REPORT OF

THE

STATE AUDITOR

STATE OF COLORADO
STATEWIDE SINGLE AUDIT

Fiscal Year Ended June 30, 2001

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January 29, 2002

Members of the Legislative Audit Committee:

Included herein is the report of the Statewide Single Audit of the State of Colorado for the fiscal year ended June 30, 2001. The audit was conducted under the authority of Section 2-3-103 et seq., C.R.S., which authorizes the State Auditor to conduct audits of all state departments, institutions, and agencies.

The purpose of this report is to present the results of the Statewide Single Audit for the year ended June 30, 2001. The report includes our audit opinion on the General Purpose Financial Statements and the supplementary Schedule of Expenditures of Federal Awards. It also contains our findings, conclusions, and recommendations, and the responses of the respective state agencies.

The report may not include all of the findings and recommendations related to audits performed of state institutions and agencies. Some findings and recommendations are issued under separate report covers. However, in accordance with the Single Audit Act, this report includes all findings and questioned costs related to federal awards that came to our attention through either the statewide audit or separate audits.

The report is intended solely for the use of management and the Legislative Audit Committee and should not be used for any other purpose. This restriction is not intended to limit distribution of the report, which, upon release by the Legislative Audit Committee, is a matter of public record.

TABLE OF CONTENTS

PAGE

REPORT SUMMARY 1

Recommendation Locator 7

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

Department of Agriculture 27

Department of Corrections 31

Department of Health Care Policy and Financing 35

Department of Higher Education 49

Department of Human Services 53

Department of Labor and Employment 61

Department of Military Affairs 63

Department of Natural Resources 71

Department of Personnel and Administration 85

Department of Revenue 109

Office of the State Treasurer 119

Department of Transportation 127

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Department of Health Care Policy and Financing 131

Department of Higher Education 187

Department of Human Services 201

Department of Labor and Employment 237

PAGE

Department of Military Affairs 255

Department of Public Health and Environment 257

Office of the State Treasurer 271

Department of Transportation 273

Summary of Auditor's Results 277

Disposition of Prior Audit Recommendations 281

FINANCIAL STATEMENT SECTION

Independent Auditor’s Report 301

GENERAL PURPOSE FINANCIAL STATEMENTS 303

Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units 304

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units 306

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budgetary Basis - Budget and Actual - General Funded 308

Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity - Budgetary Basis - Budget and Actual - Cash Funded 310

Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity - Budgetary Basis - Budget and Actual - Federally Funded . 311

Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units 312

Combined Statement of Cash Flows - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units 314

Statement of Net Assets - All Pension and Investment Trust Funds, and Discretely Presented Component Units 318

PAGE

Statement of Changes in Net Assets - All Pension and Investment Trust Funds, and Discretely Presented Component Units 319

Combined Balance Sheet - All College and University Funds 320

Combined Statement of Changes in Fund Balance - All College and University Funds 322

Notes to the Financial Statements 324

FEDERAL AWARDS SCHEDULE

Schedule of Expenditures of Federal Awards 367

Notes to the Schedule of Expenditures of Federal Awards 484

COMPLIANCE AND INTERNAL CONTROL REPORTS

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 487

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 . 489

APPENDICES

Appendix A - Federal Single Audit Recommendation Locator A-1

Appendix B - Audit Adjustments B-1

STATE OF COLORADO
OFFICE OF THE STATE AUDITOR **REPORT SUMMARY**

Joanne Hill, CPA
Acting State Auditor

STATE OF COLORADO
STATEWIDE SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2001

Authority, Purpose, and Scope

This audit was conducted under the authority of Section 2-3-103 et seq., C.R.S., which authorizes the Office of the State Auditor to conduct audits of all departments, institutions, and agencies of state government. The audit was conducted in accordance with generally accepted auditing standards and the financial and compliance standards contained in the *Government Auditing Standards* issued by the U.S. General Accounting Office. We performed our audit work during the period January 2001 through November 2001.

The purpose of this audit was to:

- Express an opinion on the State's General Purpose Financial Statements for the fiscal year ended June 30, 2001.
- Express an opinion on the State's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2001.
- Review internal accounting and administrative control procedures as required by generally accepted auditing standards.
- Evaluate compliance with applicable state and federal laws, rules, and regulations.
- Evaluate progress in implementing prior audit recommendations.

We expressed a qualified opinion on the State's General Purpose Financial Statements and an unqualified opinion on the State's Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2001. They are presented in the Financial Statement and Federal Awards Schedule sections of this report, respectively.

Current Year Findings and Recommendations

This report presents the results of the statewide financial and compliance audit for Fiscal Year 2001. The report may not include all findings and recommendations related to audits performed of state departments, institutions, and agencies which are issued under separate report covers. However, in accordance with the Single Audit Act, this report does include all findings and questioned costs related to federal awards which came to our attention through either the Statewide Audit or separate audits.

As part of our Statewide Audit we examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements. We considered the internal controls over financial reporting; tested compliance with certain provisions of federal and state laws, regulations, contracts, and grants; and tested account balances and transactions for proper financial reporting.

The following is a highlight of the more significant findings included in our report. Please refer to the Recommendation Locator in the next section for the recommendations, responses, implementation dates, and location of the full text of the findings, recommendations, and agency responses for each agency.

Internal Controls

Agencies are responsible for ensuring that adequate controls are in place. As part of our audit we tested controls over the processing of and accounting for financial activity. We found:

- During Fiscal Year 2001 nine mechanisms were used to refund the Fiscal Year 2000 TABOR excess of $941.1 million. We reviewed over 200 income tax returns, covering seven of the nine TABOR refund mechanisms, and determined about $343,000 in credits were erroneously granted to taxpayers. We also found that some taxpayers were not receiving their personal property tax refunds. There were 3,100 outstanding personal property tax refund checks, totaling about $1.3 million. Many of the checks were issued over a year and a half before. The Department has not made sufficient efforts to locate these taxpayers given the amount of time the checks have been outstanding.

- During our review of certificates of deposit at the Oil and Gas Conservation Commission, we found that 26 certificates, totaling about $187,000, are held in non-PDPA-eligible depositories. The Oil and Gas Conservation Commission should ensure that all certificates of deposit are in compliance with statutory and other legal requirements.

- In Fiscal Year 2001 the Division of Wildlife canceled about 560 payments totaling $245,000. We reviewed 30 of these canceled payments and found that 13 were returned to the Division and subsequently reissued to limited license applicants. This occurred because the Division did not have adequate procedures to ensure license applicant information was correct. In addition, we found that 3 of the 30 payments were duplicate payments, explanations could not be provided for 2 canceled payments, and another payment voucher could not be located.

- The Department of Personnel and Administration is responsible for overseeing all major human resource programs and systems in the State. During a review of personnel files at five agencies we noted problems with unsigned leave forms, leave systems not being updated, unsupported leave

time, and mathematical errors. The Department should incorporate the review of leave controls and processes into its examinations of state human resource programs.

Financial Reporting

The State Controller's Office (SCO) minimizes the risk of inaccurate reporting by establishing standard policies and procedures. In addition, agencies are responsible for accurately reporting financial activity. As part of our audit we reviewed the policies and procedures that were in place at the SCO and agencies. In addition, we sampled financial transactions to ensure that financial activity was reported properly.

- Due to a lack of controls over federal receivables, the Department of Health Care Policy and Financing had to write-off almost $16 million in receivables. The Department could not determine the nature of the receivables, i.e., whether it was the result of reporting errors or of a failure to collect moneys owed.

- The Department of Human Services did not adhere to legally established spending limits. We found the Department charged about $78,000 in payouts of sick and annual leave to retiring staff against a prior year payable accrual rather than against a current year expenditure as required. This type of transaction circumvents controls over agencies' spending authority and, in some instances, can be used to hide overexpenditures.

- We found five agencies were not performing reconciliations of supporting documentation to the State's accounting system to ensure that errors were found and corrected in a timely manner. These reconciliations include fixed assets, Medicaid expenditures, Transportation Revenue Anticipation Notes, mined land reclamation deposits, cash receipts, and grant expenditures.

Federal Grants

The State received about $3.6 billion in federal grants in Fiscal Year 2001. As part of our testwork we determined compliance with federal regulations and grant requirements. The audit work included, among other requirements, testing of allowable activities, eligibility, and subrecipient monitoring.

Medicaid and Medicaid-Related Programs: The largest of the federal programs, Medicaid, is administered by the Department of Health Care Policy and Financing (HCPF). During Fiscal Year 2001 Medicaid expenditures exceeded $2 billion. Some of the more significant problems noted with the management of Medicaid funds were as follows:

- We reviewed grant requirements and transactions to determine whether the costs charged to the grant were allowable. We also reviewed controls over eligibility determination systems, oversight,

and training provided to counties on federal requirements. We sampled 127 Medicaid program expenditures. We found 51 were not in compliance with one or more of the allowable cost principles. These 51 expenditures totaled about $45,000 (federal share about $22,000). For example, 43 Electronic Data Interchange agreements were not available for review. In addition, 86 of the 127 expenditures contained errors related to lack of required license and registration documentation on file with the Medicaid fiscal agent. These totaled about $977,000 (federal share about $489,000).

- For the Home and Community Based Services (HCBS) program, we sampled 138 client records and identified 14 clients who should not have been approved for services. An additional 12 clients, who should not have been approved for services, were reported to us by staff at Single Entry Point (SEP) agencies. These 26 clients received about $275,000 in HCBS and Medicaid provided services. Additionally, we found that, of five SEPs reviewed, four were not subject to a financial compliance review as required by federal guidelines.

Cash Management: The Cash Management Improvement Act (CMIA) was established to regulate the transfer of federal funds between federal and state agencies. The Treasurer's Office is responsible for the coordination of CMIA for Colorado. In Fiscal Year 2001, 30 federal programs were covered by CMIA at seven different state agencies. These programs had expenditures in excess of $2 billion. We found problems related to cash management at two departments. For example, all 14 programs at Human Services covered under CMIA either did not draw funds timely or were overdrawn.

