audit findings are addressed. The conditions noted in this finding were previously reported in finding 11-42. Completion Date: June 2012	CFDA #	Amount	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
CFDA #	Amount												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	51	Finding: The Health Care Authority does not perform the federally required retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action not taken Corrective Action: The Authority continues to disagree with this finding. The Authority performs ongoing periodic review of pharmaceutical claims data to identify fraud, waste, or abuse which satisfies federal requirements .The Authority performs claim review and analysis in multiple offices including but not limited to the Office of Program Integrity (OPI) mentioned in Description and Cause of Condition. The Authority does not assert that the claims analysis performed by OPI satisfies federal conditions on its own. Analysis performed in OPI, by the Quality Management Team, and the Patient Review and Coordination program work together to satisfy federal requirements. The State Auditor’s Office (SAO) was provided with information in October 2012 detailing three claim review and analysis algorithms performed by OPI during state fiscal year 2012. Two of these three are not mentioned in this finding despite their details having been submitted to SAO. Additional analyses were performed by OPI during the same period that were not detailed for the SAO, because they did not result in opportunities for recoupment (i.e., additional reviews were performed which looked for, but did not find significant fraud, waste, abuse, or billing errors).	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	51 (Cont'd)	In addition to the work of OPI, the agency's Quality Management Team performed 175 claim analyses of individual prescribers in federal fiscal year 2012, and the Patient Review and Coordination program performed 4,249 individual client claim analyses. The Authority is very interested in working with the SAO to provide additional information or clarification so as to eliminate this repeat audit finding in the future. The condition noted in this finding was previously reported in finding 11-41. Completion Date: N/A

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	52	Finding:	The Health Care Authority cannot be sure it is properly claiming Children's Health Insurance Program (CHIP) funds.										
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													
		Status:	Corrective action complete										
		Corrective Action:	The Health Care Authority agrees with the finding and has taken corrective action. The Authority developed a report using data from the Medicaid Management Information System to identify claims by Recipient Aid Category (RAC) and Federal Poverty Level (FPL) based on net income. The report was implemented for state fiscal year 2013 beginning with the quarterly transfer for July-September 2012, which was processed in January 2013. The condition noted in this finding was previously reported in finding 11-37.										
		Completion Date:	January 2013										

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	53	Finding: The Health Care Authority’s inadequate internal controls over claims for dental services led to more than \$648,000 in overpayments to providers. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$324,237</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority has or will take the following corrective action: 1. Fluoride treatment for children. The Authority agrees that the Medicaid billing guide, Washington Administrative Code (WAC) and the ProviderOne system are not aligned. It is the Authority’s intent to allow fluoride with applicable age/annual limits, per client, per provider consistent with the Medicaid provider guide. The WAC needs to be corrected because it does not match the policy and no recovery is necessary. 2. Dental Cleanings. The Authority found system issues that have been corrected, and the Authority’s Division of Program and Payment Integrity will recoup the overpayments. 3. Dental X-rays. The Authority agrees that the billing guide and WAC are not aligned with the ProviderOne payment system. It is the Authority’s intent to pay for necessary diagnostic X-rays per client, per provider. The agency will update the WAC and billing guides, and any payments made outside of these limitations will be identified and recouped by the Authority. 4. Oral Evaluation Services. The Authority agrees that there were system issues for most of the overpayments. The Authority will update the WAC and billing guide to allow for additional evaluations for clients managed by the Department of Social and Health Services’ Aging and Disability Services Administration.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$324,237	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$324,237												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	53 (Cont'd)	5. Limited Visual Evaluations and Family Oral Health Education. The Authority paid both services with a miscellaneous code, and was unable to set up automated system limitations. However, the Authority now has new codes with edits for the Limited Visual Evaluation as of January 1, 2013, and has set up system limits for both services. The Authority has submitted requests to the Office of Payment Integrity to identify overpayments and recoup funds. In total, the agency will recoup roughly \$337,833 of federal and state share of overpayments. All other services were paid correctly based on agency intent. Completion Date: Estimated December 2013

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	54	Finding: The Health Care Authority does not have adequate controls in place to verify services billed by providers with Medicaid beneficiaries in accordance with federal laws, risking the loss of Medicaid resources. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action not taken Corrective Action: The Authority does not agree with the finding and disagrees that the Medical Service Verification (MSV) process lacks adequate controls. Historically, the MSV process has proven to have no value in detecting fraud. The Authority prioritizes its program integrity and surveillance and utilization review resources in areas that have been proven to yield a higher return on investment. Therefore, the Authority maintains a position that spending resources on MSV processing actually reduces its ability to focus on program integrity activities that increase controls. Of the 30 MSVs noted in the audit as “lacking follow-up,” the Authority maintains that resources dedicated to these MSVs were appropriate given the process and the dollar values at stake: • Thirteen (13) (including three that were paid at zero and a fourth with 39 cents at risk) were not followed up because the amounts paid did not warrant the purchase of translation services (average of \$68 per MSV). • Another 6 (with an average of less than \$12 per MSV) were not followed-up because the clients could not be located. • Of the 11 remaining, 10 MSVs (with an average paid amount of \$28) received no follow-up when, for instance, clients checked every box, checked no boxes, or completed the form when the service in question was provided to another member of the household.	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
12	54 (Cont'd)	The audit also identified 20 surveys sent to clients that should have been excluded. The Authority notes that the CMS Manual suggests that states review “a sample of at least 400 recipients each month.” In 2012, the Authority reviewed an average of more than 700 MSVs per month—75% more than suggested. In terms of fraud detection, the Authority believes this exceptional number of MSV reviews more than compensates for the 20 MSV cases that should have been excluded. The Authority will continue to refine its selection process for MSV reviews and will continue to meet federal MSV requirements. The conditions noted in this finding were previously reported in finding 11-39. Completion Date: N/A

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	55	Finding: The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720 - ARRA</td><td>\$61,267.23</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Authority concurs with this finding. The Authority will continue to send monthly “NO SSN” reports to Community Services Division for correction. Many of the 206 clients with no SSN identified in the audit have had their Medicaid terminated or they received Medicaid for services for which a SSN is not required, such as labor and delivery or alien emergency medical services. The Authority’s foster care medical team has changed processes to add the SSN for children in adoption support. Of the 14,000 children in adoption support, approximately 90% now have a SSN listed in the Automated Client Eligibility System (ACES). Before this change, the SSN had been verified but it was not input in ACES. The Authority will send a memo outlining procedures for verifying SSNs in order to ensure that staff involved in the verification process are following the correct SSN verification procedures. The Authority will continue to pursue enhancements to verification procedures that promote SSN accuracy. The Authority anticipates SSN accuracy will improve under Health Care Reform due to the client inputting their own SSN and getting instant feedback if an input error was made. The Authority will pay back the federal share for any payments made on ineligible persons before the end of the federal fiscal year. Completion Date: Estimated September 30, 2013	<u>CFDA #</u>	<u>Amount</u>	93.720 - ARRA	\$61,267.23	93.775		93.777		93.778 - ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.720 - ARRA	\$61,267.23												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
12	56	Finding: The Health Care Authority did not have adequate controls to ensure the federal share of overpayments to Medicaid providers is refunded to the federal government in a timely manner. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720 - ARRA</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 - ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action complete Corrective Action: As part of the Authority’s process for auditing providers to identify overpayments, draft audit reports are issued as a preliminary step. The draft reports are subject to modification based upon provider responses. Accordingly, the Authority did not consider preliminary recovery amounts identified in draft audit reports to be “discovery,” and was not sending draft audit reports to Office of Financial Recovery (OFR). The Office of Program Integrity contacted OFR to let them know the Authority would be adding the date of the draft letter to the account allocation code sheet, effective January 16, 2013. This met with OFR’s approval and this action has been completed. The conditions noted in this finding were previously reported in finding 11-49. Completion Date: January 2013	CFDA #	Amount	93.720 - ARRA	\$0	93.775		93.777		93.778 - ARRA and non-ARRA		
CFDA #	Amount												
93.720 - ARRA	\$0												
93.775													
93.777													
93.778 - ARRA and non-ARRA													

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	57	Finding: The Department of Health did not maintain federally required documentation for \$140,468 in payroll costs charged to the National Bioterrorism Hospital Preparedness Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.889 \$140,468.09 Status: Corrective action complete Corrective Action: Since July 2012 the employees have been using positive time and attendance record keeping which reflects actual time worked in accordance with federal requirements. The Department will address the issue of the questioned costs with its federal grantor. The conditions noted in this finding were previously reported in finding 11-19. Completion Date: July 2012	

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	58	Finding: The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the HIV Care Formula Grant Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.917 \$0 Status: Corrective action complete Corrective Action: The Department agreed with the finding and, upon notification of the issue, immediately collected DUNS numbers from all current subrecipients. In December 2012, the Department clarified the requirement with staff that the DUNS number will be collected for all sub-contractors by using the Federal Funding Accountability and Transparency Act form. Management will not approve a contract for routing for approval if this form is not attached. Completion Date: January 2013	

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	59	Finding: The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits for the Disaster Grants-Public Assistance program when required. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 97.036 \$0 Status: Corrective action in progress Corrective Action: The Department concurs with the findings in this audit. A corrective action plan is being developed to review the current process, rescind the old outdated policy and procedures and rewrite new policy and procedures that address the short comings noted by the auditor. Completion Date: Estimated June 2013	

**State of Washington
Corrective Action Plan**

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(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
12	60	Finding: The Military Department did not file reports required by the Federal Funding Accountability and Transparency Act for the Disaster Grants-Public Assistance program. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>97.036</td><td>\$0</td></tr></table> Status: Corrective action in progress Corrective Action: The Department’s contracts office attempted to comply with the new Federal Funding Accountability and Transparency Act (FFATA) reporting requirement upon notification of the new reporting requirement in October 2010. The Department assigned a staff member to learn and maintain the new federal reporting system in September 2010. From the very start of the process, the Department encountered problems that prevented data entry in the federal reporting system. The Department was in communications with federal systems administration since the reporting requirement started in October 2010. The system problem still exists today. Federal Emergency Management Agency (FEMA) representatives acknowledge this fact and their responsibility to rectify the situation. The system problem has been demonstrated to audit staff and has been confirmed by FEMA Region 10 representatives. The Department’s contracts office is in the process of developing a FFATA policy and procedures. This will resolve the internal control issues referenced in this finding. The Department is continuing to work with FEMA resolve the reporting problems and intends to have all past reports filed and up to date within 45 days of FEMA resolving the system problems. All other reports have been submitted and are up to date. Completion Date: Estimated June 2013	<u>CFDA #</u>	<u>Amount</u>	97.036	\$0	
<u>CFDA #</u>	<u>Amount</u>						
97.036	\$0						

**State of Washington
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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	61	Finding: The Military Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Homeland Security Grant Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 97.067 \$0 Status: Corrective action in progress Corrective Action: The Department's contracts office is in the process of developing FFATA reporting policy and procedures. This will resolve the internal control issues referenced in this finding. The Department is continuing to work with FEMA resolve the reporting problems and intends to have all past reports filed and up to date within 45 days of FEMA resolving the system problems. All other reports have been submitted and are up to date. Completion Date: Estimated June 2013	

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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	62	Finding: The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits when required and that all subrecipients take timely and appropriate corrective actions for audit findings issued for the Homeland Security Grant Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 97.067 \$0 Status: Corrective action in progress Corrective Action: The Department concurs with the findings in this audit. A corrective action plan is being developed to review the current process, rescind the old outdated policy and procedures and rewrite new policy and procedures that address the short comings noted by the auditor. Completion Date: Estimated June 2013	

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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
12	63	Finding: The Military Department's internal controls over subrecipient monitoring are not working as designed and the Department does not adequately monitor subrecipients of the Homeland Security Grant Program. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 97.067 \$0 Status: Corrective action in progress Corrective Action: The Department concurs with the findings in this audit. A corrective action plan is being developed to review the current process, rescind the old outdated policy and procedures and rewrite new policy and procedures that address the short comings noted by the auditor. Completion Date: Estimated June 2013	

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11-02	Department of Social and Health Services	10.551, 10.561	H-8
11-03	Recreation and Conservation Funding Board	11.438	H-9
11-04	Recreation and Conservation Funding Board	11.438	H-10
11-05	Military Department	12.401	H-11
11-06	Military Department	12.401	H-12
11-07	Washington State Housing and Finance Commission	14.258	H-13
11-08	Employment Security Department	17.225	H-14
11-09	Department of Transportation	22.509	H-15
11-10	Department of Commerce	66.468, 81.042, 93.569, 93.710	H-16
11-11	Office of Superintendent of Public Instruction	84.010, 84.389	H-18
11-12	University of Washington	84.063, 84.268, 93.658	H-19
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11-19	Department of Health	93.069, 93.889	H-28
11-20	Department of Health	93.069, 93.889	H-29
11-21	Department of Social and Health Services	93.563	H-30
11-22	Department of Commerce	93.569, 93.710	H-31
11-23	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713	H-33
11-24	Department of Social and Health Services	93.659	H-35
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11-30	Department of Social and Health Services	93.720, 93.775, 93.776, 93.777, 93.778	H-42
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11-34	Department of Social and Health Services	93.720, 93.775, 93.776, 93.777, 93.778	H-46
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10-23	Department of Social and Health Services	84.126, 84.390	H-76
10-25	Department of Health	93.069, 93.889	H-77
10-26	Department of Health	93.069, 93.889	H-78
10-30	Department of Commerce	93.569, 93.710	H-79
10-31	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713	H-80
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05-50	University of Washington	93.389, 93.837, 93.846, 93.856, 93.859, 93.864, 93.866	H-115

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan																							
11	01	Finding: The Department of Social and Health Services, Economic Services Administration did not have controls in place to comply with federal regulations regarding costs of salaries charged to federal grants. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>10.551</td><td>\$0</td></tr><tr><td>10.561</td><td></td></tr><tr><td>93.558</td><td></td></tr><tr><td>93.714 - ARRA</td><td></td></tr><tr><td>93.716 - ARRA</td><td></td></tr><tr><td>93.720</td><td></td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department has taken and will continue to address the deficiencies identified in the audit. In March 2012 the Department: - Reviewed and reduced the number of split coded positions which will limit the need for adjustments, and - Identified one staff in headquarters who will be responsible for ensuring time certification policies and procedures comply with federal requirements. In April 2012, the staff person responsible for time certification started reviewing salary charges on a monthly basis to ensure costs are transferred as appropriate. Also, ongoing quarterly reviews will be completed to reconcile time spent with actual expenditures. Completion Date: April 2012	<u>CFDA #</u>	<u>Amount</u>	10.551	\$0	10.561		93.558		93.714 - ARRA		93.716 - ARRA		93.720		93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>																								
10.551	\$0																								
10.561																									
93.558																									
93.714 - ARRA																									
93.716 - ARRA																									
93.720																									
93.775																									
93.776																									
93.777																									
93.778 – ARRA and non-ARRA																									