Student Financial Aid: Student loans amounted to about $229 million in Fiscal Year 2001. During our audit we found the following problems at various state schools:

- Lack of adequate supporting documentation. We noted required documentation, under both Perkins loan and Federal Family Education loan requirements, was not maintained within loan files. One institution’s files did not contain evidence of the required counseling session for new or exiting borrowers. This occurred in 3 of 30 files reviewed. At another institution we noted that 1 of 10 Perkins loan borrowers’ files did not contain a required signed addendum to the promissory note. Also, 4 of 10 borrowers, who had their loans deferred or canceled, did not have adequate documentation in the file supporting the reason for a deferment of loan payments.

- Perkins loan grace periods were not in accordance with federal regulations at one institution. The grace period should begin the day after a recipient withdrawals from school or reduces enrollment to less than half-time. We found the grace period for students did not begin until the month following the end of the semester in which the students' enrollment status changed.

Temporary Assistance for Needy Families (TANF), Donated Foods, and Vocational Rehabilitation: We also found problems with the administration of other federal funds at the Department of Human Services. These three programs represent over $246 million, or 13 percent, of the $1.8 billion expended by the Department. We noted the following areas where improvements could be made:

- Significant discrepancies in monthly inventories of commodities for the Donated Foods program exist. We noted two monthly reconciliations reported shortages and overages of commodities valued at $384,000 and $431,500, respectively. Program staff could not provide documentation as to how these discrepancies were resolved; therefore, we were unable to confirm that resolutions were handled appropriately.

- Subrecipient monitoring was lacking and inadequate. We found that TANF staff did not adequately monitor county activities during Fiscal Year 2001. We have identified this issue in prior year audits. Also, Vocational Rehabilitation program staff did not perform any on-site reviews as required.

Records Management

The State Archivist is responsible for the proper administration of public records. Additionally, agencies are required to appoint records liaison officers to aid in the oversight of records management processes at their agencies. We surveyed 22 state agencies and found six did not have records liaison officers, four agencies were not purging records on a regular basis, and none of the agencies were able to produce an inventory listing of records being stored. We also noted that Archives needs to improve access to information by establishing an electronic cataloging system.

Communication of Audit Related Matters

There were no significant or unusual matters reported in connection with the audit of the State of Colorado for the year ended June 30, 2001. Areas in which uncorrected misstatements were aggregated during the Fiscal Year 2001 audit were determined by management and the Office of the State Auditor to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The net effect of the uncorrected misstatements would have been to decrease the fund balances by about $2.4 million, decrease assets by about $200,000, increase liabilities by about $7.1 million, increase revenue by about $14.6 million, and increase expenditures by about $19.5 million. See Appendix B which shows the net and gross passed audit adjustments by agency and the net and gross posted audit adjustments by agency.

Recommendation Locator

The attached Recommendation Locator is arranged by department. In addition, Appendix A contains a Locator with additional columns added to provide the information necessary to meet Single Audit reporting requirements. The CFDA No./Compliance Requirement/Federal Entity column indicates the federal program, type of compliance requirement by letter, and applicable federal agency. The contact for the Corrective Action Plan designates the state agency contact person. For those findings not subject to the Single Audit Act, the CFDA No./Compliance Requirement/Federal Entity column will be marked not applicable.

Summary of Progress in Implementing Prior Year Recommendations

This report includes an assessment of the disposition of prior audit recommendations reported in both the Statewide Single Audit Reports and the Statewide Financial and Compliance Audit Reports for Fiscal Years 1996 through 2000. If a recommendation was reported in both reports, it has been only included once in the following table. Additionally, prior years' recommendations that were implemented in Fiscal Year 2000 are not included.

Statewide Single and Financial Audit Reports for Fiscal Year						
	Total	**2000**	**1999**	**1998**	**1997**	**1996**
Implemented	46	38	5	2	1	-
Partially Implemented	26	16	6	2	2	-
Not Implemented	7	5	1	-	-	1
Deferred	13	10	3	-	-	-
Total	**92**	**69**	**15**	**4**	**3**	**1**

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
1	28	The Department of Agriculture should complete a review of employee personnel files and reconfirm that withholding documentation is accurate and complete.	Agree	12/31/2001
2	32	The Department of Corrections should review the policy on communicating employee status changes with department supervisors.	Agree	1/1/2002
3	37	The Department of Health Care Policy and Financing should ensure all accounts receivable balances are reconciled on a periodic basis and all federal receivables not subsequently collected are resolved within one year.	Agree	6/30/2001
4	40	The Department of Health Care Policy and Financing and the Department of Human Services should work together to assign responsibilities for overall cost control over Medicaid funding for Department of Human Services programs.	Agree	12/31/2001
5	40	The Department of Health Care Policy and Financing and the Department of Human Services should operate within their fixed budgets when possible, and identify and request approval for unavoidable overexpenditures in a timely manner.	Agree	8/6/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
6	43	The Department of Health Care Policy and Financing and the Department of Human Services should improve coordination and communication to ensure that expenditures are appropriately and consistently charged and that expenditures are transferred timely.	Agree	12/31/2001
7	47	The Department of Health Care Policy and Financing and the Department of Human Services should institute a quarterly process for reviewing and reconciling Medicaid expenditures for Department of Human Services programs recorded at the Department of Health Care Policy and Financing.	Agree	1/31/2002
8	47	The Department of Human Services should improve management of Medicaid funds by (a) establishing monthly reconciliation processes within Medicaid-funded programs and (b) implementing an analytical review process over Medicaid activity.	Agree	1/31/2002
9	48	The Department of Human Services should follow generally accepted accounting principles related to accounts payable by (a) calculating appropriate year-end estimates and (b) reviewing expenditures charged to accounts payable after year-end.	Agree	8/6/2001
10	51	The Colorado Historical Society should ensure the Byers-Evans House submits cash register tapes with all revenue remittances.	Agree	12/31/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
11	56	The Department of Human Services should record expenditures within the proper appropriations and reverse unused accounts payable accruals.	Agree	7/1/2001
12	58	The Department of Human Services should improve controls over fixed assets by (a) completing quarterly reconciliations between fixed asset expenditures and additions to fixed assets and (b) correcting identified errors on COFRS prior to fiscal year-end.	Agree	3/31/2002
13	59	The Department of Human Services should ensure securities held as retainage for construction projects are recorded in COFRS accurately and in a timely manner.	Agree	12/30/2001
14	62	The Department of Labor and Employment should isolate and identify the indirect allocation charges for federal grants and perform a reconciliation to the State's financial reporting system periodically.	Agree	6/30/2002
15	64	The Department of Military Affairs should improve oversight of financial activity and ensure controls over accounting functions are adequate.	Partially Agree	Partially Implemented
16	68	The Department of Military Affairs should reduce delays in processing transactions.	Partially Agree	Partially Implemented

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
17	74	The Oil and Gas Conservation Commission should ensure that all certificates of deposit are in compliance with statutory and other legal requirements by (a) determining whether they are being held in eligible public depositories, (b) notifying operators of the need to move existing certificates of deposit, (c) enforcing the transfer of all certificates of deposit to eligible public depositories, and (d) working with the Attorney General's Office to determine who should be designated as the official custodian of the certificates of deposit.	Agree	7/1/2002
18	79	The Division of Wildlife should improve controls to reduce the number of cancelled payments by (a) ensuring applicant information is correct, (b) cross-checking between returned limited license refund checks and returning applicants, (c) following up on returned limited license refunds, (d) documenting the reason for a duplicate payment, and (e) documenting the reason for cancelling a warrant.	Agree	Parts a and c: Implemented Part b: 3/31/2003 Parts d and e: 2/1/2002
19	82	The Division of Minerals and Geology should perform a monthly reconciliation between internal databases and the State's accounting system for (a) mined land reclamation deposits and (b) cash receipts.	Agree	Part a: 2/8/2002 Part b: 2/20/2002

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
20	88	The Department of Personnel and Administration should monitor sick and annual leave on a statewide basis by (a) reviewing the adequacy of leave tracking systems and (b) establishing a project schedule and deadlines for implementing a statewide automated leave system.	Agree	Part a: 6/1/2002 and ongoing Part b: 6/30/2003
21	90	The Department of Personnel and Administration should ensure that (a) the payroll process duties are segregated and (b) all divisions receive and review their payroll expense reports, and payroll staff review and verify that each division confirms the accuracy of its monthly and biweekly payroll in a timely manner.	Agree	3/1/2002
22	91	The Department of Personnel and Administration, Executive Director's Office, should implement procedures to review Central Collections' supporting documentation prior to approval of payments.	Agree	3/1/2002
23	94	The State Controller's Office should assess ongoing problems identified during audits, and assist agencies in addressing and resolving high priority problems.	Agree	6/30/2002 and ongoing
24	97	The State Controller's Office should record write-offs of uncollectible accounts receivable as a current year expense in the year in which the determination is made, unless evidence exists that attributes the adjustment to a prior period.	Partially Agree	6/30/2002

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
25	98	The State Controller's Office should eliminate the prenotification requirement or reduce the time period to ensure initial EFT payments to vendors are made in a timely manner.	Agree	6/30/2002
26	102	The Department of Personnel and Administration, State Archives, should work with the General Assembly to establish standards for records management.	Agree	6/30/2003
27	103	State Archives should require the submission of inventory listings of records stored and storage space used from each agency.	Agree	6/30/2003
28	103	State Archives should improve communication regarding (a) records management policies and procedures, (b) purging and destroying records, and (c) maintenance and storage of records.	Agree	7/15/2002
29	104	State Archives should convert the current cataloging system from a paper to an electronic format.	Agree	6/30/2003
30	105	State Archives should ensure that training is available to all agencies by (a) taking steps to publicize the type and nature of training that is available and (b) conducting general training sessions for all agency records officers.	Agree	8/1/2002

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
31	107	The Department of Personnel and Administration, Central Services, should ensure that there is (a) proper segregation of duties and limited access to necessary functions by employees and (b) backups of application files and master data files are stored off-site in case of a disaster.	Agree	6/30/2001
32	113	The Department of Revenue should ensure that only eligible individuals claim and receive TABOR credits by (a) identifying and billing individuals that were ineligible, (b) ensuring that taxpayers are eligible for the credits taken, and (c) processing only complete returns, or evaluating methods of ensuring that accurate credits are claimed should the taxpayer fail to submit the required schedules.	Agree	12/31/2002
33	116	The Department of Revenue should resolve outstanding check issues to ensure that taxpayers receive their personal property tax refunds in a timely manner.	Agree	1/31/2002
34	118	The Department of Revenue should enhance personal property tax refund procedures by (a) ensuring all the information furnished by the counties will be entered correctly and encouraging counties to file the report electronically and (b) providing additional training and assistance to counties.	Agree	Implemented

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
35	121	The State Treasurer's Office should ensure that all custodial funds receive the proper amount of interest due by (a) identifying the custodial funds that should receive interest, (b) determining how much interest should have been paid to custodial funds for the past three fiscal years, and (c) determining the TABOR effect.	Agree	6/30/2002
36	128	The Department of Transportation should create a standard template to complete reconciliations of the Note proceeds bank accounts, and assign and train one individual to perform the reconciliations.	Agree	12/31/2001
37	129	The Department of Transportation should (a) ensure that leases are properly classified as operating or capital, (b) evaluate the completeness and accuracy of the operating lease summary, and (c) review the operating lease summary for accuracy at year-end.	Agree	6/30/2002
38	133	The Department of Health Care Policy and Financing should ensure payments are made only for allowable costs by (a) requiring current Electronic Data Interchange agreements for every provider, (b) establishing procedures to test providers' compliance with established requirements, (c) ensuring transportation payments are made only to authorized providers, and (d) establishing reviews of the Medicaid claims process.	Agree	Part a: 6/30/2005 Part b: 6/30/2002 Part c: 7/1/2002 Part d: 4/30/2002

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
39	135	The Department of Health Care Policy and Financing should ensure adequate controls are in place over automated systems for the Medicaid program by (a) performing and documenting the required biennial risk analysis for the Medicaid Management Information System (MMIS) and (b) implementing a regular, systematic, independent assessment of controls over MMIS.	Agree	Part a: 6/30/2002 Part b: 12/31/2002
40	138	The Department of Health Care Policy and Financing should strengthen controls over the eligibility process by (a) working with the Department of Human Services to ensure all county departments of social services are maintaining adequate files for Medicaid-eligible beneficiaries, (b) establishing control procedures to ensure claims are not paid for an individual who is ineligible for benefits, and (c) performing periodic random testing of eligibility claims.	Agree	Parts a and c: 8/31/2002 Part b: 12/31/2002
41	141	The Department of Health Care Policy and Financing should improve controls over provider eligibility by (a) requiring that the fiscal agent ensure each file includes documentation of a current provider agreement and applicable provider licenses and registrations, (b) ensuring expenditures are made only to eligible providers, and (c) formalizing a five-year strategic plan for provider reenrollment.	Agree	Part a: 6/30/2005 Part b: 8/31/2002 Part c: Implemented

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
42	142	The Department of Health Care Policy and Financing should improve documentation of program integrity cases by (a) ensuring all cases are handled consistently and timely and (b) requiring that case files contain all required supporting documentation and approvals.	Agree	Part a: Implemented Part b: 4/30/2001
43	144	The Department of Health Care Policy and Financing should require a periodic review of eligibility determination for the Children's Basic Health Plan to ensure proper enrollment.	Agree	6/30/2002
44	145	The Department of Health Care Policy and Financing should modify the Interagency Agreement with the Department of Human Services for single entry point (SEP) subrecipient monitoring by (a) conducting risk assessments for each SEP to evaluate the need for an on-site financial review and (b) requiring that all SEPs receive an on-site financial review within a reasonable period of time.	Agree	Part a: 7/1/2002 Part b: 7/1/2004 (pending legislative approval)
45	149	The Department of Health Care Policy and Financing should ensure claims processed through MMIS are accurate and allowable under the Medicaid program by (a) establishing performance measures for claims processing, (b) conducting regular claims audits, (c) reporting all errors and problems identified in the claims audit, and (d) ensuring corrective action plans are developed and implemented in a timely manner.	Agree	Part a: 6/30/2001 Parts b and c: 9/15/2001 Part d: 9/30/2001 and ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
46	152	The Department of Health Care Policy and Financing should ensure claims processed are accurate and allowable by requiring the fiscal agent to (a) expand quality assurance procedures for testing the accuracy of data entry on paper claims, (b) conduct regular audits of paid claims on a defined percentage of processed claims, and (c) increase oversight of edit resolution claim technicians and reassess production requirements to ensure suspended claims are appropriately resolved.	Agree	Parts a and b: 9/1/2001 Part c: 8/1/2001
47	154	The Department of Health Care Policy and Financing should establish the review of MMIS edits, edit dispositions, and edit resolution text as a high priority.	Agree	8/31/2001
48	156	The Department of Health Care Policy and Financing should develop and implement adequate controls over the provider database in MMIS by establishing formal policies, procedures, and time frames for (a) routine reenrollment of Medicaid providers, (b) deactivation of providers who have not submitted claims to the Medicaid program for specified lengths of time, and (c) periodic data matches on provider credential information with other state agencies that regulate Medicaid providers.	Agree	8/31/2001
49	158	The Department of Health Care Policy and Financing should establish routine communication on disciplinary actions taken by other state agencies that regulate Medicaid providers.	Agree	8/31/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
50	159	The Department of Health Care Policy and Financing should implement edits in MMIS to review laboratory claims for compliance with CLIA requirements in accordance with state Medicaid policy.	Agree	6/30/2001
51	169	The Department of Health Care Policy and Financing should work with the General Assembly to develop more appropriate service limits for HCBS and home health services.	Agree	10/1/2001
52	170	The Department of Health Care Policy and Financing should routinely monitor the overall costs of skilled and unskilled care for individuals in community settings.	Agree	10/1/2001
53	174	The Department of Health Care Policy and Financing should monitor the implementation of the home health rules.	Agree	Ongoing
54	177	The Department of Health Care Policy and Financing should increase the value added by its Program Integrity Unit.	Agree	7/1/2002
55	181	The Department of Health Care Policy and Financing should work with the State's Fiscal Agent to implement additional system edits and controls. Further, the Department should perform ongoing reviews of the edits in place.	Agree	8/1/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
56	183	The Department of Health Care Policy and Financing should evaluate the costs and benefits of combining assessment and eligibility determination, and establish an independent review of these processes.	Agree	3/1/2002
57	185	The Department of Health Care Policy and Financing should include enforcement actions in the SEP contracts.	Agree	6/30/2002
58	189	The University of Colorado at Boulder should ensure that review of audit reports of subrecipient monitoring activity addresses proper review and resolution of findings noted in the reports.	Agree	12/31/2001
59	192	The University of Southern Colorado should (a) ensure the promissory notes addendum is provided to students and included in their files, (b) ensure timely contact with borrowers during grace periods, (c) obtain adequate documentation from students for loan deferments or cancelled loans, (d) ensure contact with borrowers in default is performed as required, (e) conduct exit counseling with borrowers, (f) ensure those responsible for the federal Perkins Loan Program are properly trained, and (g) consider outsourcing the federal Perkins loan database administration and collection functions.	Agree	Part a: Implemented Parts b, c, d, e, f: 6/30/2002 Part g: 1/31/2002

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
60	194	The University of Southern Colorado should implement procedures to ensure that returns of Title IV funds are calculated accurately for all students, and returned to Title IV programs on a timely basis.	Agree	12/31/2001
61	196	The University of Northern Colorado should change the beginning of the grace period for Perkins loan borrowers who withdraw from the University or drop to less than half-time enrollment.	Agree	10/1/2001
62	198	The Colorado School of Mines should ensure subrecipient files are properly maintained, and provide documentation for the subrecipient monitoring that has occurred.	Agree	12/31/2001
63	198	The Colorado School of Mines should ensure counseling sessions are performed and documented.	Agree	1/31/2002
64	204	The Department of Human Services should develop a formalized process for on-site monitoring of county activities for the TANF program to ensure that federal and state requirements are met, including a time frame for conducting county reviews and specific steps for performing follow-up.	Agree	4/1/2002 and ongoing

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
65	205	The Department of Human Services should ensure adequate controls over fraud and abuse in the TANF program by counties by (a) requiring counties to submit standards and procedures, (b) reviewing these standards and procedures for compliance to the State Plan, (c) developing a formal process that includes a monitoring schedule for reviews of county fraud procedures and cases, and (d) following up on problems identified during county reviews.	Agree	Part a: 4/15/2002 Part b: 6/15/2002 Part c: 6/15/2002 and ongoing Part d: 5/15/2002 and ongoing
66	209	The Department of Human Services should ensure federal funds are drawn down in a timely manner for all federal programs.	Agree	3/31/2002
67	212	The Department of Human Services should improve inventory controls for the Food Distribution Program by (a) resolving identified discrepancies and (b) developing formal procedures for tracking commodities.	Agree	11/1/2001
68	213	The Department of Human Services should segregate duties within the Food Distribution Program.	Agree	11/1/2001
69	215	The Department of Human Services should improve controls over the Vocational Rehabilitation program to ensure compliance with federal and state regulations by (a) reinstating on-site quality assurance reviews and (b) documenting supervisory review procedures.	Agree	7/1/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
70	217	The Department of Human Services should strengthen fiscal controls and accounting procedures over reporting for the Vocational Rehabilitation Program by (a) maintaining adequate documentation, (b) reviewing reports prior to submission, and (c) documenting procedures for preparation of the reports.	Agree	3/31/2002
71	220	The Department of Human Services should (a) develop and/or formalize policies and procedures for all CFMS functional areas, (b) perform a comprehensive review of existing policies and procedures, (c) perform periodic review of policies and procedures, and (d) establish a process to monitor compliance with policies and procedures.	Agree	12/31/2000
72	223	The Department of Human Services should require DynCorp to review the current database access structure for appropriate segregation of duties. The Department should establish procedures that require appropriate authorization of logical access and change database passwords periodically.	Agree	12/31/2000
73	225	The Department of Human Services should modify the agreement with DynCorp to include responsibility for application change management.	Agree	12/31/2000