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
11	02	Finding: The Department of Social and Health Services, Economic Services Administration did not issue retroactive food assistance payments in accordance with federal law. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>10.551</td><td>\$11,300.00 (approx.)</td></tr><tr><td>10.561</td><td></td></tr></table> Status: Corrective action in progress Corrective Action: The Department concurs with this finding. In April and May 2011 the Department trained field staff on the proper calculation of retroactive payments. The same training is required for new employees responsible for issuing benefits. By March 2012 all exceptions identified in the audit were reviewed by Department staff who determined the correct supplement amount for which the client was eligible. For those payments determined to be unallowable the Department established an overpayment that was issued to the client. By January 2013 the Department is planning to update the Automated Client Eligibility System (ACES) with an edit that will prevent retroactive benefit payments beyond the allowable 12 month period. The Department will address the issue of the questioned costs with the U.S. Department of Agriculture. The condition noted in this finding was previously reported in finding 10-03. Completion Date: Estimated January 2013	<u>CFDA #</u>	<u>Amount</u>	10.551	\$11,300.00 (approx.)	10.561		
<u>CFDA #</u>	<u>Amount</u>								
10.551	\$11,300.00 (approx.)								
10.561									

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Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	03	Finding: The Recreation and Conservation Office did not support more than \$220,000 in payroll costs as required by federal regulations for the Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program. Questioned Costs: <u>CFDA #</u> 11.438 <u>Amount</u> \$220,859.57 Status: Corrective action complete Corrective Action: The Recreation and Conservation Funding Board (Board) concurs with this finding and has taken the following corrective action: • Payroll costs are drawn as they occur. This change covers direct salaries and benefits. The Board started drawing indirect costs to cover administrative salaries and benefits effective July 2011. • Verified that the Board's handling of the payroll costs complied with the Cost Principles for State, Local and Indian Tribal Governments, OMB Circular A-87. • Updated all staff on the audit outcomes and trained fiscal staff on the detailed changes to processes. • Discussed the questioned costs with U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) in May 2012. Final resolution is pending. Completion Date: May 2012	

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Recreation and Conservation Funding Board (RCFB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	04	Finding: The Recreation and Conservation Office did not support more than \$62,000 in administrative costs as required by federal regulations for the Pacific Coast Salmon Recovery Pacific Salmon Treaty Program. Questioned Costs: <u>CFDA #</u> 11.438 <u>Amount</u> \$62,643.00 Status: Corrective action complete Corrective Action: The Recreation and Conservation Funding Board (Board) concurs with this finding and has taken the following corrective action: • Based all administrative costs on the Board's federally approved indirect rate. The Board draws administrative costs as they occur and started drawing indirect costs to cover administrative salaries and benefits effective July 2011. • The Board contacted the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) grants staff in May 2012 and they indicated that an amendment to the grant agreement to include indirect costs in the grant budget was not required. • In May 2012 the Board shared with NOAA grants staff the base of the administrative costs (agency pass-through). • Updated all staff on the audit outcomes and trained fiscal staff on the detailed changes to processes needed. • Discussed the questioned costs with the NOAA in May 2012. Final resolution is pending. Completion Date: May 2012	

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Military Department (MIL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	05	Finding: The Military Department did not support \$155,647 in payroll costs in accordance with federal regulations for its National Guard Operations and Maintenance grant. Questioned Costs: <u>CFDA #</u> 12.401 – ARRA and non-ARRA <u>Amount</u> \$155,647.00 Status: Corrective action complete Corrective Action: The Department concurs with this finding. The following were completed by July 20, 2012: • The Department changed its hiring procedures to include a notation on the Personnel Action Form to include whether or not the employee is required to submit quarterly certifications. This notation is noted by the program hiring authority. • The Payroll Section maintains a listing of employees who are required to submit quarterly certifications. • The Payroll Section is responsible for collecting the required certifications on each employee and maintaining appropriate records. The United States Property and Fiscal Office (federal granting agency) was forwarded a copy of the draft finding. The USPFO performed an internal review of the situation in August 2012. They determined that sufficient internal controls were implemented as a result of the audit finding and are not requiring the Military Department to repay the \$155,647. Completion Date: July 2012	

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Military Department (MIL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	06	Finding: The Military Department does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements. Questioned Costs: <u>CFDA #</u> 12.401 – ARRA and non-ARRA <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Department concurs with this finding. The following actions have been taken to correct this deficiency: • The responsibility for monitoring compliance with Davis-Bacon (prevailing wage) requirements has been assigned to the Contracting Section of the Military Department. • The Contracting Section is familiar with Davis-Bacon reporting requirements and has incorporated the submission and review of weekly certified payrolls into contracts requiring such reporting. • The Contracting Section is responsible for collecting certified payrolls and will monitor compliance. Completion Date: February 2012	

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Washington State Housing and Finance Commission (WSHFC)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	07	Finding: The Washington Housing Finance Commission did not ensure funding it provided to subrecipients of the Tax Credit Assistance Program was reported and audited in accordance with federal regulations. Questioned Costs: <u>CFDA #</u> 14.258 - ARRA <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Commission concurs with the determination of the State Auditor's Office (SAO) that the Commission did not ensure subrecipient received federal audits as required. As noted by the SAO, the Commission subsequently corrected the error by receiving and reviewing such audits and will continue to do so for any subsequent years in which the Commission provides Tax Credit Assistance Program funds to a subrecipient. Additionally, the Commission will increase diligence in communicating federal grant information to subrecipients, including providing CFDA numbers and adding clarity on federal requirements for subrecipient audits. Completion Date: February 2012	

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	08	Finding: The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments. Questioned Costs: <u>CFDA #</u> 17.225 – ARRA and non-ARRA <u>Amount</u> \$0 Status: Refer to finding 12-11 Corrective Action: The Department has made and continues to make the necessary improvements to ensure all BAM (Benefit Accuracy Measurement) investigations are accurate, complete and compliant with U.S. Department of Labor requirements. Improvements completed or in process include the following: • Revised processes to improve claimant and employer response rates. • Continued increase in supervisory case review and oversight. • Enhanced staff knowledge through training, sharing of best practices and peer case file reviews. • Retention of experienced and knowledgeable investigators. • Increased communication and cooperation with others units in the Department, BAM staff in other states and external regulators. • Increased reference resources available within the Department. • Updating the BAM procedural manual and unit forms. The condition noted in this finding was previously reported in finding 10-08. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-11.	

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Department of Transportation (DOT)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	09	Finding: The Department of Transportation did not support over \$768,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas. Questioned Costs: <u>CFDA #</u> 22.509 – ARRA and non-ARRA <u>Amount</u> non-ARRA: \$643,146.33 ARRA: \$125,631.22 Status: Corrective action complete Corrective Action: The Department appreciates the State Auditor’s work regarding the Formula Grants for Other Than Urbanized Areas. 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. At this time, the Department has taken all corrective actions within its authority to ensure compliance with federal regulations. The Department is awaiting required authorization from the federal grantor to implement its planned correction. On July 1 2011, the Department’s Public Transportation Division (PTD) began charging direct payroll costs to grant programs based on actual time worked in accordance to federal regulations (2CFR225). WSDOT continues to work with the FTA to seek approval of the formalized direct payroll cost allocation plan the PTD submitted in 2009, known as a substitute system. In addition, the Department requested acknowledgement that administrative costs allocated to the Formula Grants for Other Than Urbanized program from 2009-2011 were appropriate. The FTA has not requested that any funds be repaid. The condition noted in this finding was previously reported in finding 10-13. Completion Date: July 2011	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
11	10	Finding:	The Department of Commerce does not ensure the funding it provides to sub-recipients is reported and audited in accordance with federal regulations.										
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>66.468 - ARRA and non-ARRA</td><td>\$0</td></tr><tr><td>81.042 - ARRA and non-ARRA</td><td></td></tr><tr><td>93.569</td><td></td></tr><tr><td>93.710 - ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	66.468 - ARRA and non-ARRA	\$0	81.042 - ARRA and non-ARRA		93.569		93.710 - ARRA	
<u>CFDA #</u>	<u>Amount</u>												
66.468 - ARRA and non-ARRA	\$0												
81.042 - ARRA and non-ARRA													
93.569													
93.710 - ARRA													
		Status:	Refer to finding 12-09										
		Corrective Action:	The Department partially concurs with the finding. The Department agrees five subrecipients did not submit audit reports as required and this oversight was not caught. In June 2012 the Department contacted the five subrecipients and verified compliance with A-133 by obtaining copies of audit reports. Subrecipient contract terms and conditions identify the requirement that organizations receiving in excess of \$500,000 in federal funds must have a Circular A-133 audit and submit copies to the Department. The Department has increased periodic reviews of subrecipients with expenditures of federal funds provided by the Department of \$500,000 or more by refining specific audit requirements and reporting functionality in its tracking systems to better follow-up on delinquent reports. In July 2012, the Department added specific audit requirements and reporting functionality to its Contract Management System (CMS) to calculate, by contractor, all Department payments to contractors within the contractor’s fiscal year. Any contractors receiving at or above \$500,000 in federal resources are flagged as requiring an A-133 audit. While the Department recognizes the audit requirement is for funds expended by the contractor, we use the amount disbursed to contractors as a trigger for the flag. The Department also created several reports to enhance follow-up on delinquent reports and increase periodic review: 1) A-133 Audit Tracking – lists all contractors requiring an A-133 audit by contractor Fiscal Year; 2) Audit Required - an exception report with due dates to indicate who has not yet submitted an audit; 3) Audit Findings – a short list which lists all contractors with finding(s) and comments; 4) Audit Findings – a long list which gives expenditure detail by contract to identify funding sources.										

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	10 (Cont'd)	Since it is possible for subrecipients to receive less than \$500,000 from the Department plus additional funds from other sources to exceed the threshold for requiring an A-133, the Department intends to remind subrecipients of this requirement; however, it has no method to determine when this threshold is met. During July 2012 the Department sent subrecipients a general reminder about the threshold for requiring an A-133. The Department is satisfied that program funds expended during this period were appropriate and correct through the monthly invoice verification process, the required documentation review and on-site monitoring conducted for each subrecipient. The Department does not agree that it has the responsibility to ensure subrecipients are reporting all federal program funds in their Schedule of Expenditures of Federal Awards. Further, the Department does not believe it is required to re-audit an A-133 audit prepared by the subrecipient's Certified Public Accountant. Generally accepted accounting principles and federal regulations enumerate many financial statement disclosure requirements with which auditees and auditors must comply. 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. The Department does not have the expertise to make such judgments. The Department believes timely and appropriate corrective action was completed for the four subrecipient audit findings. There are instances where the Department made the decision to accept the subrecipient's original response to the audit finding and, consequently, has not required any follow-up. This course of action is within the Department's purview. The Department has refined specific corrective action and management decision documentation and reporting functionality in CMS to better centrally document timely and appropriate audit review and corrective action for subrecipient audit findings. By December 2012 the Department intends to implement central documentation and review of corrective action activities in CMS and update procedures. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-09.

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Office of Superintendant of Public Instruction (OSPI)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	11	Finding: The Office of Superintendent of Public Instruction's internal controls over sub-recipient monitoring is not adequate to ensure only proper and allocable costs are charged to the Title I program. Questioned Costs: <u>CFDA #</u> 84.010 84.389 - ARRA <u>Amount</u> \$0 Status: Corrective action not taken Corrective Action: The Office does not concur with this finding. The U.S. Department of Education (DOE) concurred that Office processes met federal requirements and did not sustain the finding. The Office has no intention of placing unnecessary burdens on districts that are not efficient, effective or required. The Office takes the responsibility to be accountable for public funds it administers very seriously and has developed a risk based system of monitoring districts which is efficient and effective for identifying improper use of those funds. The Office plans to continue to utilize this approach in the future. Completion Date: N/A	

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University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
11	12	Finding:	The University of Washington did not comply with the eligibility requirements of federal student financial aid programs.								
		Questioned Costs:	<table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>84.063 – ARRA and non-ARRA</td><td>\$ 10,645.00</td></tr><tr><td>84.268</td><td>\$102,418.00</td></tr><tr><td>93.658 – ARRA and non-ARRA</td><td>\$ 13,562.00</td></tr></tbody></table>	CFDA #	Amount	84.063 – ARRA and non-ARRA	\$ 10,645.00	84.268	\$102,418.00	93.658 – ARRA and non-ARRA	\$ 13,562.00
CFDA #	Amount										
84.063 – ARRA and non-ARRA	\$ 10,645.00										
84.268	\$102,418.00										
93.658 – ARRA and non-ARRA	\$ 13,562.00										
		Status:	Corrective action in progress								
		Corrective Action:	The University’s School of Social Work has strengthened its internal control structure. Duties have been segregated so that the Assistant Dean for Student Affairs, who had complete control of the independent study process, no longer approves independent study course proposals. The Directors of the Masters of Social Work (MSW) and the Bachelor of Social Work (BASW) Programs now approve all independent study course proposals. To ensure compliance with this policy, two steps are in place. First, on day 10 of each quarter, the files of all students enrolled in independent study courses are reviewed to ensure that the independent study course proposals are properly documented and approved. Second, periodic checks are conducted by the Associate Dean for Academic Affairs on a sample of students enrolled in independent study courses to ensure that proposals are properly documented and approved. The University currently provides guidance to students regarding their eligibility for Student Financial Aid via a number of communication mechanisms, including secure websites with individual student eligibility information, written, verbal and email communication from financial aid counselors and printed publications and websites relating to general financial aid information. In the future, typically at the beginning of the Fall Quarter, alerts will be sent to undergraduate and graduate academic department advisors directing them to University policies regarding financial aid eligibility. These alerts will also serve to remind them that they should direct students who have questions or concerns about financial aid to the Office of Student Financial Aid. On March 9, 2012, the University of Washington received the Final Program Review Determination Letter from the U.S. Department of Education (DOE) for the questioned costs related to the Pell Grant Program, CFDA #84.063. The total amount of repayment that they are requesting is \$10,668.62 (which is the amount of overpayment plus interest). Payment was sent to DOE on April 17, 2012.								