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
74	225	The Department of Human Services should require DynCorp to strengthen adherence to application change management policies and procedures.	Agree	12/31/2000
75	226	The Department of Human Services should develop, formalize, and monitor policies and procedures related to database administration.	Agree	6/30/2001
76	227	The Department of Human Services should designate a UNIX administrator.	Agree	9/1/2000
77	228	The Department of Human Services should consider utilization of database audit functionality.	Agree	10/31/2000
78	230	The Department of Human Services should (a) strengthen adherence to application user access setup policies, (b) eliminate all generic user IDs with published passwords, and (c) review user access periodically.	Agree	12/31/2000
79	232	The Department of Human Services should review positions and responsibilities to ensure all critical duties are performed in a timely manner while maintaining an appropriate segregation of duties.	Agree	9/30/2000

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
80	235	The Department of Human Services should work with the Department of Health Care Policy and Financing to identify the most cost-effective methods for having financial compliance reviews completed more frequently.	Agree	Ongoing
81	240	The Department of Labor and Employment should improve coordination efforts between Welfare-to-Work, Temporary Assistance to Needy Families, and other employment programs in the State.	Agree	12/31/2001
82	244	The Department of Labor and Employment should identify and implement solutions to ensure timely delivery of payroll documents to Welfare-to-Work clients.	Partially Agree	12/31/2001
83	250	The Department of Labor and Employment should improve how the State's Welfare-to-Work programs are monitored.	Agree	10/31/2001
84	253	The Department of Labor and Employment should ensure that workforce regions maintain complete and accurate records on Welfare-to-Work clients.	Agree	12/31/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
85	262	The Department of Public Health and Environment, Health Facilities Division, should improve the home health and HCBS survey process by (a) requiring supervisors to review survey documents, (b) ensuring that surveyor performance evaluations include performance measures, and (c) improving record-keeping.	Agree	Parts a and b: Implemented Part c: 12/31/2001
86	265	The Health Facilities Division should ensure that providers are surveyed timely and efficiently by (a) adding a cycle to the survey scheduling and tracking database, (b) requiring surveyors to document reasons for assigning survey cycles, (c) performing regular reviews of assigned cycles for appropriateness, and (d) resurveying new HCBS providers after the providers admit clients.	Agree	Part a: 12/31/2001 Parts b and c: Implemented Part d: 10/31/2001
87	267	The Health Facilities Division should ensure that adequate documentation is maintained when changes are made to providers' deficiency lists.	Agree	12/31/2001
88	268	The Health Facilities Division should work with the federal Health Care Financing Administration to clarify whether scope and severity coding is appropriate for home health deficiencies.	Agree	10/31/2001
89	272	The Treasurer's Office should comply with CMIA regulations by maintaining proper documentation to support the State's direct cost claim.	Agree	12/31/2001

RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	Agency Response	Implementation Date
90	274	The Department of Transportation should require field engineers to provide written communication of the number of interviews performed, as well as anticipated future interviews.	Agree	6/30/2002
91	275	The Department of Transportation should monitor and review entries to the pay system and payments made to contractors.	Agree	12/31/2001

Department of Agriculture

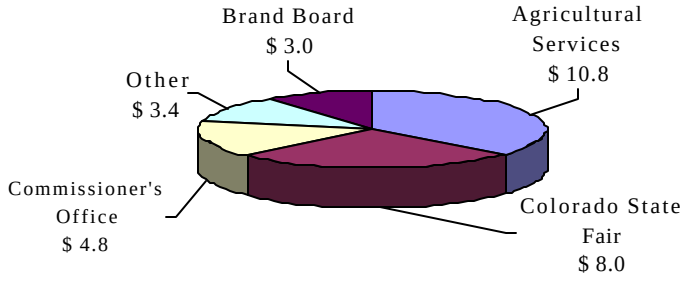
Introduction

The Department of Agriculture is responsible for regulating, promoting, and supporting agricultural activities throughout Colorado. The Department performs services including policy formulation, data collection, program inspection, consumer information, and regulation of the State's agricultural industries. In addition, it manages the State Fair, whose audit is discussed in a separate report. The Department of Agriculture includes the following divisions:

- Commissioner's Office and Administrative Services
- Agricultural Services Division
- Agricultural Markets Division
- Brand Board
- Special Purpose
- Colorado State Fair
- Soil Conservation Board

The Department of Agriculture was appropriated $30 million and 294 full-time equivalent staff (FTE) for Fiscal Year 2001. Approximately 34 percent of the funding is from general funds, 63 percent is from cash funds, and 3 percent is from federal funds.

Department of Agriculture
Fiscal Year 2001 Appropriations
by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2002 Appropriations Report.

Ensure Review of Payroll Information

In Fiscal Year 2000 we recommended that the Department improve its review of employee personnel files and verify that withholding documentation is accurate and complete. The Department said it would require withholding information to be completed properly and to follow up on uncompleted forms. However, we found that this has not been done.

During our Fiscal Year 2001 audit, we reviewed a sample of 25 personnel files and found the following continuing problems with incomplete or missing information.

- Three instances where the marital status and/or the number of personal allowances to be taken on the W-4 (tax withholding) form did not agree with the information on the Colorado Payroll Personnel System. In two instances too much tax was being withheld and in another instance not enough tax was being withheld.

- Three W-4s were not properly completed. The marital status and/or the number of allowances were not completed for these three W-4s. However, the Department entered tax withholding information into the Colorado Payroll Personnel System for these W-4s.

These W-4s were completed prior to Calendar Year 1999. The Department is not adequately reviewing information contained in employee personnel files. This could adversely affect employees and/or the Department. If taxes are withheld at a different rate than indicated on the W-4, the employee may be paid the incorrect amount and may unexpectedly owe taxes.

Recommendation No. 1:

The Department of Agriculture should complete a review of employee personnel files and reconfirm that withholding documentation is accurate and complete.

Department of Agriculture Response:

Agree. The Department of Agriculture Payroll office sent new W-4 forms to every employee to be properly updated, completed, and returned to the payroll office. New W-4 information was reviewed and entered into the Payroll

Personnel System. New W-4s were filed into each employee's personnel file in the Human Resources office.

Implemented December 2001.

Department of Corrections

Introduction

The Department of Corrections manages the State's adult correctional facilities and the adult parole system. The Department also operates the Prison Canteens and the Division of Correctional Industries. The Canteens provide various personal items for purchase by inmates, including toiletries, snack foods, and phone services. Correctional Industries operates furniture manufacturing facilities, computer manufacturing facilities, a leather products shop, a metal fabrication shop, a print shop, various farming and ranching facilities, Colorado State forms production and distribution facilities, an automotive service station, and the State's license plate manufacturing facility. It also manages the State's surplus property.

The Department's Fiscal Year 2001 operating budget was approximately $482 million with 5,120 full-time equivalent staff (FTE). Administrative offices for the Department are located in Cañon City and Colorado Springs. Correctional facilities are located throughout the State and include Buena Vista, Cañon City, Denver, Pueblo, Limon, Ordway, Delta, Rifle, Golden, and Sterling.

The following comment was prepared by the public accounting firm of BKD, LLP, who performed audit work at the Department of Corrections.

Improve Communication of Employee Status Changes Between Department Supervisors and the Payroll Department

During Fiscal Year 2001 the Department issued 66,208 paychecks for a total payroll of $239,087,980. As part of that total, 225 manual checks were issued in the amount of $343,147. Because of its large number of employees and associated payroll, the Department's payroll process is highly automated. Therefore, the communication of employee status changes from decentralized department supervisors is a critical factor in the centralized Payroll Department's ability to operate efficiently and effectively.

Department policy states that the department supervisors must notify the Payroll Department of employee status changes, such as a leave of absence, termination, or reinstatement, in a timely manner. The policy allows the Payroll Department to make changes to the employee's payroll records in the automated system to ensure that the employee is properly paid or not paid. If the Payroll Department is not notified of an employee status change, the employee could incorrectly receive a paycheck or the Payroll Department may have to issue the employee a manual check.

During our review of the Department's payroll procedures, we tested 28 individual paychecks, of which 3 were manual checks. For one paycheck selected for testing, we noted that the employee voluntarily terminated employment in November 2000, but the Payroll Department was not notified of the status change until December 2000. As a result, the employee was issued a manual check for $3,273 in December. The employee subsequently returned the amount to the Department in March 2001.

The Department also prepares a monthly employee paycheck variance analysis as part of its internal controls related to payroll. The purpose of the analysis is to investigate changes in employee paycheck amounts from one month to the next and to detail the amount of the change and the reason for the variance. Use of the analysis allows the Department to identify errors in payroll processing and to test the reasonableness of monthly payroll expense.

As part of our testing, we selected 39 variances from February to March 2001 and reviewed the explanation of the variance for reasonableness. For one variance selected for testing, we noted the employee returned from medical leave in early March 2001, but the Payroll Department was not notified of the status change until after the March 2001 automated payroll was processed late in the month. As a result, the employee was issued a manual check for the amount of $3,947.

Recommendation No. 2:

The Department of Corrections should review its policy on the communication of employee status changes with department supervisors to ensure that the communication is completed in a timely manner.