State of Washington
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University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	12 (Cont'd)	On March 9, 2012, the University of Washington received the Final Program Review Determination Letter from the U.S. Department of Education (DOE) for the Federal Direct Student Loan Program, CFDA #84.268. The total amount of repayment that they are requesting is \$9,530.74. This figure takes into consideration the amount of loans improperly awarded (\$102,418), the expected repayment amount of the loans to be received from students after applying our institutional default rate, and additional interest incurred. Payment was sent to DOE on April 17, 2012. The University of Washington sent a check to the Department of Social and Health Services on February 14, 2012 in the amount of \$13,562 to repay the questioned costs on the Foster Care Title IV-E grant, CFDA #93.658. Completion Date: Estimated October 2012

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	13	Finding: The Department of Social and Health Services is not complying with federal requirements for suspension and debarment for its federal Vocational Rehabilitation Program. Questioned Costs: <u>CFDA #</u> 84.126 84.390 - ARRA <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department's Division of Vocational Rehabilitation (DVR) purchases client services with a STARS Authorization for Purchase (AFP). DVR added a suspension and debarment clause to the terms and conditions of the AFP. Also, language was added to the beginning of the AFP and to the terms and condition that states the AFP is a binding contract once the vendor agrees to the terms and/or begins providing the services. The condition noted in this finding was previously reported in finding 10-23. Completion Date: February 2012	

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	14	Finding: The Department of Services for the Blind is not complying with federal requirements for suspension and debarment for its federal Vocational Rehabilitation Program. Questioned Costs: <u>CFDA #</u> 84.126 84.390 - ARRA <u>Amount</u> \$0 Status: Refer to finding 12-15 Corrective Action: The Department concurs with this finding and has taken the following steps to ensure all vendors receiving more than \$25,000 in vocational rehabilitation funds are not suspended or debarred: - Expanded its General Terms and Conditions (GT&Cs) to include suspension and debarment certification language; - Attached the expanded GT&Cs to all service delivery outcome plans and contracts; - Started monthly reviews if a current vendor has received more than \$25,000 in grant funds in the preceding twelve months. If so, staff will verify the vendor has signed the GT&Cs providing the necessary certification; and - Trained staff to ensure these procedures are implemented. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-15.	

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Department of Services for the Blind (DSB)

Fiscal Year	Finding Number	Finding and Corrective Action Plan				
11	15	Finding: The Department of Services for the Blind did not comply with federal requirements regarding services charged to the Vocational Rehabilitation Program. <table><tr><td>Questioned Costs:</td><td><u>CFDA #</u> 84.126 84.390 - ARRA</td><td><u>Amount</u> \$20,676.00 \$ 36.00</td></tr></table> Status: Corrective action in progress Corrective Action: The Department acknowledges the finding. In March 2012, the Department submitted to the U.S. Department of Education Rehabilitation Services Administration (RSA) a request for determination on whether the tools and methods developed by the Department for documenting estimated individual plans for employment (IPE) goods and services costs, modification of cost estimates, service date ranges, extension of general timeliness guidelines and active client involvement in decision making meet necessary requirements. If RSA finds a need for closer alignment of IPE content and accompanying detailed case narrative, the Department will by January 2013 focus staff training on updating standardized IPE responses, and making other necessary process adjustments as directed by RSA. The Department will handle questioned costs pursuant to direction from RSA. Completion Date: Estimated January 2013	Questioned Costs:	<u>CFDA #</u> 84.126 84.390 - ARRA	<u>Amount</u> \$20,676.00 \$ 36.00	
Questioned Costs:	<u>CFDA #</u> 84.126 84.390 - ARRA	<u>Amount</u> \$20,676.00 \$ 36.00				

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Department of Early Learning (DEL)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	16	Finding: The Department of Early Learning did not comply with time and effort requirements for its Special Education Grants for Infants and Families for the Early Support for Infants and Toddlers Program. Questioned Costs: <u>CFDA #</u> 84.181 84.393 - ARRA <u>Amount</u> \$96,711.00 Status: Corrective action complete Corrective Action: The Department acknowledges that two payroll certifications (for one employee) out of the entire Early Support for Infants and Toddlers (ESIT) program were not obtained. The Department did contact the employee after this was discovered, who responded that 100% of his time was devoted to the work funded under the Special Education Grant. However, this retroactive certification was not allowed by the auditor. This specific employee completed a certificate for every period while the program was at the Department of Social and Health Services. However, when the program transferred to the Department of Early Learning, somehow the follow-through did not occur and his certificates were never received by the Fiscal Manager. This was a clear indication that the Department needed to tighten up its process for ensuring a certificate is completed for all the ESIT staff. Steps have already been taken to ensure this does not happen again. The ESIT Fiscal Program Manager (FPM) implemented the following procedures: • Developed a certification tracking grid containing a list of ESIT program and ESIT IT staff. • Scanned and electronically stored all certificates. • Delivered original hard copy certificates to the Fiscal Office for recording/filing. The Department will continue to use the tracking grid as a checklist to ensure that all certificates are obtained from ESIT program and ESIT IT staff. The U.S. Department of Education is not requiring the Department to pay back the questioned costs. Completion Date: February 2012	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
11	17	Finding:	The Department of Health does not monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.						
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$480,000.00</td></tr><tr><td>93.889</td><td>\$190,832.00</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.069	\$480,000.00	93.889	\$190,832.00
<u>CFDA #</u>	<u>Amount</u>								
93.069	\$480,000.00								
93.889	\$190,832.00								
		Status:	Refer to finding 12-20						
		Corrective Action:	The Department partially concurs with the State Auditor’s Office (SAO) finding, and has or will implement corrective action to: • Collect all required A-133 reports from subrecipient entities that are required to provide them, and ensure that they are reviewed. Where subrecipient entities do not comply with this requirement, the Department will initiate appropriate sanctions consistent with the A-133 compliance supplement. • Follow up on issues identified through both the A-133 audits and subrecipient monitoring in a more timely and coordinated manner and formalize this process in policy and procedure. However, the Department wishes to emphasize that these efforts are in place, and that it is collecting questioned costs relating to subrecipient monitoring activities. • Notify subrecipients of grant information as described in the A-133 compliance supplement. • Increase the scope of the documentary review performed in contracted monitoring visits, in a measured way, beginning with the calendar year 2012 fiscal monitoring visits. • Collect summary level expenditure information as part of its invoicing process for subrecipients participating in its consolidated contracting process. • Consider similar summary-level documentation requirements for non profits and Native American tribes with whom the Department has subrecipient relationship.						

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	17 (Cont'd)	The Department is also reviewing OMB guidance in light of certain regulatory interpretations by the SAO, and will formalize Department subrecipient monitoring practices, including follow up, in policy and procedure. The Department will work with its federal grantor to resolve the questioned costs identified by the SAO. The condition noted in this finding was previously reported in finding 10-25. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-20.

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	18	Finding: The Department of Health did not comply with federal reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs. Questioned Costs: <u>CFDA #</u> 93.069 93.889 <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: In response to this finding, the Department’s Grants Management Office has developed: • Written procedures for preparing the Federal Financial Report (FFR) which include (a) FFR filing timeline, (b) FFR completion instructions, and (c) FFR review instructions. Additionally, FFR backup documents are stapled or otherwise attached to the FFR to prevent being lost or misplaced. • Written instructions for completing the Federal Cash Transaction Report (FCTR). Additionally, FCTR backup documents are stapled or otherwise attached to the FCTR to prevent being lost or misplaced. The Department’s Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs have improved the documentation of the procedures for completing required reports. Completion Date: June 2012	

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
11	19	Finding:	Department of Health did not maintain the federally required documentation for \$189,000 in payroll costs charged to the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.						
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$114,206.06</td></tr><tr><td>93.889</td><td>\$ 75,686.14</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.069	\$114,206.06	93.889	\$ 75,686.14
<u>CFDA #</u>	<u>Amount</u>								
93.069	\$114,206.06								
93.889	\$ 75,686.14								
		Status:	Refer to finding 12-57						
		Corrective Action:	The State Auditor’s Office (SAO) first identified the time keeping record issue for the program managers in the 2010 state fiscal year single audit which was released in March of 2011. Effective January 1, 2011 when the Department became aware of the time keeping record issue, it was corrected and the Department believes this issue is resolved. The 2011 state fiscal year single audit also noted that a number of program employees began keeping time sheets during 2011 and also completed quarterly payroll certifications. SAO classified this as an exception and a questioned cost because the two documents did not agree. This error has also been corrected. The Department will work with the federal grantors to resolve the questioned costs identified by the SAO. The condition noted in this finding was previously reported in finding 10-26.						
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-57.						

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	20	Finding: The Department of Health does not have sufficient internal controls to ensure federal requirements for matching and level of effort are met for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs. Questioned Costs: <u>CFDA #</u> 93.069 93.889 Status: Refer to finding 12-21 Corrective Action: The Department concurs with the State Auditor's Office (SAO) finding. In response to the SAO recommendation, the Department has developed and implemented additional means of tracking the matching related transactions for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness grants. The Department is working to determine how to properly present the maintenance of funding (MOF) requirement. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-21.	<u>Amount</u> \$0

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	21	Finding: The Department of Social and Health Services, Division of Child Support, did not comply with federal regulations on documentation for employee salaries and wages charged to the Child Support Enforcement Program. Questioned Costs: <u>CFDA #</u> 93.563 – ARRA and non-ARRA <u>Amount</u> \$65,432.56 Status: Corrective action complete Corrective Action: The Department concurs with this finding however, the Department does not concur with the questioned costs. In October 2011 the Department implemented the following procedures to ensure only allowable salaries and benefits are charged to the Child Support Enforcement Grant: • All employees who do not work 100% on the grant are required to complete monthly time sheets, recording the actual hours worked on each program; • Employees whose job duties change, or are reassigned, during the certification period, are required to complete time sheets beginning the month the change occur and each month thereafter; • Fiscal staff began and continue working with program staff to ensure that time sheets are completed and submitted for all affected employees; • Cost coding was changed for those employees serving in developmental job assignments (DJA) outside of the child support program, removing them from the grant; and • From October 2011 forward, semi-annual certifications are allowed only for employees who work 100% on the grant. When the U.S. Department of Health and Human Services (HHS) contacts the Department about questioned costs identified in this audit, the Department will negotiate repayment and take action as recommended by HHS. Completion Date: October 2011	

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
11	22	Finding:	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Community Services Block Grant program.						
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.569</td><td>\$147,422.00</td></tr><tr><td>93.710 - ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.569	\$147,422.00	93.710 - ARRA	
<u>CFDA #</u>	<u>Amount</u>								
93.569	\$147,422.00								
93.710 - ARRA									
		Status:	Corrective action in progress						
		Corrective Action:	The Department concurs with the finding. Department program staff did not properly review the pre-coded payment documentation to ensure costs were within the proper period of availability. Subrecipients used an out-of-date pre-coded payment document template with closed 2009 award year coding. Neither program staff nor fiscal staff verified nor corrected the old coding. As a result, \$57,071.69 was paid beyond the period of availability for 2009. Commerce fiscal staff did not properly review costs transferred from one grant year to another grant year to ensure costs were within the proper period of availability. Program staff inadvertently chose items outside the period of availability when requesting a transfer. Fiscal staff reviewing the work of newly trained fiscal staff did not properly verify backup documentation for the transfer. As a result, \$90,350.46 transferred was not properly identified within the period of availability for the 2009 award year. In February 2012, fiscal and program staff reviewed and corrected the \$147,422.15 questioned 2009 grant year costs by transfer to the correct grant year per the period of availability. Appropriate costs within the period of availability for the 2009 grant were identified and subsequently transferred, resulting in zero net impact to the Community Services Block Grant 2009 award year.						

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Department of Commerce (COM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	22 (Cont'd)	The Department concurs with the Auditors recommendations to properly review payment costs for proper period of availability and stop providing pre-coded payment documents to subrecipients. The Department has reiterated document review and approval expectations with program and fiscal staff. During April 2012 all pre-coding was removed from payment document (invoice) templates and a request was sent to contractors asking them to stop using old pre-coded templates. Understanding a federal program may have awards with overlapping / concurrent periods of availability, in January 2012 the Department added award tracking to its Contract Management System (CMS), including award first-in-first-out (FIFO) functionality to help reduce or eliminate cost transfers at award end between award years. In June 2012, the Department began entering Community Services Block Grant awards in CMS using the FIFO functionality. In July 2012, the Department added CMS system edits to notify users when attempting to use coding not associated with the contract. The Department intends to add additional CMS system edits to notify when an award end date is past, prior to allowing payment and an edit to prevent payment 45 days beyond the award end date. The condition noted in this finding was previously reported in finding 10-30. Completion Date: Estimated October 2012

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Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
11	23	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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.575</td><td>\$0</td></tr><tr><td>93.596</td><td></td></tr><tr><td>93.713 – ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.575	\$0	93.596		93.713 – ARRA	
<u>CFDA #</u>	<u>Amount</u>										
93.575	\$0										
93.596											
93.713 – ARRA											
		Status:	Refer to finding 12-28								
		Corrective Action:	As reported in past audit reports, the Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS) have taken steps to improve control over child care payments, such as increasing communications to the public on fraud-reporting options, and researching options for a new electronic attendance tracking system. DEL and DSHS Office of Fraud and Accountability have been working closely on payment and fraud related issues. Electronic attendance as a project has been formally funded by the legislature beginning July 2012 and is anticipated to go live no later than July 2015. The agencies have begun, or will implement additional measures as follows: • In January 2012, DEL added 5 new staff specifically to audit child care subsidy payments by comparing subsidy child care provider billings with attendance records. DEL is seeking budgetary authority to expand this to 10 FTEs by using federal Child Care Development Block grant money to fund the additional 5 FTEs. • DEL auditors expand the audit scope when they identify a child care provider that billed incorrectly. Providers are randomly selected for audit and include high billing providers from all three types: centers, family homes and license exempt providers. This is an on-going activity. Initial results for July 2011 included \$160,000 in overpayments with expanded audits occurring for August and September based on the July results. October 2011 is underway, with no final results to report. In accordance with the terms of the collective bargaining agreement with Service Employees International Union 925, DEL contracts with a third party to provide training on subsidy billing to licensed family home and license exempt providers. Training has been updated to reflect changes in rules in the past several months and is anticipated to be re-launched in October 2012.								

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Department of Early Learning (DEL)/Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	23 (Cont'd)	• DEL will contract with a third party to develop on-line training for subsidy billing for child care center billing staff. A child care center billing training booklet has been finalized and is available on line. • DEL continues to work with the third party contractor that provides training on subsidy billing to licensed family home and license exempt providers to complete the training for centers. With the completion of this training a foundation has been made for the work of the online training for centers. The condition noted in this finding was previously reported in finding 10-31. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-28.

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
11	24	Finding:	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.				
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.659 – ARRA and non-ARRA</td><td>\$33,624.00</td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.659 – ARRA and non-ARRA	\$33,624.00
<u>CFDA #</u>	<u>Amount</u>						
93.659 – ARRA and non-ARRA	\$33,624.00						
		Status:	Refer to finding 12-32				
		Corrective Action:	The Department concurs with this finding. The Department has trained staff and conducted spot checks of payments. In February 2012, the Children’s Administration sent a memo that included procedures and controls for setting up and managing adoption support payments to all adoption support staff and managers. Also, an in-service was conducted with staff to review procedures and controls. In September 2012 the Department reviewed all payments on the exception list. Those paid in error have been referred to the Office of Financial Recovery for collection. The federal portion of the incorrect payments were returned to the federal grantor. The Department has developed system controls in Famlink (the Department’s child welfare and payment system) that suspend payments after a child turns 18 years. The new controls will ensure payments can only be resumed after staff has manually confirmed the payments made for the adopted child are warranted. Additionally, staff must ask a separate fiduciary employee to continue the payments. The controls are currently being tested and testing is scheduled to be concluded in December 2012. The condition noted in this finding was previously reported in finding 10-32.				
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-32.				