Department of Corrections Response:

Agree. The Department of Corrections has an Administrative Regulation (AR 1450-08) that provides the policy that Appointing Authorities and individuals are

to comply with for processing voluntary and involuntary terminations from employment. The supervisor and Appointing Authority are required to complete a form for voluntary resignations and submit it to the Personnel Office. In the case of a dismissal, the Appointing Authority is to immediately notify Human Resources and Payroll prior to taking action.

Employees that return to work from illness or injury are to be reported by their supervisor or Appointing Authority to the Human Resources Office or Personnel Liaison. The Department provides training to supervisors and Appointing Authorities regarding Personnel rules and policies. The Department will increase its training effort with supervisors and Appointing Authorities regarding the importance of communicating status changes with the Payroll and Human Resources Offices.

Department of Health Care Policy and Financing

Introduction

The Department of Health Care Policy and Financing (HCPF) is the state agency responsible for developing financing plans and policy for publicly funded health care programs. The principal programs administered by HCPF include the Medicaid program, which provides health services to eligible needy persons, and the Children's Basic Health Plan (CBHP), which furnishes subsidized health insurance for children 18 years or younger in low-income families not eligible for Medicaid. The Medicaid grant is the largest federal program administered by the State and is funded approximately equally by federal funds and state general funds. CBHP was implemented in Fiscal Year 1998, and it serves as the State's version of the federal Children's Health Insurance Program. CBHP is funded by approximately two-thirds federal funds and one-third state funds. It is marketed as Child Health Plan Plus, or CHP+. During Fiscal Year 2001 the Department expended in total about $2.3 billion and had 172 full-time equivalent (FTE) staff. In Fiscal Year 2000, HCPF expended $2.09 billion and had 162 FTE.

The public accounting firm of BKD, LLP, performed the audit work at HCPF as of and for the fiscal year ending June 30, 2001. During its audit, BKD reviewed and tested HCPF's internal controls over financial reporting and federal programs. Also included was testing of the compliance with certain state and federal laws and regulations as required by generally accepted auditing standards, Governmental Auditing Standards, and U.S. Office of Management and Budget (OMB) Circular A-133.

Reconcile Accounts Receivable

Currently, under the Medicaid program, the Department expends in excess of $1 billion each in state general funds and in federal funds every year. Each time the Department records a qualifying expenditure for Medicaid, the State's accounting system automatically records a receivable from the federal government for the appropriate share of federal matching funds. In addition, at the end of each fiscal year, the Department records an estimate for Medicaid expenditures incurred but not submitted for payment prior to year-end. Each state agency is responsible for establishing adequate controls to ensure that all account balances reported on the State's financial system are accurate and complete. In

terms of accounts receivable balances, agencies are responsible for ensuring that all receivables are valid and reflect actual amounts owed to and collectible by the State. Further, agencies must ensure that amounts owed to the State are collected in a timely manner, and they must monitor year-end accruals to ensure appropriate adjustments are made for accruals that are over- or underestimated.

In Fiscal Year 1996 our audit report included a recommendation to the Department that the management of accounts receivable needed to be improved. Specifically, HCPF needed to complete timely reconciliations of these accounts and automate aspects of the reconciliation process. Subsequent audit reports noted that the Department had made some improvements in managing accounts receivable; however, this recommendation was not assessed as fully implemented because HCPF had not established timely and complete reconciliation procedures for its largest receivable—the federal receivable under the Medicaid program.

In Fiscal Year 2001 we found that the Department had established adequate procedures to reconcile the federal receivable account for Fiscal Years 1999, 2000, and 2001. In the process of performing these reconciliations, the Department concluded that there was approximately $15.9 million still on the State's financial records as part of the federal receivable under Medicaid that had been recorded prior to Fiscal Year 1999 but which had not been collected. Additionally, although HCPF staff performed analysis of accounting records from prior years, they were unable to identify the entries—either actual expenditures, year-end accruals based on estimates, or some combination—that created the various amounts giving rise to the $15.9 million. In any case, all amounts comprising the $15.9 million are in excess of two years old. Therefore, they are not collectible from the federal government, because they exceed the two-year limit under federal Medicaid regulations for submitting expenditures and receiving federal matching funds. As a result, the State was required under generally accepted accounting principles to write off the $15.9 million overstatement in accounts receivable on the Fiscal Year 2001 financial statements.

The occurrence of such a substantial write-off for an amount previously reported as a valid receivable is a reflection of the Department's lack of adequate controls in prior years. This instance also underscores the critical importance of establishing systematic controls over receivables, including regular monitoring and periodic, routine reconciliation of all accounts receivable balances. This is especially important for the Medicaid program due to the large volume of expenditures.

Recommendation No. 3:

The Department of Health Care Policy and Financing should ensure all accounts receivable balances are routinely reconciled on a periodic basis to expenditures and collections by grant period and by individual grant. Further, the Department should review its practices for determining the validity of federal accounts receivable, and all federal receivables not subsequently collected should be resolved within one year.

Department of Health Care Policy and Financing Response:

Agree. As noted by the auditors, the Department has already designed and implemented adequate accounting procedures to ensure the full reconciliation of all accounts receivable balances and is ensuring the validity of the balances recorded on a timely basis. It is through these procedures that the Department discovered the $15.9 million error. The Department conducted extensive research to determine the cause. While the actual cause was never determined, the Department was able to prove that the balance was recorded in error and did not represent a true receivable from the federal government. In addition, the Department is fully satisfied that the error is at least three years old and that it likely predates the formation of the Department in July of 1994. The Department believes that the most likely cause of the error is accounting practices that overstated federal receivables during a time when the federal match rate for the Medicaid program was declining each federal fiscal year, which begins on October 1 of each calendar year. The Department has requested that the State Controller's Office adjust the State's beginning fund balance in State Fiscal Year 2001 to correct this accounting error.

Auditor's Addendum:

With regard to the Department's statement that the $15.9 million was recorded in error and did not represent a true receivable, it is equally likely that the amount was originally a valid receivable and was not collected in a timely manner. Because the Department was unable to identify the specific grant period(s) and entries related to the $15.9 million, we are unable to determine whether this is simply a bookkeeping error or a failure to collect monies owed to the State.

Medicaid Funds Expended for Department of Human Services Programs

In January 2001 the Joint Budget Committee (JBC) reviewed a supplemental budget request from the Department of Human Services to address Medicaid overexpenditures totaling approximately $10.6 million in Fiscal Years 2000 and 1999. In the course of reviewing the request, the JBC became concerned about the management and control of Medicaid funds that are used for Department of Human Services programs. This audit reviews the overexpenditure and the controls that the Departments of Human Services and Health Care Policy and Financing have established to ensure that expenditures are recorded and reported accurately.

The Department of Human Services (DHS) provides medical and mental health services to Medicaid-eligible individuals. Some of the services provided and individuals served are, among others:

- Mental health services for the mentally ill.
- Medical and health-related services for developmentally disabled individuals.
- Medical and mental health services for needy children who are served through Child Placement Agencies.

The Department of Human Services manages the mental health and medical services programs above. The Department of Health Care Policy and Financing (HCPF) administers the Medicaid program in Colorado. For Human Services programs, the Department of Health Care Policy and Financing makes Medicaid payments to providers directly, as reimbursement to Human Services for Medicaid-eligible expenditures, and as a pass-through of Medicaid funds through DHS to Colorado counties.

During Fiscal Year 2001 the Office of the State Auditor conducted a financial review of an overexpenditure of Medicaid funds at Human Services. The comments below were contained in the *Department of Human Services, Overexpenditure of Medicaid Funds Financial Review*, Report No. 1400, dated May 2001. The financial review contains comments directed at the Departments of Health Care Policy and Financing and Human Services; most of the comments are joint recommendations. The Department of Health Care Policy and Financing is the state agency that administers the Medicaid program. Therefore, for the purpose of this report, all six comments are listed collectively within this chapter located on the next ten pages.

Responsibilities Need to Be Clarified

During our review it became apparent that there is little accountability for expenditures of Medicaid funds related to mental health services and health-related services for, among others, developmentally disabled individuals and children in foster homes. We found little evidence that accounts had been reviewed, amounts reconciled, and expenditure trends evaluated. For example:

- Because Department of Human Services staff did not adequately review Medicaid expenditures, staff did not determine until November 2000 that over $3 million of Fiscal Year 1999 Medicaid activity was coded against the Fiscal Year 2000 appropriation. This contributed to the $10.6 million overexpenditure. The Departments, therefore, did not adhere to State Fiscal Rules requiring them to identify the overexpenditure timely and notify the State Controller's Office of the overexpenditure.

- Health Care Policy and Financing staff do not routinely review activity posted to their Medicaid transfer appropriation. Staff indicate they are only recording expenditures resulting from Human Services program activity, so they do not have the knowledge to determine if transactions posted to the appropriation are appropriate.

Currently the Department of Health Care Policy and Financing pays the bills, ensuring that expenditures are proper and eligible for federal Medicaid reimbursement. The Department of Human Services sees its role as administering various Medicaid-funded programs, such as mental health capitation and services for developmentally disabled individuals. It is evident that neither Department has assumed responsibility for managing and controlling costs for Medicaid-funded programs. Neither Department has reviewed expenditure trends or analyzed data to identify coding problems or possible overexpenditures. The $10.6 million overexpenditure resulted in part from this lack of accountability.

Lack of accountability is of great concern. The State spent over $466 million in general, federal Medicaid, and cash funds on these programs in Fiscal Year 2000. The State needs accurate information on expenditures in order to forecast budgets, develop rates, and control costs. Also, statutes clearly state that agencies are not to expend funds without legal authorization and outline specific steps to be taken to obtain approval from the State Controller and Governor for such expenditures. We believe that the Departments must work together to ensure that expenditures for Human Services Medicaid-funded programs are appropriately managed and that the two Departments are in compliance with budgetary and statutory requirements.

Recommendation No. 4:

The Department of Human Services and the Department of Health Care Policy and Financing should work together to assign responsibilities for overall cost control over Medicaid funding for Department of Human Services programs.

Department of Human Services Response:

Agree. The Colorado Department of Human Services recognizes and concurs with the need for increased accountability over Medicaid funding for programs administered by the Department. On April 24, 2001, the two Departments met to begin the process of assigning duties and responsibilities to achieve accountability. We anticipate an implementation date of December 31, 2001.

Department of Health Care Policy and Financing Response:

Agree. The Department of Health Care Policy and Financing is firmly committed to working with the Department of Human Services to ensure that all responsibilities for Medicaid-funded programs are clearly and completely delineated between the two departments. On February 1, 2001, in an email from the Department of Health Care Policy and Financing's Acting Executive Director, the Department of Health Care Policy and Financing asserted its intention to build quarterly reconciliation and monitoring protocols, and to build and implement fiscal closeout procedures. The new Long Bill format for Fiscal Year 2002 should assist us in this effort. We plan to have an implementation date of December 31, 2001.

Recommendation No. 5:

The Department of Human Services and the Department of Health Care Policy and Financing should follow State Fiscal Rules and statutes concerning expenditures by operating within their fixed budgets when possible, and identifying and requesting approval for all unavoidable overexpenditures in a timely manner.

Department of Human Services Response:

Agree. DHS will follow State Fiscal Rules and statutes concerning expenditures by operating within fixed budgets, when possible, considering the nature of the entitlement program, and requesting approval for unavoidable overexpenditures in a timely manner. This process will occur in tandem with the Department of Health Care Policy and Financing's analysis of information relevant to expenditures, projections, and budget supplemental requests. This recommendation will be implemented for the close of State Fiscal Year 2001 at June 30, 2001, by August 6, 2001.

Department of Health Care Policy and Financing Response:

Agree. The Department of Health Care Policy and Financing will ensure that it complies with State Fiscal Rules and report any overexpenditure to the State Controller in a timely manner. This recommendation will be implemented for the close of State Fiscal Year 2001 at June 30, 2001, by August 6, 2001.

Coordination and Communication Need to Be Improved

We found that there is a lack of coordination and communication between the two Departments with respect to the management of Medicaid funds for Department of Human Services programs. Specifically, staff are not coordinating efforts or communicating essential information related to expenditures charged to the appropriation to ensure that the Medicaid expenditures are appropriate. As a result, problems exist. Two examples are summarized below:

Mental Health Capitation Fee-for-Service Costs

The Department of Health Care Policy and Financing staff did not consistently record expenditures for mental health services provided on a fee-for-service basis. We found that staff charged about $2.6 million in estimated fee-for-service expenditures to the Medicaid capitation organizational code within the Medicaid transfer appropriation in July 2000. However, Fiscal Year 1999 fee-for-service expenditures were charged to the Department of Health Care Policy and Financing and were never transferred to Human Services. In addition, the Fiscal Year 2000 fee-for-service expenditures were charged to Human Services in one lump sum at the end of the fiscal year. The Department of Health Care

Policy and Financing staff indicated that they were unable to determine the amount of the costs that should be transferred to Human Services for Fiscal Year 1999 due to the change in Medicaid fiscal agents and the implementation of the new Medicaid Management Information System (MMIS) in December 1998. We also noted that because of a total breakdown in communication between and within the departments, Human Services program and accounting staff were not notified of the Fiscal Year 2000 fee-for-service charge. Human Services staff indicated that they did not budget for these costs because Health Care Policy and Financing staff had not charged the costs to the appropriation in the past. In part as a result of these costs, the mental health capitation portion of the appropriation was overexpended.

Accounts Payable Accrual

Once the Fiscal Year 1999 accounts payable accrual for the Medicaid cash exempt funds was exhausted, Health Care Policy and Financing staff changed the interface between the Medicaid Management Information System (MMIS) and COFRS (the State's accounting system) to shift $3.2 million of remaining Fiscal Year 1999 expenditures to the Fiscal Year 2000 appropriation. Health Care Policy and Financing staff did not differentiate these expenditures in COFRS from other Fiscal Year 2000 expenditures so that they could be properly reclassified as prior year activity.

Properly differentiating expenditures is important for both budgeting and rate-setting purposes. Erroneous baseline data will result in forecasting errors and may result in subsequent year overexpenditures. As noted, the $3.2 million of Fiscal Year 1999 activity coded to Fiscal Year 2000 resulted in a Fiscal Year 2000 overexpenditure. In addition, generally accepted accounting principles require expenditures to be coded to the year in which they were incurred. We noted that, again, due to a breakdown in communication between and within the departments, Human Services program and accounting staff were not notified of the switch to add prior year expenditures to the Fiscal Year 2000 appropriation.

Health Care Policy and Financing staff indicated that, beginning in Fiscal Year 2001, they have implemented account coding changes so prior year activity charged to the current year appropriation is differentiated from current year activity. However, staff from both Departments indicate that they have not established policies for charging costs to the Medicaid transfer appropriation or agreed on procedures to be followed when accounts payable accruals are exhausted and prior year activity remains. The two Departments need to work together to establish protocols such as instituting quarterly transfers of expenditures and documenting policies and procedures for charging expenditures so that problems can be avoided in the future.

Recommendation No. 6:

The Department of Human Services and the Department of Health Care Policy and Financing should work together to improve coordination and communication relating to expenditures for Department of Human Services Medicaid-funded programs to ensure that expenditures are appropriately and consistently charged and that expenditures are transferred timely. This should include establishing and documenting policies and procedures for charging Medicaid expenditures for Department of Human Services programs.

Department of Human Services Response:

Agree. It is recognized that development and documentation of policies and procedures for charging Medicaid expenditures for Department of Human Services programs will assist in the coordination and communication relating to expenditures for Medicaid-funded programs within DHS. DHS will cooperate with DHCPF to ensure formal communication occurs regularly, timely, and accurately to the appropriate Department personnel. DHS will initiate this recommendation in Fiscal Year 2002, with outlines available by December 31, 2001.

Department of Health Care Policy and Financing Response:

Agree. We will fully cooperate with DHS staff to ensure that all expenditures are properly charged in a manner that allows them to monitor the cost of their programs. We have always informally notified Human Services staff of the status of their payable accounts; we will ensure that all interaction is formal and in writing in the future. We will also work with DHS staff to ensure they have the tools that they need to perform detailed monitoring of expenditures and activity. Implementation of this recommendation is scheduled for December 31, 2001.

Comprehensive Reconciliation and Review Procedures Are Needed

We found that neither the Department of Human Services nor the Department of Health Care Policy and Financing is performing critical reconciliations. For example, we found that Human Services Health and Rehabilitation staff do not reconcile all amounts charged to the Health Care Policy and Financing capitation organizational code to supporting documentation to determine that expenditures are appropriate or to anticipate and identify overexpenditures. While Health and Rehabilitation staff reconcile Medicaid Management Information System (MMIS) and COFRS information for Mental Health Assessment and Service Agency (MHASA) payments on a monthly basis, no one reconciles other activity posted to the capitation organizational code to supporting documentation. We also found that mental health institute staff did not analyze about $250,000 of the overexpenditure attributed to their program.

This lack of review is problematic in part because errors may not be detected or detected timely. We found several coding errors that were not detected timely by staff within either department. Specifically:

- Nearly $116,000 in provider payments were erroneously charged to the mental health institute organizational code by the Department of Health Care Policy and Financing in Fiscal Year 2000. About $30,000 of the payments was attributed to Fiscal Year 1999 activity. Department of Human Services staff did not identify the error until January 2001 when they were analyzing the overexpenditure. No entry was made to reclassify the expenditures to the proper organizational code because neither department reviewed the provider payments to determine where they should have been charged.

- Health Care Policy and Financing staff erroneously charged all mental health institute Medicaid activity to a nontransfer appropriation during the first six months of Fiscal Year 2000. They did not identify the error and correct the problem until January 2000. Human Services staff did not realize this error had occurred until they were reviewing Fiscal Year 2000 activity in January 2001.

- The $2.6 million in estimated fee-for-service costs charged to the transfer appropriation for Fiscal Year 2000 was $690,000, or 36 percent, higher than actual fee-for-service costs, due in part to a Health Care Policy and Financing staff compilation error. Staff determined only after receiving an inquiry from DHS staff in January 2001 that an error existed in the methodology used for the calculation.

We also found that Human Services staff did not determine until the end of Calendar Year 2000 that they did not make appropriate expenditure and accounts payable estimates at the end of Fiscal Year 1999 for all Medicaid-funded programs, or provide the information to Health Care Policy and Financing staff. Prior to Fiscal Year 2001, Health Care Policy and Financing staff coded all Human Services Medicaid expenditures to one accounts payable account. As a result, Medicaid payments made in Fiscal Year 2000 for Fiscal Year 1999 activity for some Human Services programs were coded against accounts payable accruals established for other programs. This caused some programs to appear to be overexpended for Fiscal Year 2000 when they may not have been.

When analyzing information related to the overexpenditure, Human Services staff also found additional errors within the following program areas that had not been identified previously:

Child Welfare/Child Placement Agencies

The $2.5 million overexpenditure attributed to Child Welfare/Child Placement Agencies was due to two Human Services staff errors concerning the Child Placement Agency transfer program. Although this program is intended to have no General Fund impact, since it only involves a transfer of general funds, the two errors resulted in a $1.26 million General Fund overexpenditure for the program.

County Administration

The federal portion of the County Administration share of the appropriation was overstated by $994,360 due to a booking error made by Health Care Policy and Financing staff. The error occurred when staff were booking General Fund transfers from Human Services to Health Care Policy and Financing at the end of the fiscal year, as authorized by statute. Due to an offsetting $17,393 County Administration overexpenditure, the net underexpenditure equaled $976,967.

Children, Youth, and Families

The $101,000 overexpenditure of the Children, Youth, and Families portion of the appropriation was due to House Bill 99-1116 expenditures that were erroneously charged to the Medicaid transfer appropriation. This bill established a program to provide mental health services for children who are not categorically eligible for Medicaid. Prior to Fiscal Year 2002 no amount was included in the Medicaid transfer appropriation for this program.