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	25	Finding: The Department of Health did not survey hospitals in accordance with state law, which could increase the risk of Medicaid clients receiving substandard care services. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 12-33 Corrective Action: The Department concurs with this finding. The Department is creating a dedicated hospital survey team that will have sufficient staff resources to complete hospital surveys within the required time frames. This process should be completed by February 2014. The Department explored funding sources and expanded recruitment efforts in order to attract and pay for more resources to support this team. The Department’s goal is to add two additional inspectors. The recruitment process was completed by September 2012. The Department is conducting a thorough study of its survey process to explore potential greater efficiencies in the face of ever-increasing regulatory burdens due to heightened federal standards, the hospital growth and the like. This study should be completed by April of 2013. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-33.	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	26	Finding: The Department of Social and Health Services paid Medicaid providers for services that were not provided to Medicaid beneficiaries. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>non-ARRA: \$45,624.90</td></tr><tr><td>93.775</td><td>ARRA: \$ 9,899.69</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action in progress Corrective Action: The Department 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. More specifically, the Department has taken or will take the following actions: • In March 2012 the Invalid Payment Report was implemented and is utilized on an ongoing basis. • In April 2012 all exceptions identified in the audit were reviewed and overpayments were established for all unallowable payments. • By November 2012 the Overpayment Policy will be finalized. 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. Completion Date: Estimated November 2012	CFDA #	Amount	93.720	non-ARRA: \$45,624.90	93.775	ARRA: \$ 9,899.69	93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	non-ARRA: \$45,624.90														
93.775	ARRA: \$ 9,899.69														
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	27	Finding: The Department of Social and Health Services, Office of Financial Recovery, did not have adequate controls to ensure the federal share of overpayments made to Medicaid providers is refunded to the federal government in an accurate and timely manner. Questioned Costs: <u>CFDA #</u> <u>Amount</u> 93.720 \$0 93.775 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 12-56 Corrective Action: The Department concurs with this finding. Corrective action was implemented by the Department in October 2011. At that time all Department administrations and partners (Health Care Authority) received the first quarterly notification from the Department's Office of Financial Recovery (OFR) that all overpayments were to be submitted to the OFR for collection and reimbursement to the federal government as required by administrative policy and law. Also, the notification was sent to all parties again in January 2012. In October 2011, OFR also started a quarterly notification process that reminds Department administrations to submit all overpayments to OFR in a timely manner. The second quarterly notification was sent to all parties again in January 2012. This will allow OFR to repay the federal government in a timely manner. The condition noted in this finding was previously reported in finding 10-49. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-56.	

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	28	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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>non-ARRA: \$25,498.50</td></tr><tr><td>93.775</td><td>ARRA: \$ 5,696.71</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	non-ARRA: \$25,498.50	93.775	ARRA: \$ 5,696.71	93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	non-ARRA: \$25,498.50														
93.775	ARRA: \$ 5,696.71														
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Corrective action complete												
		Corrective Action:	This finding involved two administrations within the Department, the Children’s Administration (CA) and the Economic Services Administration (ESA). Both concur with the finding. and have or will implement the following corrective action: CA has: - Reviewed the four exceptions identified in the audit. CA determined three cases were closed because clients did not apply for social security numbers; the fourth client applied for a social security number in August 2011. Communicated to staff who verify SSNs the Department’s procedures along with additional tools that have been developed to identify SSNs. ESA has: - In January 2012 the Automated Client Eligibility System (ACES) was updated to allow SSN verification at the time of application screening. Staff can verify an applicant’s SSN through a real time cross match with the Social Security Administration database by way of the State On-line Query (SOLQ). - In February 2012 the two exceptions identified in the audit were reviewed and corrected.												
		Completion Date:	June 2012												

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	29	Finding: The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>non-ARRA: \$9,664.64</td></tr><tr><td>93.775</td><td>ARRA: \$2,367.93</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action in progress Corrective Action: The Department does not concur with this finding. It is the Department’s opinion there are adequate controls in place. Current controls are: - Individual providers submit a signed invoice through the mail or through the state’s Interactive Voice Response System to the Department of Social and Health Services for payment. This serves as verification and documentation that they have provided the services for which they are requesting payment. The state retains these invoices/records as the record that providers have attested to the number of service hours provided to the recipient. - Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. - Recipients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Recipients are advised they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise recipients to contact them if they are not receiving the hours (or care) for which they are eligible. - Recipients are expected to keep copies of timesheets for their individual providers. Case Managers periodically review these time sheets and verify with the recipient 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.	CFDA #	Amount	93.720	non-ARRA: \$9,664.64	93.775	ARRA: \$2,367.93	93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	non-ARRA: \$9,664.64														
93.775	ARRA: \$2,367.93														
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	29 (Cont'd)	• Timesheet auditing has been added to the annual Quality Assurance monitoring cycle. ○ In August 2011, 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 Aging and Disability Services Administration (ADSA) recipients and complete and retain copies of their timesheets. ○ In September 2011, ADSA audited a statistically valid sample of individual provider time sheets to ensure that services billed for were consistent with timesheet documentation submitted. In instances where the billed hours differed from timesheet records or timesheets were not provided, service receipt was verified with the recipient. Corrective actions were taken which included contract termination and processing overpayments. In spite of these controls, the Department will take the following actions to ensure Medicaid payments to in-home service providers are allowable and supported. • By October 2012 the Department will monitor a randomly selected, statistically valid sample of in-home providers. The Department will verify with selected recipients that Medicaid billed services were received. • By December 2012 the Department will audit a randomly selected sample of individual provider timesheets to determine if services billed for are consistent with timesheet documentation that was submitted. In July 2012 the Department learned the U.S. Department of Health and Human Services (HHS) will not determine the status of questioned costs until the audit makes its way through the Federal audit clearinghouse. It could be one to two years before HHS makes a decision on questioned costs. When HHS reviews the audit the Department will work with them on questioned costs. The condition noted in this finding was previously reported in finding 10-42. Completion Date: Estimated December 2012

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	30	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure the level of in-home care services is appropriate and clients are still eligible for assistance at least annually. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>non-ARRA: \$42,041.10</td></tr><tr><td>93.775</td><td>ARRA: \$ 8,894.94</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action complete Corrective Action: The Department partially concurs with this finding. The Department agrees that a very small percentage of assessments (56 out of 57,472) were late. However, the Department does not concur with the questioned costs as each client for whom payments were made remained eligible for Medicaid services during the period the assessment was out of date. The Department believes it has strong internal controls to ensure that level of care assessments for clients receiving in-home care is performed at least every twelve months. In July 2012 the Department learned the U.S. Department of Health and Human Services (HHS) will not determine the status of questioned costs until the audit makes its way through the Federal audit clearinghouse. It could be one to two years before HHS makes a decision on questioned costs. When HHS reviews the audit the Department will work with them on questioned costs. The condition noted in this finding was previously reported in finding 10-39. Completion Date: July 2012	CFDA #	Amount	93.720	non-ARRA: \$42,041.10	93.775	ARRA: \$ 8,894.94	93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	non-ARRA: \$42,041.10														
93.775	ARRA: \$ 8,894.94														
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	31	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, charged approximately \$36,000 to the Medicaid program for services provided to ineligible individuals. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>non-ARRA: \$18,101.36</td></tr><tr><td>93.775</td><td>ARRA: \$ 4,630.08</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table> Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department inadvertently did not account for the July 2010 CHIP expenditure correction. This was corrected in December 2011 by returning funds to Medicaid and charging the enhanced CHIP funding. Also, in July 2011 the Department established new payment codes for state only and CHIP enhanced clients. This ensures only eligible Medicaid expenditures are charged to the Medicaid program. Completion Date: December 2011	<u>CFDA #</u>	<u>Amount</u>	93.720	non-ARRA: \$18,101.36	93.775	ARRA: \$ 4,630.08	93.776		93.777		93.778 – ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>														
93.720	non-ARRA: \$18,101.36														
93.775	ARRA: \$ 4,630.08														
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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	32	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 \$52,104 in questionable costs. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>non-ARRA: \$43,039.37</td></tr><tr><td>93.775</td><td>ARRA: \$ 9,065.34</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department acknowledged that Medicaid funds were used to serve non-qualified alien clients. Procedures have been implemented to prevent this from occurring in the future. In November 2011 the Department corrected the exceptions identified in the audit. All questioned costs have been reimbursed to Medicaid. In April 2012 the Department developed new payment codes that are used to move alien clients to state only funded programs. Completion Date: April 2012	CFDA #	Amount	93.720	non-ARRA: \$43,039.37	93.775	ARRA: \$ 9,065.34	93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	non-ARRA: \$43,039.37														
93.775	ARRA: \$ 9,065.34														
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	33	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure the accuracy of financial eligibility determinations for Medicaid clients receiving home and community based services. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 12-35 Corrective Action: The Department concurs with this finding. The Department has taken the following actions to correct the deficiencies identified in the finding: • In February 2012 the Department convened a meeting of the Home and Community Services (HCS) Director, regional financial coordinators, and the HQ financial eligibility manager. All HCS offices will use the Audit 99 program to audit the financial determinations processed by all financial services specialists (FSS). Audit 99 is used to track case audits at the local office level. Data can be rolled-up for regional and state-wide reports. • In June 2012 all HCS office staff were notified that Audit 99 was to be utilized when auditing the work of the Financial Services Specialists. • In August 2012 a Management Bulletin was issued to all Home and Community Services financial staff that listed the requirements for auditing the work of Financial Services Specialists (FSS). Once an FSS becomes proficient there will be two audits per month of his/her work. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-35.	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	34	Finding: The Department of Social and Health Services, Aging and Disability Services Administration, did not perform background checks for some in-home care individual providers in accordance with state law. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>non-ARRA: \$368,404.41</td></tr><tr><td>93.775</td><td>ARRA: \$ 81,221.28</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 12-41 Corrective Action: The Department concurs with this finding. The Department will work to ensure that each Area Agency on Aging (AAA) has a strong tracking system in place to ensure that all providers have current background checks and that authorizations are terminated when providers are noncompliant with background check requirements. The Department has taken the following action: • In July 2012 determined no payments or contacts were required to be terminated because providers obtained all background checks. • In August 2012 finalized and distributed to field staff a Management Bulletin (Internal Background Check Processes for AAAs). • In July 2012 the Department learned the U.S. Department of Health and Human Services (HHS) will not determine the status of questioned costs until the audit makes its way through the Federal audit clearinghouse. It could be one to two years before HHS makes a decision on questioned costs. When HHS reviews the audit the Department will work with them on questioned costs. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-41.	CFDA #	Amount	93.720	non-ARRA: \$368,404.41	93.775	ARRA: \$ 81,221.28	93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	non-ARRA: \$368,404.41														
93.775	ARRA: \$ 81,221.28														
93.776															
93.777															
93.778 – ARRA and non-ARRA															

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	35	Finding: The Department of Social and Health Services, Aging and Disability Services Administration does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 12-34 Corrective Action: The Department did not concur with this finding and is of the opinion there are strong controls in place currently to ensure that recipients receive services for which Medicaid is being billed. These are: • Case managers complete an assessment that results in an authorization of hours that cannot be exceeded by a provider invoice. • Recipients receive a copy of the service summary that tells them the number of hours of service they are eligible to receive. Recipients are advised they can choose when those hours are provided and direct the individual provider when to provide them. Case Managers also advise recipients to contact them if they are not receiving the hours (or care) for which they are eligible. • Recipients are expected to keep copies of timesheets for their individual providers which are periodically reviewed by case managers. • Timesheet auditing has been added to the Department’s annual Quality Assurance monitoring cycle. • 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 appropriate. • The Social Service Payment System will not process payments in excess of hours authorized. Also, the Department has added service verification monitoring to the Quality Assurance monitoring cycle. Starting in October 2012 the Department is verifying with the selected recipients that Medicaid billed services were received. Based on the findings, correction action is being taken. Such action includes, as appropriate, processing of overpayments, procuring the needed services that were not provided, terminating contracts with the providers, and referrals to the Medicaid Fraud Control Unit for further action.	CFDA #	Amount	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	35 (Cont'd)	By December 2012, the Department will: • Audit a randomly selected sample of Individual Provider's timesheets to determine if services billed for are consistent with timesheet documentation submitted. • Determine if an automated solution is a possibility. The condition noted in this finding was previously reported in finding 10-36. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-34.

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	36	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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Corrective action complete												
		Corrective Action:	The Department does not concur with this finding 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 submitted its policies and procedures to the Centers for Medicare and Medicaid Services (CMS) and asked if they met federal guidelines. The Department believes that the response from CMS validates its position. Even though the Department does not agree with the finding, it executed a contract with LexisNexis for its software that provides records of property and vehicles owned or transferred during the last five years and beyond. Screening through the LexisNexis database was implemented June 14, 2012. Statewide training was completed in early June. Ongoing training will be scheduled as needed by regional “experts” and LexisNexis contracted trainers. On June 14, 2012, a Management Bulletin was sent to all field staff about using the LexisNexis system. Program Managers are monitoring access to the system. Regional offices are responsible for monitoring policy compliance through their case audits. The condition noted in this finding was previously reported in finding 10-45.												
		Completion Date:	June 2012												

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Health Care Authority/Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	37	Finding: The Health Care Authority and the Department of Social and Health Services do not have adequate controls to correctly report all Medicaid expenditures that are eligible for additional Children Health Insurance Program (CHIP) funds. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 12-52 Corrective Action: The Health Care Authority agrees with the finding and has taken the following corrective action: • In November 2011, the Authority retroactively transferred all eligible Managed Care claims to CHIP. The Authority is currently working with the Department of Social and Health Services’ Aging and Disability Services Administration (ADSA) to ensure all eligible Medicaid claims for clients are transferred to CHIP. • The Health Care Authority now monitors CHIP funds on a monthly basis, and an internal staff workgroup conducts an additional review using an Excel tracking spreadsheet with data from Agency Financial Reporting System (AFRS) to ensure accuracy and proper use of funds. • The Authority developed a report using data from its Medicaid Management Information System to identify claims by Recipient Aid Category (RAC) and Federal Poverty Level (FPL) based on net income. • Effective July 1, 2012 the Authority implemented a new methodology for accounting for Section 107 Kids (133% federal poverty level) using eligibility data from ProviderOne. The Department of Social and Health Services also concurs with the finding. The Department developed systems to appropriately expend CHIP funds for Section 214 and regular children. Further, once available, the Department will use the new report developed by the Health Care Authority to determine eligibility for Section 107 children. The condition noted in this finding was previously reported in finding 10-35. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-52.	CFDA #	Amount	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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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 September 2012.)

Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	38	Finding: The Health Care Authority does not comply with state law and the federal Deficit Reduction Act of 2005, increasing the likelihood that the state is paying claims that should have been paid by liable third parties. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 12-49 Corrective Action: The Authority continues to disagree with this finding. The Authority maintains that it is in compliance with the Deficit Reduction Act of 2005 (DRA) and applicable state law. The Authority 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 Authority is taking the following steps to enhance its recovery effort: - Submitted a system change request to incorporate a tool that the federal Centers for Medicare and Medicaid Services (CMS) has identified for DRA data exchange requirements. This activity could not be pursued until CMS issued its guidance in June 2010. The Authority will implement the change request based on prioritization against all other system change requests in their order of importance. - The Authority’s position on compliance was further 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 Authority could explore to enhance its cost avoidance and recovery. As a result of this review, the Authority entered into a contract with HMS to strengthen and improve its efforts in the area of TPL recoveries as HMS provides for enhanced data-matching to better identify a client’s medical insurance coverage. The contracted activities include: conducting electronic data exchanges with health insurers, and verifying and updating the insurance eligibility of Medicaid recipients for billing liable third parties on behalf of the Authority.	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	38 (Cont'd)	Although the Authority has been in compliance with the DRA since it was passed into law in April 2007, the above actions demonstrate how the Authority continues to improve ways to share Medicaid information with health insurers so the state is not paying for claims that should have been paid by a liable third party. The condition noted in this finding was previously reported in finding 10-40. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-49.

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	39	Finding: The Health Care Authority did not investigate information on potential Medicaid fraud or abuse in accordance with federal law, risking the loss of Medicaid resources. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and Non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 12-54 Corrective Action: The Authority does not agree with the finding that there is a “lack of timely follow-through on returned surveys” as there are no federal timeline requirements for Medical Services Verification surveys. The Authority prioritizes its program integrity/surveillance and utilization resources in areas that have proven to yield a higher return on investment. Data analytics have proven in the past to better identify suspicious provider patterns. Past investigations have been targeted on cases that have the highest potential to lead to a fraud or audit referral. The State Auditor’s Office (SAO) asked the Authority to review 10 surveys that SAO believed merited a full investigation. Authority staff determined that several of the claims contained inaccurate information stemming from inaccurate information and conversion data linked to the implementation of ProviderOne, the Authority’s new Medicaid Management Information System. Of the 10, only one was ultimately found to be worthy of a full investigation. The Authority has: - Conducted an initial review on all returned surveys received between January 1, 2011, through June 30, 2011, to determine whether further review and prioritization of individual cases were warranted for detection of Medicaid fraud, and - The Surveillance and Utilization Review unit triages returned Medical Services Verification surveys to follow up as resources are available. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-54.	CFDA #	Amount	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and Non-ARRA		
CFDA #	Amount														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and Non-ARRA															

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	40	Finding:	The Health Care Authority’s internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93/776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93/776		93.777		93.778 – ARRA and non-ARRA	
		<u>CFDA #</u>	<u>Amount</u>												
		93.720	\$0												
		93.775													
		93/776													
		93.777													
		93.778 – ARRA and non-ARRA													
		Status:	Refer to finding 12-47												
		Corrective Action:	The Authority continues to disagree with this audit finding. There are sufficient controls in place to ensure 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 Authority’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 Authority. As part of the verification, the actuary has the MCOs complete a reconciliation of cost information with encounter data. The actuary also does analysis of prior years, compares MCOs to each other and resolves outliers that arise from its verification and analyses with the MCOs. The MCOs each have fraud and abuse controls. The controls provide reasonable assurance that the data used in rate-setting is accurate and complete. This assertion is supported by the fact that the Authority has had no findings regarding rate setting in the 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. Even though the Authority disagrees with the finding, it is developing a plan for validation of encounter data. The condition noted in this finding was previously reported in finding 10-44.												
Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-47.														

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	41	Finding:	The Health Care Authority 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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Refer to finding 12-51												
		Corrective Action:	The Authority disagrees with this finding. The State Auditor’s Office (SAO) asserts that the Health Care Authority does not perform a retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal law. In fact, the Health Care Authority performs 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 Medicaid recipients, or associated with specific drugs or groups of drugs, as required by 42 CFR § 456.709. The Authority agrees that federal regulation, specifically 42 CFR § 456.709, requires the Health Care Authority to have a retrospective drug use review program through which it conducts ongoing periodic examinations, at least quarterly, of claims data and other records in order to identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care. The Auditor’s finding is in error because it fails to cite to or apply 42 CFR § 456.714 which operates to limit 42 CFR § 456.709. 42 CFR § 456.714 acknowledges that the retrospective drug use review requirements in 42 CFR § 456.709 are duplicative of the Surveillance and Utilization Review requirements provided for in 42 CFR Part 456, subpart A and 42 CFR Part 455. The regulation then expressly permits the Health Care Authority “to limit review activities to those that focus on what constitutes appropriate and medically necessary care to avoid duplication” This is precisely what the Health Care Authority has done. The Authority operates a robust Surveillance and Utilization Review program. The Health Care Authority, in full compliance with federal law, focuses its retrospective drug use review activities on ensuring appropriate and medically necessary care.												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	41 (Cont'd)	The SAO states that “[t]he Authority believes its review of the medical appropriateness of prescribing and dispensing drugs is sufficient to fulfill the fraud and abuse-related requirements of federal law.” This is incorrect. Again, it is the Health Care Authority’s Surveillance and Utilization Review program that fulfills the fraud and abuse-related requirements of federal law. In accordance with federal law the Authority’s retrospective drug use review program focuses on what constitutes appropriate and medically necessary care and does not duplicate the fraud and abuse activities under the Surveillance and Utilization Review program. Other business units within the Authority perform analysis in the remaining areas of concern to the Auditor, per 42 CFR § 456.714 allowing states to limit the review activity of Drug Utilization Review staff to avoid duplication of activities related to fraud and abuse. The SAO states that “[the Authority] has not provided us any information on how often or how it does that analysis.” The Auditor also states that “the Authority is not analyzing pharmaceutical claim data and other records to identify patterns of fraud, abuse, or misuse of Medicaid funds...” Both of these statements are incorrect. The Health Care Authority has extensive detection programs that address potential fraud and abuse by clients, prescribers and pharmacies. The Office of Program Integrity’s Payment Review Program, Surveillance and Utilization Review unit and Medical Audit units analyze, review, and audit pharmacy claims data to identify potential Medicaid fraud, waste or abuse. The Patient Review and Coordination Program analyzes client data to set restrictions on high risk clients and identify aberrant prescribing patterns by providers. A third party contractor compares provider data with peers and follows up with prescribers who show ongoing aberrance in their prescribing practices. And the Quality Management Team investigates complaints or information about quality of care issues or concerns, and evaluates and documents the information in a case tracking database. The condition noted in this finding was previously reported in finding 10-53. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-51.

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	42	Finding: The Health Care Authority did not adequately monitor subrecipients to ensure Medicaid expenditures are allowable and supported. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 12-50 Corrective Action: The Authority agrees with the finding. To improve oversight, the Medicaid Administrative Match program added a fiscal component to all monitoring activities of school districts and local health jurisdictions. Effective June 1, 2012 the fiscal monitoring activity includes the following for the timeframe monitored: • The actual salaries and benefits of participants selected through a random sampling process are compared to salaries and benefits claimed. • Direct and indirect claimed costs are also reviewed. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-50.	CFDA #	Amount	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA		
CFDA #	Amount														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	43	Finding:	The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and Non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and Non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and Non-ARRA															
		Status:	Refer to finding 12-42												
		Corrective Action:	The Authority disagrees with this finding. The Office of Program Integrity currently has two full-time auditors dedicated to reviewing pharmacy third party liability claims for inappropriate use of override codes. It may be that additional system enhancements could strengthen controls over the use of overrides. The Authority will continue to communicate with and educate pharmacy providers on the proper use of third party liability override codes. In addition, the Authority has strengthened and improved efforts in the area of Third-Party Liability (TPL) recoveries by contracting with Health Management Systems (HMS) to augment recovery efforts. This is done by performing enhanced data-matching available through HMS to better identify a client’s medical insurance coverage. The contracted activities include: conducting electronic data exchanges with health insurers, and verifying and updating the insurance eligibility of Medicaid recipients for billing liable third parties on behalf of the Authority. With the enhanced data matching, the Authority has mitigated the potential loss of recoveries and the inappropriate use of override codes. This is a much more cost effective way to enforce TPL controls. The condition noted in this finding was previously reported in finding 10-51.												
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-42.												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	44	Finding:	The Health Care Authority improperly claimed \$111,108.98 in federal reimbursement for the Medicaid program.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>non-ARRA: \$91,038.03</td></tr><tr><td>93.775</td><td>ARRA: \$20,070.95</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	non-ARRA: \$91,038.03	93.775	ARRA: \$20,070.95	93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	non-ARRA: \$91,038.03														
93.775	ARRA: \$20,070.95														
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Corrective action complete												
		Corrective Action:	The Authority agrees with this finding. The Health Care Authority concurs that of the 183 clients reported by the State Auditor’s Office (SAO), 152 clients apparently received some benefits in error. While the payments cited by the SAO are a relatively small amount of the funds handled by the Authority, the Authority continues to target 100 percent accuracy in payments. In response to the finding: • The Authority reviewed all the payments cited by the SAO to deceased persons or other ineligible people and identified and corrected payments made in error after the person’s date of death or made to someone other than the rightful holder of the Social Security Number in question. Past findings involving Social Security Number matching have often proven to be explainable – a widow continuing to cite a spouse’s Social Security Number, for example. • The Authority arranged repayment of any federal funds received in error following completion of the reviews in April 2012. The Authority continues to strengthen procedures to improve accuracy of all payments and claims that are paid for unallowable services. The Authority provides some programs for nonqualified and undocumented aliens that utilize multiple funding streams to pay for services that are not allowed by federal matching dollars. A portion of the transaction errors identified by the auditors related to clients in programs that have these multiple funding streams.												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	44 (Cont'd)	When an error is discovered, it is corrected going forward; however, the Authority does not set up overpayments unless there is intentional fraud that is being prosecuted. The Authority strengthens procedures on an ongoing basis through Medicaid Eligibility Quality Control (MEQC) reviews and monthly reports. The Authority self-monitors errors through monthly reports sent to field staff for correction. When these reports are not corrected timely, there is a meeting between upper management from the Authority and the Community Service Division of the Department of Social and Health Services (DSHS). These reports are included in a monthly round up and sent to DSHS management. The Authority will address the issue of questioned costs with the U.S. Department of Health and Human Services. Completion Date: April 2012

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	45	Finding:	The Health Care Authority does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$26,051.78</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$26,051.78	93.775		93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$26,051.78														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Corrective action not taken												
		Corrective Action:	The Authority continues to disagree with this finding. There are no federal or state statutes that require a payer (e.g., the Health Care Authority) to validate the Drug Enforcement Administration (DEA) number of a prescriber. Therefore, the Authority 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 Health Care Authority 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 (Chapter 69.50 RCW) 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: <i>(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></i>												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	45 (Cont'd)	This finding indicates that <i>“the Authority has procedures to ensure a prescriber of schedule 2 drugs has a DEA number, but the procedures do not verify whether the DEA number is valid.”</i> That statement is incorrect. The Authority’s Pharmacy Point of Sale (POS) system maintains a prescriber network of known National Provider Identifier (NPI) to DEA associations, and it is updated by state staff as new associations become known. System functionality includes manual updates to a “blocked prescriber list” that identifies prescriber DEAs prevented from prescribing Schedule II drugs. Claims for Schedule 2 drugs are validated against the DEAs on the prescriber network. The problem identified by the State Auditor’s Office (SAO) is not a lack of validation. Rather, the DEA regular file update is received into the POS on a monthly basis, resulting in a lag in the DEA effective dates and a discrepancy with the DEA file that SAO used to conduct the audit. As noted in previous years, there continues to be no complete external file that accurately and completely associates NPI to DEA. In addition to the POS edit that validates the DEA for Schedule II drugs, the Health Care Authority 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 the DEA number for controlled substances, the Authority believes this set of Program Integrity activities provides adequate controls to ensure that controlled substances are authorized and allowable. The Authority will address the issue of questioned costs with the U.S. Department of Health and Human Services. The condition noted in this finding was previously reported in finding 10-38. Completion Date: N/A

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	46	Finding:	The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and are referred to Medicaid Fraud Control Unit (MFCU), risking the loss of public resources.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and Non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and Non-ARRA	
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93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and Non-ARRA															
		Status:	Refer to finding 12-44												
		Corrective Action:	The Authority disagrees with this finding. The Authority has adequate controls to ensure that violations of Medicaid law and regulations are identified and referred to the Medicaid Fraud Control Unit. This is supported by a review of cases in the Case Tracking System and the timeliness in which they are worked. The Case Tracking System is used to track a variety of cases; thus, the timeframes in which those cases are resolved does not necessarily lead to the conclusion of inadequate controls. Processes are in place to prioritize the work of SURS (Surveillance and Utilization Review Subsystem) investigators, ensuring that the Authority is addressing those cases with the highest potential for fraud, waste and abuse. These are also the cases that yield the highest return on investment.												
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-44.												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
11	47	Finding:	The Health Care Authority’s internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported.												
		Questioned Costs:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.720</td><td>\$0</td></tr><tr><td>93.775</td><td></td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 – ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.720	\$0	93.775		93.776		93.777		93.778 – ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>														
93.720	\$0														
93.775															
93.776															
93.777															
93.778 – ARRA and non-ARRA															
		Status:	Corrective action complete												
		Corrective Action:	The Authority agrees with the finding, but notes that the solution to these issues is now in place. The State Auditor’s Office (SAO) report stated incorrectly that the trip information database has not improved. During state fiscal year 2011, the Authority built a trip information database that can be used to verify that all Medicaid rules are followed and that all services the transportation brokers provide are legitimate, reasonable and adequately supported. The database includes new data fields that will allow the Authority to more closely monitor transportation services, operations and expenditures. Brokers began adding information to the system in early 2011, and the Authority was able to test the new database with positive results between March 2011 and June 2011. Other monitoring activities: • Desk audits using SAO monitoring tools, • Review of financial and operating reports, • Review of fleet inventories and inspection schedules, • Monthly review of brokers invoices and reports, • Review of broker reports of incidents and accidents, and • Review of brokers annual independent audits.												