The Departments Need to Monitor Expenditures and Establish Procedures Over Medicaid Appropriations

The lack of review over Medicaid expenditures for Human Services programs is troubling for several reasons. First, Medicaid expenditure errors have serious budget implications for the State due to TABOR limits because Medicaid has a great impact on the demand for general funds. Specifically, the Medicaid program requires a 50 percent General Fund match.

In addition, the State lacks accurate information for rate-setting in the mental health managed care program. Since the Department of Human Services does not have a comprehensive review process over the expenditures charged to the mental health capitation system, it cannot be sure that rates are appropriate.

Finally, Department of Human Services staff lack necessary information to determine which programs are overexpending their portion of the appropriation. This is important because while some of the programs are entitlement programs and, therefore, may under- or overexpend their appropriation, other programs are expected to fully operate within their budgets.

It is, therefore, essential for both Departments to implement stronger controls. This should include establishing ongoing, comprehensive reconciliation processes between the two Departments and within the Department of Human Services programs. This will assist department staff with identifying errors and potential overexpenditures. Department of Human Services staff should also implement an analytical review process over Medicaid cash exempt expenditures so that they can identify areas where costs may be contained. Finally, Human Services staff must also ensure that, in future years, they appropriately estimate and accrue accounts payable as required by State Fiscal Rules and generally accepted accounting principles.

By making these improvements, the Departments can help ensure that Medicaid expenditures for Human Services programs are appropriate, Human Services has accurate information for budgetary and planning purposes, and the State's financial statements appropriately reflect the amount and nature of financial transactions and balances.

Recommendation No. 7:

The Department of Human Services and the Department of Health Care Policy and Financing should institute a formal, quarterly process for reviewing and reconciling Medicaid expenditures for Department of Human Services programs recorded at the Department of Health Care Policy and Financing. This reconciliation should be documented and approved by the Departments' controllers.

Department of Human Services Response:

Agree. DHS will institute a quarterly reconciliation process that will be documented and approved by the Departments' controllers. Implementation of this recommendation is scheduled for close of period 6 of State Fiscal Year 2002 at December 31, 2001, and the reconciliation process will be completed by January 31, 2002.

Department of Health Care Policy and Financing Response:

Agree. The Department of Health Care Policy and Financing is firmly committed to working with the Department of Human Services to ensure that formal quarterly review and reconciliation of DHS Medicaid expenditures occurs and is properly approved. Implementation of this recommendation is scheduled for close of period 6 of State Fiscal Year 2002 at December 31, 2001, and the reconciliation process will be completed by January 31, 2002.

Recommendation No. 8:

The Department of Human Services should improve its management of Medicaid funds by:

a. Establishing monthly reconciliation processes to be followed by management and staff within Medicaid-funded programs and communicating problems timely to Department of Health Care Policy and Financing staff.

b. Implementing an analytical review process over Medicaid activity so that possible areas for cost containment are identified.

Department of Human Services Response:

Agree. The reconciliation and review process will occur on a monthly basis. The processes for accomplishing this task are anticipated to begin during Fiscal Year 2002 and to be established on a regular basis second quarter Fiscal Year 2002 close. The reconciliation process will include analytical review, which will assist in the mitigation of unforeseen overexpenditure. Implementation date: January 31, 2002.

Recommendation No. 9:

The Department of Human Services should follow generally accepted accounting principles related to accounts payable by:

a. Calculating appropriate year-end estimates for remaining Medicaid-funded program activity for all department programs and communicating this information to the Department of Health Care Policy and Financing.

b. Reviewing expenditures charged to accounts payable after year-end to determine that expenditures are charged to the appropriate fiscal year.

Department of Human Services Response:

Agree. The 1999 fiscal year-end accounts payable accrual did not contain an estimate for the Mental Health Capitation program. DHS will implement internal controls to ensure that accounts payable are properly recorded and accounted for in accordance with generally accepted accounting principles. Analytical review will determine the point in time that additional spending authority may be necessary. Implementation date: August 6, 2001.

Department of Higher Education

Introduction

The Department of Higher Education was established under Section 24-1-114, C.R.S., and includes all public higher education institutions in the State. It also includes the Auraria Higher Education Center, the Colorado Commission on Higher Education, the Colorado Council on the Arts, the Colorado Student Loan Division, the Colorado Student Obligation Bond Authority, the Colorado Historical Society, and the Division of Private Occupational Schools.

State public institutions of higher education are governed by six different boards. The governing boards and the schools they oversee are:

- **Board of Regents of the University of Colorado**
  University of Colorado at Boulder
  University of Colorado at Colorado Springs
  University of Colorado at Denver
  Health Sciences Center

- **State Board of Agriculture - Colorado State University System**
  Colorado State University
  Fort Lewis College
  University of Southern Colorado

- **Trustees of the State Colleges of Colorado**
  Adams State College
  Mesa State College
  Metropolitan State College of Denver
  Western State College
  Western Colorado Graduate Center

- **State Board for Community Colleges and Occupational Education (SBCCOE)**
  14 Community Colleges

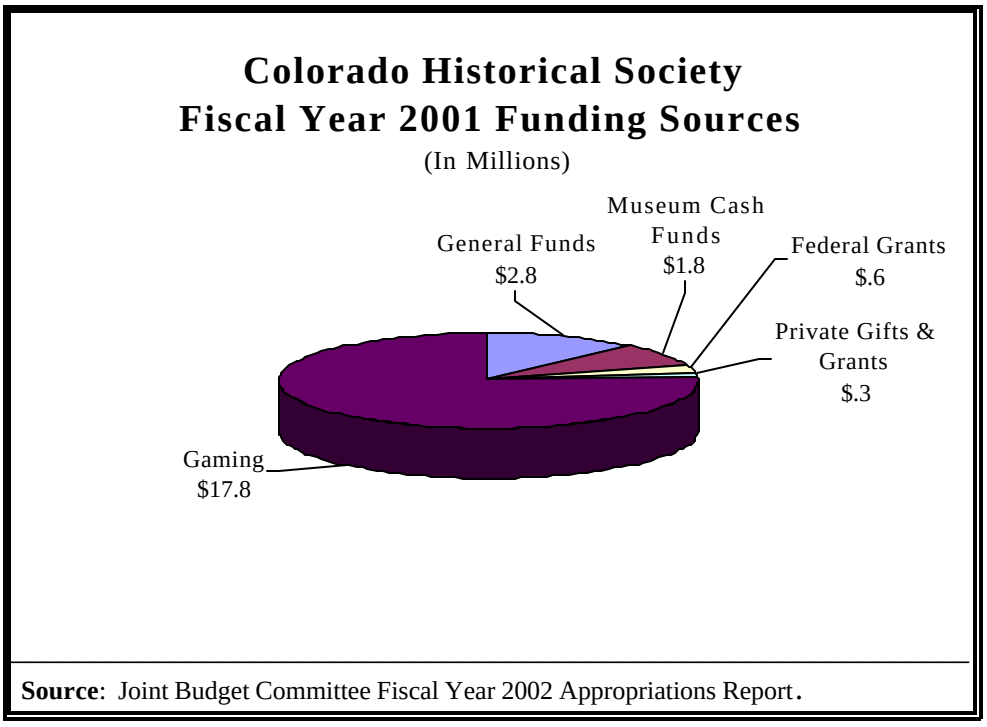
- **Trustees of the University of Northern Colorado**
  University of Northern Colorado

- **Trustees of the Colorado School of Mines**
  Colorado School of Mines

Colorado Historical Society

The Colorado Historical Society, founded in 1879, has statutory designation as an educational institution of the State. It has exclusive control over the State's historical monuments and in this capacity has the duty to survey suitable sites and structures for historical designation by the State. The Society is charged with administration of a state register of historic properties.

The Colorado Historical Society was appropriated $23.3 million and 106.1 full-time equivalent staff (FTE) for Fiscal Year 2001. Approximately 76 percent of the funding is from Gaming revenue.



Source: Joint Budget Committee Fiscal Year 2002 Appropriations Report.

Improve Controls Over Cash Receipts

In Fiscal Year 2000 we recommended that the Colorado Historical Society require all museums to submit cash register tapes with revenue remittances to the Administrative Services Section. This provides an independent verification that the cash remitted agrees to the sales reported on the cash register tapes. The Colorado Historical Society updated its policies, but we continue to find problems.

During our Fiscal Year 2001 audit, we reviewed a sample of 22 deposits totaling about $15,000. We found six deposits totaling about $2,300 in which a museum, the Byers-Evans House, did not submit a cash register tape with its revenue remittance. As such, the Society cannot ensure that all remittances were submitted for deposit. The cash register tape would also provide support for types of sales, voids, and over- or underages that could assist the Society in evaluating the activities at the Byers-Evans House.

Recommendation No. 10:

The Colorado Historical Society should ensure the Byers-Evans House submits cash register tapes with all revenue remittances.