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	47 (Cont'd)	From July 2011 through December 2011, the Authority conducted on-site monitoring of all six transportation brokers with the new trip information database, and found all six to be in compliance with Medicaid rules and regulations. The condition noted in this finding was previously reported in finding 10-48. Completion Date: February 2012

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	48	Finding: The Health Care Authority does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program. Questioned Costs: <u>CFDA #</u> 93.720 <u>Amount</u> 93.775 \$0 93.776 93.777 93.778 – ARRA and non-ARRA Status: Refer to finding 12-43 Corrective Action: The Authority partially agrees with the finding. Corrective action steps have already implemented many of the audit recommendations: • The Provider Enrollment Unit now ensures appropriate provider licensing eligibility upon initial enrollment and throughout the provider's enrollment. The Authority also has established a data-sharing agreement with the Department of Health that automatically updates providers' licensing information. This ensures the Provider Enrollment Unit consistently receives the most current provider licensing information daily. If a Department of Health license has expired, the Health Care Authority is notified, and the ProviderOne payment system ends the taxonomy associated with the provider's file, preventing further payments. • As of March 25, 2011, the Patient Protection and Affordable Care Act introduced new screening procedures for providers and suppliers. The Act identifies Durable Medical Equipment providers as moderate to high-risk business partners who deserve unscheduled, unannounced site visits. The Health Care Authority is finalizing written policies and procedures to comply with the Act. The Health Care Authority estimates it will meet this requirement in January 2013. The Authority also has requested computer system changes that will add mandatory data fields needed for compliance with the federal law.	

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Health Care Authority (HCA)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
11	48 (Cont'd)	The Health Care Authority has resumed site visits with newly enrolled DME providers. The Authority is also planning revalidation site visits for Durable Medical Equipment suppliers not currently enrolled with Medicare or another state's Medicaid agency. The Centers for Medicare and Medicaid Services only requires these providers to be revalidated once every five years. Federal law (42 CFR §455.410 (C)) allows the Authority to rely on screening, including site visits, conducted by Medicare or another state's Medicaid agency. The condition noted in this finding was previously reported in finding 10-52. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2012 Washington Single Audit. Refer to finding 12-43.

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Department of Health (DOH)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	49	Finding: The Department of Health charged the National Bioterrorism Hospital Preparedness Program for activities that occurred after the grant period had ended. Questioned Costs: <u>CFDA #</u> 98.889 <u>Amount</u> \$38,574.67 Status: Corrective action complete Corrective Action: The Department concurs with the State Auditor's Office (SAO) finding, but wishes to indicate that the corrective action to the 2010 finding was implemented as soon as possible after the SAO had identified this issue in March of 2011. The Department has reviewed its internal controls that are intended to prevent payments from being charged to grants that have exceeded their period of availability. These controls include the closing of account coding on or before the 90th calendar day unless a written extension has been provided by the federal grantor. These controls were implemented in March of 2011 subsequent to the completion of the SAO field work for the state fiscal year 2010 Single Audit. The transactions that the auditor identified as not compliant while conducting the 2011 Single Audit occurred in the interim between the beginning of the fiscal year 2011 and when the Department was made aware of the control issue. The Department will work with the federal grantor to resolve questioned costs identified by the SAO. The condition noted in this finding was previously reported in finding 10-56. Completion Date: March 2011	

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Office of Financial Management (OFM)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	50	Finding: The Washington Commission for National and Community Service at the Office of Financial Management does not properly monitor subgrantees to ensure expenditures of AmeriCorps grant funding are allowable and adequately supported. Questioned Costs: <u>CFDA #</u> 94.006 - ARRA and non-ARRA <u>Amount</u> \$0 Status: Corrective action in progress Corrective Action: Based on areas identified for improvement, the Washington Commission for National and Community Service (CNCS) has or will carry out a series of program monitoring enhancements to improve consistency and internal controls: - On July 19, 2012, the Commission explained its Corrective Action policy for all new/continuing AmeriCorps subgrantees at its Statewide Director meeting. This policy states that each monitoring file contains details on any finding, including any follow up and resolution to ensure the corrective action is completed in a consistent and timely manner. - On July 19, 2012, the Commission explained at the Statewide Director meeting its policy regarding the percentage of AmeriCorps member files to be reviewed during all site monitoring visits. The policy includes a random selection process for selecting AmeriCorps members' files for review. (The Commission does not require a 100% member file verification as part of the monitoring process.) - On August 31, 2012, the Commission completed all risk assessments for program year 2012-13. All new subgrantees are considered high risk and will be monitored within three months after their contract has started. - By January 31, 2013, all AmeriCorps subgrantees will have submitted eligibility certification confirmation on their AmeriCorps member rosters, signed by authorized program officials, stating that the AmeriCorps members have met the eligibility requirements beginning with the 2012-13 Program Year. The Commission expects some AmeriCorps subgrantees will not begin their first enrollment until the end of January 2013, so they cannot begin their eligibility certification confirmation process until then for the Program Year 2012-13. Completion Date: Estimated January 2013	

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Employment Security Department (ESD)

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
11	51	Finding: The Employment Security Department did not ensure all background checks were performed for AmeriCorps members as required by federal regulations. Questioned Costs: <u>CFDA #</u> 94.006 – ARRA and non-ARRA <u>Amount</u> non-ARRA: \$85,554.24 ARRA: \$ 6,014.15 Status: Corrective action complete Corrective Action: The Department has revised processes for ensuring all background check documentation for AmeriCorps members is properly retained and on file prior to enrollment in the program. Improvements include the following: • Created a background check policy and procedures to ensure compliance with program documentation requirements. • Revised records retention processes by maintaining all background check documentation centrally in the program headquarters office. • Improved internal controls by ensuring independent reviews are conducted on all member files. • Increased staff and subrecipient awareness of documentation requirements through training, ongoing communication and increased monitoring and technical assistance. • Hired an additional staff member to focus on compliance monitoring and assist in implementing new procedures. The Department does not agree that members served under this grant were ineligible and will work with the grantor agency on resolving the issue of questioned costs. Completion Date: June 2012	

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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 complete 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 the following actions. Oversight and Reconciliation: OFM assigned 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 is analyzed for exceptions and deviations from the prior year to enhance accuracy and completeness. System integrity and reconciliation checklists are also 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 has changed upload and input steps to strengthen controls over system-derived CFDA number, title, and cluster that are reported on the SEFA. Guidance: OFM focused on the reporting errors noted in this finding during the year-end training given to state agencies in June 2011. Additionally, OFM included an article on proper SEFA reporting in the Connection newsletter. Annually, OFM is discussing prior year SEFA reporting issues as appropriate with agencies during year end meetings. Completion Date: May 2012

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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: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>10.551 ARRA and non-ARRA</td><td>\$0</td></tr><tr><td>10.561 ARRA and non-ARRA</td><td></td></tr><tr><td>93.558</td><td></td></tr><tr><td>93.563 ARRA and non-ARRA</td><td></td></tr><tr><td>93.575</td><td></td></tr><tr><td>93.713 ARRA</td><td></td></tr><tr><td>93.714</td><td></td></tr><tr><td>93.596</td><td></td></tr></tbody></table> Status: Corrective action complete Corrective Action: The Department concurs with this finding. The Department’s Economic Services Administration (ESA) has taken action to correct the deficiencies identified in the audit. The following describes the actions: - 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 Department’s Office of Accounting Services Office (OAS) Chief that the Department’s policy regarding time certifications was not in compliance with the federal requirements. The Department’s policy on time certifications has been revised by OAS and referred to the Department’s Accounting Policy Management Board where further revisions were made. Also, the Department’s policy on time certifications has been revised. It was signed by the Chief Financial Officer in February 2012. Completion Date: February 2012	CFDA #	Amount	10.551 ARRA and non-ARRA	\$0	10.561 ARRA and non-ARRA		93.558		93.563 ARRA and non-ARRA		93.575		93.713 ARRA		93.714		93.596		
CFDA #	Amount																				
10.551 ARRA and non-ARRA	\$0																				
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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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>10.551 ARRA and non-ARRA</td><td>ARRA: \$15,000.00 (approx)</td></tr><tr><td>10.561 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	10.551 ARRA and non-ARRA	ARRA: \$15,000.00 (approx)	10.561 ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>								
10.551 ARRA and non-ARRA	ARRA: \$15,000.00 (approx)								
10.561 ARRA and non-ARRA									
		Status:	Refer to finding 11-02						
		Corrective Action:	• The Department completed the Corrective Action Plan resulting from the audit finding. The Department refined the process to refer overpayments to the Office of Financial Recovery. This was completed in March 2011. • By April 2011, the Department took action on the exceptions identified during the audit. Where appropriate the department established overpayments for unallowable payments. • By May 2011, the Department retrained field staff on the proper calculation of retroactive payments.						
			The conditions noted in this finding were previously reported in finding 08-01.						
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-02.						

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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: <u>CFDA#</u> 17.225 ARRA and non-ARRA <u>Amount</u> \$0 Status: Refer to finding 11-08 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. Unit management also implemented weekly peer review sessions to enhance staff knowledge and communication. 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 obtained clarification from USDOL that in-person employer contacts are not required. Audit results from fiscal year 2011 show significant progress has been made; however, additional improvements are still needed. The condition noted in this finding was previously reported in finding 09-05. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-08.	

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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: <u>CFDA#</u> 20.509 ARRA and non-ARRA <u>Amount</u> ARRA: \$759,869.57 Status: Refer to finding 11-09 Corrective Action: 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. In response to the initial audit finding for fiscal year 2009, the Department's Public Transportation Division developed and submitted a formalized direct payroll cost allocation plan to FTA (the Plan), known as a "substitute system," to meet federal regulations (OMB Circular A-87, 2CFR 225). Upon receipt of the Plan, FTA requested that the Department continue to allocate payroll costs under the current method, until such time as the new plan could be reviewed and approved. WSDOT complied with this request because the current allocation method had been approved by the FTA's Regional Office and to ensure continued federal grant funding. Since the Plan was not reviewed by FTA during fiscal year 2010, the auditor was compelled to repeat the audit finding for 2010. The Plan was reviewed by the FTA, via a consultant, in January 2011 and a report was issued in June 2011. In June 2011, in response to this report, the WSDOT Public Transportation Division implemented the FTA recommendation of tracking and allocating direct payroll charges based on actual time worked, for an extended analytical period (four months or longer if required by FTA). Also per the FTA recommendation, the tracked data will be analyzed to substantiate the previous year's direct payroll allocations and be used as the bases for allocations moving forward through the 2011 – 2013 biennium. The conditions noted in this finding were previously reported in finding 09-09. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-09.	

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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: <u>CFDA #</u> 84.126 <u>Amount</u> 84.390 ARRA \$0 Status: Refer to finding 11-13 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 October 2011, DVR is anticipating that work with Central Contracts Services (the Department's contracts unit) and the Attorney General's Office to review terms and conditions will be completed. 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-13.	

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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:	<table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$0</td></tr><tr><td>93.889</td><td></td></tr></table>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									
		Status:	Refer to finding 11-17						
		Corrective Action:	The Department is reevaluating its subrecipient monitoring procedures as well as the requirements currently in place on subgrants 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 subgrants.						
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-17.						

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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: <table><tr><td><u>CFDA#</u></td><td><u>Amount</u></td></tr><tr><td>93.069</td><td>\$448,344.90</td></tr><tr><td>93.889</td><td></td></tr></table> Status: Refer to finding 11-19 Corrective Action: All program managers involved with both the Public Health Emergency Preparedness or Hospital Preparedness grants are now maintaining detailed time sheets that are in compliance with OMB A-87 requirements. The Department is in communication with the Center for Disease Control (CDC) and Health and Human Services, Assistant Secretary for Preparedness and Response and have provided additional documentation in support of these costs. The Department is waiting for a final determination from both federal agencies. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-19.	<u>CFDA#</u>	<u>Amount</u>	93.069	\$448,344.90	93.889		
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$448,344.90								
93.889									

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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: <u>CFDA#</u> 93.569 93.710 ARRA Status: Refer to finding 11-22 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-22.	<u>Amount</u> non-ARRA: \$55,593.11

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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: <u>CFDA#</u> 93.575 93.596 93.713 ARRA Status: Refer to finding 11-23 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-23.	<u>Amount</u> \$0

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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: <u>CFDA #</u> 93.659 ARRA and non-ARRA <u>Amount</u> \$61,918.00 Status: Refer to finding 11-24 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 has taken the following actions to address the deficiencies identified during the audit. • In January 2011, a memo was sent to staff that described the established procedures that are to be followed for monitoring case files and ensuring eligibility requirements are met. • In April 2011, all exceptions were processed. As part of the review process, the overpayments were processed automatically returning the federal share of the payment. The conditions noted in this finding were previously reported in finding 09-14. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-24.	

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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: <u>CFDA #</u> 93.767 <u>Amount</u> \$0 Status: Refer to finding 11-37 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, regulation changes, and develop a system to identify CHIP eligible costs. The specific actions ADSA and MPA have taken are: • In March 2011, a CHIP workgroup was established that is comprised of MPA, ADSA, and other Department staff as needed. The purpose of the group is to communicate availability of funding and regulation changes, and to establish a system to identify CHIP eligible costs. • In April 2011, the CHIP workgroup: - o Evaluated CHIP regulation revisions and their impact on the ability to claim CHIP funds. - o Developed a process/procedure for communicating the status of CHIP funding availability on a routine basis. • In May 2011: - o The workgroup established a process for identifying CHIP clients and journal vouchering CHIP eligible expenditures when necessary. - o MPA established a routine process to identify all Medicaid eligible costs for CHIP reimbursement. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-37.	

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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: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 11-35 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. • 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.	<u>CFDA #</u>	<u>Amount</u>	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.775	\$0												
93.776													
93.777													
93.778 ARRA and non-ARRA													

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	36 (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. In June 2011, the Department's Aging and Disability Services Administration (ADSA) conducted a pilot review of randomly selected individual provider timesheets within the Division of Developmental Disabilities. This review will go ADSA wide within the next year. The review found most individual providers were compliant with time sheet requirements. For those that were not, action was taken ranging from issuing a warning to processing an overpayment to terminating the individual provider's contract. The conditions noted in this finding were previously reported in finding 09-18. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-35.

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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: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>non-ARRA: \$149,965.40</td></tr><tr><td>93.776</td><td>ARRA: \$ 37,591.93</td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778</td><td>ARRA and non-ARRA</td></tr></table> Status: Complete for ADSA Corrective Action: This finding involved the Aging and Disability Services Administration (ADSA) and Medicaid Purchasing Administration (MPA). Both administrations concur with the finding. ADSA has taken the following actions to correct the deficiencies identified during the audit: • In August 2011, ADSA trained field staff on how to identify client citizenship and on assigning correct Social Service Payment System (SSPS) codes when authorizing services. • In May 2012: - o SSPS codes were established for state only clients and corrections were made to authorizations for existing clients. - o Because Medicaid funding is no longer allowable for emergency services for ADSA clients, expenditures were transferred to state only funding quarterly. The expenditures were moved to a state only SSPS code. - o Staff reviewed clients on the exception list identified during the audit to determine whether or not they are eligible for Medicaid. For those that were not eligible, costs were journal vouchered to state only funding and the correct SSPS code was applied for future authorizations.	<u>CFDA #</u>	<u>Amount</u>	93.775	non-ARRA: \$149,965.40	93.776	ARRA: \$ 37,591.93	93.777		93.778	ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>												
93.775	non-ARRA: \$149,965.40												
93.776	ARRA: \$ 37,591.93												
93.777													
93.778	ARRA and non-ARRA												

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	37 (Cont'd)	MPA has taken the following actions: • In January 2010, a procedure was developed and implemented where the client's eligibility is federally verified at the time of application. An interface with the Social Security Administration is used to confirm SSN and citizenship status. • In June 2011: - o A process was developed to move claims for Medicaid services provided to nonqualified aliens from Medicaid to state only. The process entails periodic identification of non-citizens with invalid Social Security Numbers. This list is then passed to financial staff, who identify the non-emergent Medicaid claims data from ProviderOne and perform an accounting adjustment to shift these dollars to state-only funds. - o MPA followed up on the questioned cost relating to managed care insurance premiums, dental services, and other services including physician visits, prescription drugs, family services and vision identified as being provided to nonqualifying aliens and coordinated with the Centers for Medicare and Medicaid Services (CMS) to determine if any related Medicaid funds must be returned. Completion Date: May 2012

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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 Administration¹, does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable. Questioned Costs: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.775</td><td>non-ARRA: \$119,829.99</td></tr><tr><td>93.776</td><td>ARRA: \$ 30,037.85</td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 11-45 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:	CFDA #	Amount	93.775	non-ARRA: \$119,829.99	93.776	ARRA: \$ 30,037.85	93.777		93.778 ARRA and non-ARRA		
CFDA #	Amount												
93.775	non-ARRA: \$119,829.99												
93.776	ARRA: \$ 30,037.85												
93.777													
93.778 ARRA and non-ARRA													

¹ Formerly Health and Recovery Services Administration (HRSA)

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	38 (Cont'd)	(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 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.

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	38 (Cont'd)	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. 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. 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-45.

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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: <u>CFDA #</u> 93.775 93.776 93.777 93.778 ARRA and non-ARRA Status: Refer to finding 11-30 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 100% for compliance with assessment timeliness.	<u>Amount:</u> non-ARRA: \$36,372.24 ARRA: \$ 9,117.45

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	39 (Cont'd)	The Department has taken 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. The tool ensures the level of care assessment for clients receiving in-home care is performed at least once every twelve months. • In June 2011, the Department contacted the Department of Health and Human Services (HHS). The HHS analyst informed the Department questioned costs will be reviewed when the audit results are received through the federal clearinghouse. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-30.

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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 Administration², 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. <table><tr><td>Questioned Costs:</td><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td></td><td>93.775</td><td>\$0</td></tr><tr><td></td><td>93.776</td><td></td></tr><tr><td></td><td>93.777</td><td></td></tr><tr><td></td><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 11-38 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 to 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-38.	Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>		93.775	\$0		93.776			93.777			93.778 ARRA and non-ARRA		
Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>																
	93.775	\$0																
	93.776																	
	93.777																	
	93.778 ARRA and non-ARRA																	

² Formerly Health and Recovery Services Administration (HRSA)

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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 <u>CFDA #</u> <u>Amount</u> Costs: 93.775 non-ARRA: \$8,379.59 93.776 ARRA: \$2,100.52 93.777 93.778 ARRA and non-ARRA Status: Corrective action complete 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 has taken the following actions in response to the audit finding: • In June 2011, the Department contacted the federal grantor. A journal voucher was processed that moved expenditures to state only. The funding should be returned on the third quarter 2011 CMS 64. • In April 2012, the Department began checking the report from the Office of Inspector General that lists excluded providers against the Department's existing contractors. This is done on an ongoing basis. Also, the Department began checking new providers in the pre-contracting phase to ensure they are not on the federal exclusion list. Completion Date: April 2012	

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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: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.775</td><td>non-ARRA: \$460,823.00</td></tr><tr><td>93.776</td><td>ARRA: \$115,515.00</td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778</td><td>ARRA and non-ARRA</td></tr></tbody></table> Status: Refer to finding 11-29 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 the hours an Individual Provider worked is the same as 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: - Reviewed with clients their responsibilities as the employer of their individual providers. This will continue with new clients. - Sent individual providers a written notice of their obligation to keep a record of in-home services provided to Department clients. - Began auditing randomly selected samples of individual providers’ timesheets to determine that services billed are consistent with timesheet documentation submitted.	CFDA #	Amount	93.775	non-ARRA: \$460,823.00	93.776	ARRA: \$115,515.00	93.777		93.778	ARRA and non-ARRA	
CFDA #	Amount												
93.775	non-ARRA: \$460,823.00												
93.776	ARRA: \$115,515.00												
93.777													
93.778	ARRA and non-ARRA												

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	42 (Cont'd)	The Department has taken the following corrective actions as a result of this finding: • In April 2011, the Department developed and provided a training module to the case management staff of the 13 Area Agencies on Aging. The training focused on the requirement that case managers review client's timesheets and verify authorized hours have been provided. • Also in April, the Department revised the Case Management Program Training curriculum to include an emphasis on review of timesheets. • In June 2011, the Department: ○ Audited a random sample of individual providers' timesheets to determine if services billed are consistent with timesheet records. ○ Contacted the Department of Health and Human Services (HHS) and was told by the HHS analyst that questioned costs would not be reviewed until the audit results were received through the clearinghouse. • In August 2011, the Department sent written notification to individual providers regarding their obligation to keep a record of in-home services they provide to ADSA clients. The conditions noted in this finding were previously reported in finding 09-21. The auditors noted certain progress. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-29.

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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. <table><tr><td>Questioned Costs:</td><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td></td><td>93.775</td><td>non-ARRA: \$143,270.78</td></tr><tr><td></td><td>93.776</td><td>ARRA: \$ 35,913.78</td></tr><tr><td></td><td>93.777</td><td></td></tr><tr><td></td><td>93.778</td><td>ARRA and non-ARRA</td></tr></table> Status: Corrective action complete Corrective Action: This finding involved the Children’s, Economic Services, and Medicaid Purchasing Administrations. Each administration provided individual responses. <u>Children’s Administration (CA)</u> CA concurs with this finding. Only two of the exceptions identified during the audit were related to CA. In February 2011, CA initiated and completed the process to obtain the correct social security number for the two clients. <u>Economic Services Administration (ESA)</u> ESA concurs with this finding. ESA took actions to address the exceptions identified during the audit. Additionally, ESA, in conjunction with the Medicaid Purchasing Administration, requested enhancements to their automated systems. The enhancements were completed and implemented in January 2012. They included: - 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. <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%.	Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>		93.775	non-ARRA: \$143,270.78		93.776	ARRA: \$ 35,913.78		93.777			93.778	ARRA and non-ARRA
Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>															
	93.775	non-ARRA: \$143,270.78															
	93.776	ARRA: \$ 35,913.78															
	93.777																
	93.778	ARRA and non-ARRA															

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	43 (Cont'd)	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. The training and auditing was completed by October 2011. 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. Training and reports were completed and developed by October 2011. Reports continue to be pulled and sent each month to ESA. Completion Date: January 2012

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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’s³ internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are based on accurate data. <table><tr><td>Questioned Costs:</td><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td></td><td>93.775</td><td>\$0</td></tr><tr><td></td><td>93.776</td><td></td></tr><tr><td></td><td>93.777</td><td></td></tr><tr><td></td><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 11-40 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-40.	Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>		93.775	\$0		93.776			93.777			93.778 ARRA and non-ARRA		
Questioned Costs:	<u>CFDA #</u>	<u>Amount</u>																
	93.775	\$0																
	93.776																	
	93.777																	
	93.778 ARRA and non-ARRA																	

³ Formerly Health and Recovery Services Administration (HRSA)

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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: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 11-36 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 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.	<u>CFDA #</u>	<u>Amount</u>	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.775	\$0												
93.776													
93.777													
93.778 ARRA and non-ARRA													

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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.

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Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	45 (Cont'd)	In addition, the Department is taking the following actions: - o Staff routinely checks 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 looks as far into this as necessary to resolve the issue. - o If the client declares a transfer, staff requests and obtains 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 evaluates and probes 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) 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-36.

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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: <table><thead><tr><th>CFDA #</th><th>Amount</th></tr></thead><tbody><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></tbody></table> Status: Refer to finding 11-47 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 or took the following actions: • The broker’s fleet inventory reports were reviewed in February 2011. • The Trips Database was developed and tested in March 2011. This database allows for improved monitoring capabilities. The database also allows 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. Eastern Washington brokers site visits were completed in July 2011. Four of the six desk audits have been completed and the remaining two are scheduled. The conditions noted in this finding were previously reported in finding 09-31. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-47.	CFDA #	Amount	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA		
CFDA #	Amount												
93.775	\$0												
93.776													
93.777													
93.778 ARRA and non-ARRA													

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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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA	
<u>CFDA #</u>	<u>Amount</u>												
93.775	\$0												
93.776													
93.777													
93.778 ARRA and non-ARRA													
		Status:	Refer to finding 11-27										
		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. Policy revisions have been made and are under review. The Department anticipates the review will be completed by December 2011.										
			The conditions noted in this finding were previously reported in finding 09-28.										
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-27.										

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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: <table><tr><th>CFDA #</th><th>Amount</th></tr><tr><td>93.775</td><td>non-ARRA: \$30,408.79</td></tr><tr><td>93.776</td><td>ARRA: \$ 7,622.59</td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778</td><td>ARRA and non-ARRA</td></tr></table> Status: Corrective action complete Corrective Action: This finding involved the Aging and Disability Services Administration and the Medicaid Purchasing Administration. Both administrations concur with the finding. <u>Aging and Disability Services Administration (ADSA)</u> 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 Provider One is completed. At that time staff should have uniform access to the same data sources for information about client deaths. ADSA took the following action in April 2011: • Provided the Payment Review Program (PRP) the client list with dates of death (DOD). This assisted the PRP to determine if there are algorithm improvements that would assist in strengthening procedures for identifying deceased beneficiaries. • Established overpayments for those payments identified after the audit began. By the end of November 2011: • Federal share costs were reimbursed to the federal grantor.	CFDA #	Amount	93.775	non-ARRA: \$30,408.79	93.776	ARRA: \$ 7,622.59	93.777		93.778	ARRA and non-ARRA	
CFDA #	Amount												
93.775	non-ARRA: \$30,408.79												
93.776	ARRA: \$ 7,622.59												
93.777													
93.778	ARRA and non-ARRA												

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Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
10	50 (Cont'd)	<u>Medicaid Purchasing Administration (MPA)</u> 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: November 2011

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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: <u>CFDA #</u> 93.775 93.776 93.777 93.778 ARRA and non-ARRA Status: Refer to finding 11-43 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: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-43.	<u>Amount</u> \$0

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 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 Administration⁴, does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program. Questioned Costs: <table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table> Status: Refer to finding 11-48 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, which 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.	<u>CFDA #</u>	<u>Amount</u>	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA		
<u>CFDA #</u>	<u>Amount</u>												
93.775	\$0												
93.776													
93.777													
93.778 ARRA and non-ARRA													

⁴ Formerly Health and Recovery Services Administration

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2012***

(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 September 2012.)

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 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 is taking all steps necessary to comply with these new federal requirements. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-48.

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

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For the Fiscal Year Ended
June 30, 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 ⁵ 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:	<table><tr><td><u>CFDA #</u></td><td><u>Amount</u></td></tr><tr><td>93.775</td><td>\$0</td></tr><tr><td>93.776</td><td></td></tr><tr><td>93.777</td><td></td></tr><tr><td>93.778 ARRA and non-ARRA</td><td></td></tr></table>	<u>CFDA #</u>	<u>Amount</u>	93.775	\$0	93.776		93.777		93.778 ARRA and non-ARRA	
		<u>CFDA #</u>	<u>Amount</u>										
		93.775	\$0										
		93.776											
		93.777											
		93.778 ARRA and non-ARRA											
		Status:	Refer to finding 11-41										
		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. The conditions noted in this finding were previously reported in finding 09-20.										
		Completion Date:	The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-41.										

⁵ Formerly Health and Recovery Services Administration (HRSA)

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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: <u>CFDA #</u> 93.775 93.776 93.777 93.778 ARRA and non-ARRA Status: Corrective action complete 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. The MPA is working with the Centers for Medicare and Medicaid Services (CMS) to refund the federal dollars identified in the audit. Completion Date: September 2011	<u>Amount</u> non-ARRA: \$474,387.67 ARRA: \$118,915.06

**State of Washington
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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 September 2012.)

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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: <u>CFDA#</u> 93.889 <u>Amount</u> ARRA: \$154,991.62 Status: Refer to finding 11-49 Corrective Action: The Department has reviewed its process over expenditures for obligations incurred during the grant period and stressed the awareness of account coding for grants that have exceeded the 90 day period past closing. Accounting and Grants Management staff have clear instructions to close these account codes making them unavailable once they have exceeded their period of availability. In addition program managers have stressed the importance that the required financial reports are filed with the federal grantor by the due date. The Department is in communication with Health and Human Services, Assistant Secretary for Preparedness and Response; and has provided additional documentation that supports an extended deadline for a portion of these expenditures. In these discussions, the Department also stressed that all of these expenditures were otherwise allowable. The Department is awaiting the federal agency's final determination on the questioned costs. Completion Date: The condition noted in this finding was repeated in the Fiscal Year 2011 Washington Single Audit. Refer to finding 11-49.	

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

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For the Fiscal Year Ended
June 30, 2012**

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: <u>CFDA #</u> 93.959 <u>Amount</u> \$0 Status: Corrective action complete Corrective Action: The Department concurs with this finding. In August 2011, the Department created the Behavioral Health Advisory Council (BHAC). The BHAC was developed jointly by the Mental Health Policy Council (MHPC) and the Chemical Dependency Citizen's Advisory Council. The BHAC is responsible for facilitating and overseeing the peer review process. Eight chemical dependency professionals and eight treatment agencies volunteered to act as peer reviewers. The Department trained the peer reviewers in the peer review process. Peer reviews of treatment programs were held during July and August 2011. The BHAC submitted a report that discussed peer review findings to the Substance Abuse and Mental Health Services Administration in December 2011. Completion Date: December 2011	

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

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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: <u>CFDA #</u> 93.775 93.776 93.777 93.778 – ARRA and non-ARRA <u>Amount</u> non-ARRA: \$181,841.59 ARRA: \$ 26,297.27 Status: Corrective action complete 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. <u>Aging and Disability Services Administration</u> 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.	

**State of Washington
Summary Schedule of Prior Audit Findings
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***OMB Circular A-133 Audit
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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 September 2012.)

Department of Social and Health Services (DSHS)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
09	27 (Cont'd)	ADSA took the following actions as a result of this finding: • In June 2010 procedures were developed that ensure Medicaid funds for undocumented clients are used appropriately and properly reported on the CMS 64. • In January 2012 unallowable costs were reimbursed to the Department of Health and Human Services. <u>Health and Recovery Services Administration</u> In April 2012, the Department completed programming in ACES to assure Alien Emergency Medical eligibility is accurately reflected for this program and to support claims payment via ProviderOne, the Department's primary provider payment processing system. The Department continues to identify claims paid for undocumented aliens that are allowable for federal match and submits these costs for federal reimbursement. Payments for claims identified as not being consistent with program policy are recovered. Completion Date: April 2012

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

(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 September 2012.)

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June 30, 2012**

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 <u>CFDA #</u> <u>Amount</u> Costs: 93.389 \$0 93.837 93.846 93.856 93.859 93.864 93.866 Status: Corrective action complete Corrective Action: <u>Faculty Effort Certifications (FECs):</u> 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 and Phase II have rolled out. Phase III will be pilot tested during October – December 2011 followed by Beta testing for the FEC cycle ending December 31, 2011. Phase III was implemented in the summer of 2012. The new system includes enhanced tracking and follow-up capabilities (Phase III). <u>Grant and Contract Certification Reports (GCCR):</u> 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.	

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2012**

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June 30, 2012***

(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 September 2012.)

University of Washington (UW)

Fiscal Year	Finding Number	Finding and Corrective Action Plan
05	50 (Cont'd)	Additionally, enhanced documentation has been completed for the University's website reinforcing the requirements and procedures for GCCRs and a more streamlined process has been implemented to provide efficiencies and better monitoring capabilities. Completion Date: Summer 2012

Washington State Agency Codes (By Agency Alphabetically)
For the Fiscal Year Ended June 30, 2012

Agency No.	Agency	Agency No.	Agency
165	Accountancy, Board of (ACB)	106	Economic Development Finance Authority (EDA)
035	Actuary, Office of the State (OSA)	610	Edmonds Community College (EDC)
110	Administrative Hearings, Office of (OAH)	540	Employment Security Department (ESD)
055	Administrative Office of the Courts (AOC)	468	Environmental and Land Use Hearings Office (ELUHO)
119	African-American Affairs, Commission on (CAA)	605	Everett Community College (EVC)
495	Agriculture, Department of (AGR)	102	Financial Institutions, Department of (DFI)
355	Archaeology and Historic Preservation, Department of (DAHP)	105	Financial Management, Office of (OFM)
387	Arts Commission, Washington State (ART)	477	Fish and Wildlife, Department of (DFW)
087	Asian-Pacific-American Affairs, Commission on (APA)	167	Forensic Investigation Council (FIC)
100	Attorney General, Office of the (ATG)	411	Freight Mobility Strategic Investment Board (FMSIB)
095	Auditor, Office of the State (SAO)	117	Gambling Commission, Washington State (GMB)
695	Bates Technical College (BATES)	075	Governor, Office of the (GOV)
627	Bellevue College (BC)	648	Grays Harbor College (GHC)
694	Bellingham Technical College (BTC)	649	Green River Community College (GRC)
629	Big Bend Community College (BBC)	303	Health, Department of (DOH)
315	Blind, Department of Services for the (DSB)	107	Health Care Authority, Washington (HCA)
351	Blind, State School for the (SFB)	599	Health Care Facilities Authority, Washington (WHCFA)
101	Caseload Forecast Council (CFC)	346	Higher Education Facilities Authority, Washington (WHEFA)
634	Cascadia Community College (CCC)	652	Highline Community College (HCC)
375	Central Washington University (CWU)	118	Hispanic Affairs, Commission on (CHA)
632	Centralia College (CEC)	390	Historical Society, Washington State (WHS)
353	Childhood Deafness and Hearing Loss, CTR for (CDHL)	185	Horse Racing Commission (HRC)
057	Civil Legal Aid, Office of (OCLA)	011	House of Representatives (REP)
635	Clark College (CLC)	148	Housing Finance Commission, Washington State (HFC)
696	Clover Park Technical College (CPTC)	120	Human Rights Commission (HUM)
639	Columbia Basin Community College (CBC)	086	Indian Affairs, Governor's Office of (INA)
460	Columbia River Gorge Commission (CRG)	190	Industrial Insurance Appeals, Board of (IND)
103	Commerce, Department of (COM)	135	Innovate Washington (IWA)
352	Community and Technical Colleges, State Board for (SBCTC)	160	Insurance Commissioner, Office of the (INS)
699	Community and Technical College System (CTCS)	126	Investment Board, State (SIB)
471	Conservation Commission, State (SCC)	014	Joint Legislative Audit and Review Committee (JLARC)
310	Corrections, Department of (DOC)	038	Joint Legislative Systems Committee (JLS)
406	County Road Administration Board (CRAB)	013	Joint Transportation Commission (JTC)
048	Court of Appeals (COA)	050	Judicial Conduct, Commission on (CJC)
227	Criminal Justice Training Commission (CJT)	235	Labor and Industries, Department of (L&I)
357	Early Learning, Department of (DEL)	692	Lake Washington Institute of Technology (LWIT)
395	Eastern Washington Historical Society (EWH)	341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
370	Eastern Washington University (EWU)	046	Law Library, State (LAW)
461	Ecology, Department of (ECY)		
104	Economic and Revenue Forecast Council (ERFC)		

Washington State Agency Codes (By Agency Alphabetically)
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Agency No.	Agency	Agency No.	Agency
020	Legislative Evaluation and Accountability Program Committee (LEAP)	676	Spokane Community Colleges - District 17 (SCCD-17)
037	Legislative Support Services, Office of (LSS)	225	State Patrol, Washington (WSP)
240	Licensing, Department of (DOL)	040	Statute Law Committee (SLC)
080	Lieutenant Governor, Office of the (LTG)	340	Student Achievement Council (SAC)
356	Life Sciences Discovery Fund Authority (LSDFA)	350	Superintendent of Public Instruction (SPI)
195	Liquor Control Board (LCB)	045	Supreme Court (SUP)
116	Lottery Commission, State (LOT)	678	Tacoma Community College (TCC)
657	Lower Columbia College (LCC)	142	Tax Appeals, Board of (BTA)
412	Materials Management and Financing Authority, Washington (WMMFA)	376	The Evergreen State College (TESC)
245	Military Department (MIL)	304	Tobacco Settlement Authority (TOB)
147	Minority & Women's Business Enterprises, Office of (OMWBE)	228	Traffic Safety Commission, Washington (STS)
490	Natural Resources, Department of (DNR)	410	Transportation Commission (TRC)
662	Olympic College (OLC)	405	Transportation, Department of (DOT)
465	Parks and Recreation Commission, State (PARKS)	407	Transportation Improvement Board (TIB)
665	Peninsula College (PEC)	090	Treasurer, Office of the State (OST)
111	Personnel, Department of (DOP)	360	University of Washington (UW)
637	Pierce College (PIE)	215	Utilities and Transportation Commission (UTC)
205	Pilotage Commissioners, Board of (BPC)	305	Veterans' Affairs, Department of (DVA)
462	Pollution Liability Insurance Program, Washington (PLI)	220	Volunteer Firefighters and Reserve Officers, Board for (BVFFRO)
056	Public Defense, Office of (OPD)	683	Walla Walla Community College (WLC)
082	Public Disclosure Commission (PDC)	365	Washington State University (WSU)
275	Public Employment Relations Commission (PERC)	686	Wenatchee Valley College (WVC)
478	Puget Sound Partnership (PSP)	380	Western Washington University (WWU)
467	Recreation and Conservation Funding Board (RCFB)	621	Whatcom Community College (WHC)
091	Redistricting Commission (RDC)	354	Workforce Training and Education Coordinating Board (WFTECB)
693	Renton Technical College (RTC)	691	Yakima Valley College (YVC)
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)		
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)		

Washington State Agency Codes (By Agency Assigned Number)
For the Fiscal Year Ended June 30, 2012

Agency No.	Agency	Agency No.	Agency
011	House of Representatives (REP)	120	Human Rights Commission (HUM)
012	Senate (SEN)	124	Department of Retirement Systems (DRS)
013	Joint Transportation Commission (JTC)	126	State Investment Board (SIB)
014	Joint Legislative Audit and Review Committee (JLARC)	135	Innovate Washington
020	Legislative Evaluation and Accountability Program Committee (LEAP)	140	Department of Revenue (DOR)
035	Office of the State Actuary (OSA)	142	Board of Tax Appeals (BTA)
037	Legislative Support Services, Office of (LSS)	147	Office of Minority and Women's Business Enterprises (OMWBE)
038	Joint Legislative Systems Committee (JLS)	148	Washington State Housing Finance Commission (HFC)
040	Statute Law Committee (SLC)	160	Office of the Insurance Commissioner (INS)
045	Supreme Court (SUP)	163	Consolidated Technology Services (CTS)
046	State Law Library (LAW)	165	Board of Accountancy (ACB)
048	Court of Appeals (COA)	167	Forensic Investigation Council (FIC)
050	Commission on Judicial Conduct (CJC)	179	Enterprise Services, Department of
055	Administrative Office of the Courts (AOC)	185	Horse Racing Commission (HRC)
056	Office of Public Defense (OPD)	190	Industrial Insurance Appeals, Board of (IND)
057	Civil Legal Aid, Office of (OCLA)	195	Liquor Control Board (LCB)
075	Office of the Governor (GOV)	205	Board of Pilotage Commissioners (BPC)
080	Office of the Lieutenant Governor (LTG)	215	Utilities and Transportation Commission (UTC)
082	Public Disclosure Commission (PDC)	220	Board for Volunteer Firefighters and Reserve Officers (BVFFRO)
085	Office of the Secretary of State (SEC)	225	Washington State Patrol (WSP)
086	Governor's Office of Indian Affairs (INA)	227	Washington State Criminal Justice Training Commission (CJT)
087	Commission on Asian Pacific American Affairs (APA)	228	Washington Traffic Safety Commission (STS)
090	Office of the State Treasurer (OST)	235	Department of Labor and Industries (L&I)
091	Redistricting Commission (RDC)	240	Department of Licensing (DOL)
095	Office of the State Auditor (SAO)	245	Military Department (MIL)
099	Washington Citizens' Commission on Salaries for Elected Officials (COS)	275	Public Employment Relations Commission (PERC)
100	Office of the Attorney General (ATG)	300	Department of Social and Health Services (DSHS)
101	Caseload Forecast Council (CFC)	302	Home Care Quality Authority (HCQA)
102	Department of Financial Institutions (DFI)	303	Department of Health (DOH)
103	Commerce, Department of (COM)	304	Tobacco Settlement Authority (TOB)
104	Economic and Revenue Forecast Council (ERFC)	305	Department of Veterans' Affairs (DVA)
105	Office of Financial Management (OFM)	310	Department of Corrections (DOC)
106	Washington Economic Development Finance Authority (EDA)	315	Department of Services for the Blind (DSB)
107	State Health Care Authority (HCA)	340	Student Achievement Council (SAC)
110	Office of Administrative Hearings (OAH)	341	Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board (LEOFF)
111	Department of Personnel (DOP)	346	Washington Higher Education Facilities Authority (WHEFA)
116	State Lottery Commission (LOT)	350	Superintendent of Public Instruction (SPI)
117	Washington State Gambling Commission (GMB)	351	State School for the Blind (SFB)
118	Commission on Hispanic Affairs (CHA)		
119	Commission on African-American Affairs (CAA)		

Washington State Agency Codes (By Agency Assigned Number)
For the Fiscal Year Ended June 30, 2012

Agency No.	Agency	Agency No.	Agency
352	State Board for Community and Technical Colleges (SBCTC)	605	Everett Community College (EVC)
353	Childhood Deafness and Hearing Loss, CTR for (CDHL)	610	Edmonds Community College (EDC)
354	Work Force Training and Education Coordinating Board (WFTECB)	621	Whatcom Community College (WHC)
355	Archaeology and Historic Preservation, Department of (DAHP)	627	Bellevue College (BC)
356	Life Sciences Discovery Fund Authority (LSDFA)	629	Big Bend Community College (BBC)
357	Early Learning, Department of (DEL)	632	Centralia College (CEC)
360	University of Washington (UW)	634	Cascadia Community College (CCC)
365	Washington State University (WSU)	635	Clark College (CLC)
370	Eastern Washington University (EWU)	637	Pierce College (PIE)
375	Central Washington University (CWU)	639	Columbia Basin Community College (CBC)
376	The Evergreen State College (TESC)	648	Grays Harbor College (GHC)
380	Western Washington University (WWU)	649	Green River Community College (GRC)
387	Washington State Arts Commission (ART)	652	Highline Community College (HCC)
390	Washington State Historical Society (WHS)	657	Lower Columbia College (LCC)
395	Eastern Washington State Historical Society (EWH)	662	Olympic College (OLC)
405	Department of Transportation (DOT)	665	Peninsula College (PEC)
406	County Road Administration Board (CRAB)	670	Seattle Community Colleges - District 6 (SCCD-6)
407	Transportation Improvement Board (TIB)	672	Shoreline Community College (SHC)
410	Transportation Commission (TRC)	674	Skagit Valley College (SVC)
411	Freight Mobility Strategic Investment Board (FMSIB)	675	South Puget Sound Community College (SPS)
412	Materials Management and Financing Authority, Washington (WMMFA)	676	Spokane Community Colleges - District 17 (SCCD-17)
460	Columbia River Gorge Commission (CRG)	678	Tacoma Community College (TCC)
461	Department of Ecology (ECY)	683	Walla Walla Community College (WLC)
462	Washington Pollution Liability Insurance Program (PLI)	686	Wenatchee Valley College (WVC)
465	State Parks and Recreation Commission (PARKS)	691	Yakima Valley College (YVC)
467	Recreation and Conservation Funding Board (RCFB)	692	Lake Washington Institute of Technology (LWIT)
468	Environmental and Land Use Hearings Office (ELUHO)	693	Renton Technical College (RTC)
471	State Conservation Commission (SCC)	694	Bellingham Technical College (BTC)
477	Department of Fish and Wildlife (DFW)	695	Bates Technical College (BATES)
478	Puget Sound Partnership (PSP)	696	Clover Park Technical College (CPTC)
490	Department of Natural Resources (DNR)	699	Community and Technical College System (CTCS)
495	Department of Agriculture (AGR)		
540	Employment Security Department (ES)		
599	Washington Health Care Facilities Authority (WHCFA)		

Community and Technical College Reporting

For the Fiscal Year Ended June 30, 2012

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 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 Institute of Technology
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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