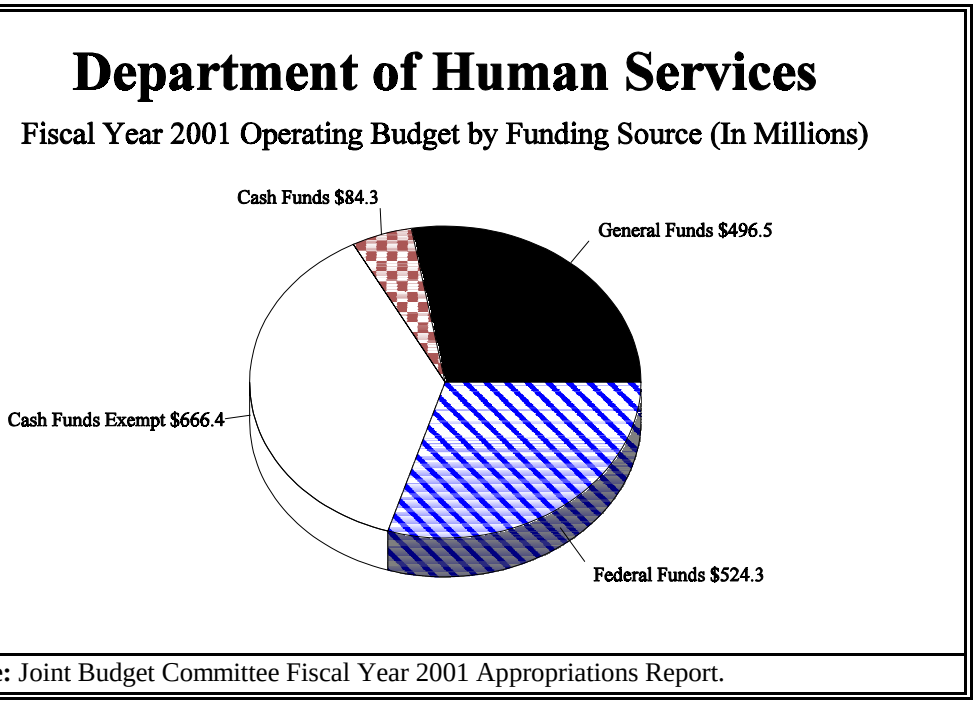
Colorado Historical Society Response:

Agree. The Byers-Evans House cash transmittals had been submitted in the past without cash register tapes. The need for cash register tapes with each cash transmittal was communicated to the director of the house, but apparently did not reach all staff. This has since been corrected, and all cash transmittals from the house since December 31, 2001 include cash register tapes.

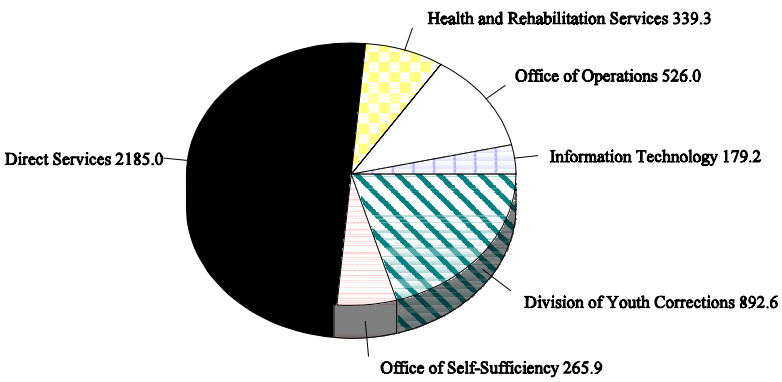
Department of Human Services

Introduction

The Department of Human Services is solely responsible, by statute, for administering, managing, and overseeing the delivery of the State's public assistance and welfare programs throughout the State. Most of these programs are administered through local county or district departments of social services. The Department also manages programs in the areas of mental health, rehabilitation, youth corrections, and developmental disabilities. In Fiscal Year 2001 the Department expended approximately $1.8 billion and had 4,682.8 full-time equivalents (FTE). The following charts show the operating budget by funding source and the divisions/offices with the largest FTE, respectively, for Fiscal Year 2001:



Source: Joint Budget Committee Fiscal Year 2001 Appropriations Report.



Source: Joint Budget Committee Fiscal Year 2001 Appropriations Report.

We reviewed and tested the Department's internal accounting and administrative controls and evaluated its compliance with state and federal rules and regulations. Generally, we found that the Department has adequate administrative and internal controls to oversee its operations and meet state and federal requirements. We identified ten areas where improvements could assist the Department in effectively managing its responsibilities—three related to financial statement issues and seven related to federal awards.

Adhere to Legally Established Spending Limits

The Office of Operations within the Department of Human Services is responsible for providing centralized departmental functions including accounting, contracting, purchasing, and facility management. In Fiscal Year 2001 the Office of Operations was appropriated approximately $23 million for payment of salaries and wages for the 526 FTE within the Office.

At the end of each fiscal year the Office's Division of Accounting estimates and records accounts payable for current year expenditures that will be paid in the following fiscal year. All departmental expenditures, including estimates for expenditures yet to be paid, are charged against specific appropriation codes. Appropriation codes are set up in the State's accounting system to track each agency's

utilization of its legally established spending authority under the State's annual appropriation law.

When actual payments for the accrued amounts are made in the subsequent fiscal year, the payments are charged against the appropriate accounts payable. After all payments related to the accrual have been made, any excess amount in accounts payable must be reversed by crediting the revenue source used to establish the payable.

Accounts Payable Accrual Was Used for Unrelated Payments

During our audit we found that in Fiscal Year 2001 the Division of Accounting charged $77,562 in personal services payments for that year against an unspent accounts payable established at the end of Fiscal Year 2000 for a different appropriation code and purpose. The personal services payments were for payouts of sick and annual leave to staff retiring from the State in Fiscal Year 2001. Under state regulations, the Department should have charged the payouts to the personal services appropriation and reversed the unused accounts payable.

The Department's use of an unrelated accounts payable accrual to fund personal services expenditures is a serious concern. This type of transaction circumvents controls established by the appropriations process over agencies' spending authority and, in some instances, can be used to hide overexpenditures.

In this particular case, if the Department had charged the personal services payments to the correct appropriation code, the Department states it would then have reduced its accrual at the end of Fiscal Year 2001 for anticipated Fiscal Year 2002 retirement payments by $77,562 in order to avoid an overexpenditure. Under an accounting directive issued by the Office of the State Controller, the Department is allowed to charge Fiscal Year 2002 retirement payouts to its Fiscal Year 2001 appropriation if employees have given formal notice during the current year that they will retire in the subsequent year. If the Department had decreased this accrual at the end of Fiscal Year 2001, it would have shifted $77,562 in payouts to the personal services appropriation for Fiscal Year 2002. Thus, the Department does not believe it would have overspent its Fiscal Year 2001 appropriation, had it recorded the payment correctly.

We agree that the Department could have recorded the $77,562 payouts correctly and still avoided an overexpenditure. However, by recording this payout expenditure against an unrelated and unused accounts payable, the Department, in effect, increased its appropriation for personal services in Fiscal Year 2001 by $77,562.

This was done by charging the $77,562 in retirement payouts to the unrelated appropriation and overstating those expenditures for Fiscal Year 2000. Personal services expenditures for Fiscal Year 2001 are understated by the same amount.

Effective Fiscal Year 2002, under new accounting standards, state agencies will be required to record all retirement payouts in the year in which the individual's retirement occurs, as opposed to the year in which notice of retirement was received. This will require additional fiscal discipline by all state agencies. The Department should take additional steps to ensure that funds are spent in accordance with appropriations created by law. This should include reviewing entries made to the State's financial system on a regular basis for unusual activity, especially at the end of the fiscal year.

Recommendation No. 11:

The Department of Human Services should follow state regulations and statutes by recording expenditures within the proper appropriations and reversing unused accounts payable accruals.

Department of Human Services Response:

Agree. The Department acknowledges that there was an inappropriate use of accounts payable. The Department will reinforce through training of the procedures to review all outstanding payables and reversions as detailed in the accounting manual and in the monthly SCO diagnostic report overview.

Implementation Date: July 1, 2001

Improve Controls Over Fixed Assets

Each state agency is responsible for ensuring that all fixed assets purchased or constructed by the State are properly accounted for when acquired and disposed of, accurately inventoried, and safeguarded throughout their life. Fixed assets include items such as furniture, equipment, leasehold improvements, and buildings. In Fiscal Year 2001 the Department purchased or constructed about $33.3 million in fixed assets. This amount does not include fixed assets purchased through the Department's proprietary or fiduciary activities.

During our Fiscal Year 1998 audit, we identified problems with the Department's controls over its fixed assets, specifically with regard to ensuring new assets were appropriately recorded on COFRS, the State's financial system, and subsequently tracked. Although the Department addressed several of our concerns during Fiscal Years 1999 and 2000, we continued to identify problems with the Department's fixed asset reconciliation process during our Fiscal Year 2001 audit.

Fiscal Year-End Reconciliations Were Not Completed Timely or Accurately

State agencies ensure new fixed assets are properly recorded on COFRS by performing a reconciliation between fixed-asset expenditures and amounts recorded as additions to fixed assets on COFRS during the fiscal year. Department procedures require staff at each of the Department's 16 agencies to prepare fixed asset reconciliations between these two amounts on a quarterly basis and submit them to the Department's central agency. The central agency encompasses the Department's Executive Director's Office (EDO) and other central administrative functions, as well as the majority of the Department's social service programs. In Fiscal Year 2001, $6.3 million of the Department's fixed asset purchases were made through this agency, which includes purchases made on behalf of the Department's other agencies.

We found that the Department did not reconcile fixed asset expenditures to additions for any of its 16 agencies prior to the year-end close of the State's financial records. While 12 of the 16 agencies submitted reconciliations to us in September, or 2 ½ months after the closing date for Fiscal Year 2001 entries, the remaining 4 agencies had not provided us with reconciliations by the end of our testwork. In addition, we noted that the Department had not completed a departmentwide reconciliation for Fiscal Year 2001. The departmentwide reconciliation must be performed after all agency reconciliations are complete to ensure all items transferred between agencies are appropriately recorded and tracked. For example, the central agency's reconciliation listed a transfer for over $14,000 in fixed assets to another of the Department's agencies. However, the receiving agency had not submitted any reconciliations in Fiscal Year 2001, and as a result, the Department could not be certain that the agency had received these assets and recorded them.

Department Oversight of Fixed Asset Procedures Should Be Improved

As mentioned earlier, the Department has had problems accurately tracking purchases of fixed assets in prior years. While we recognize that the size of the

Department and the disbursement of its activities throughout the State present difficulties, these factors also create a greater risk that assets could be lost or misappropriated. The Department needs to address the deficiencies in fixed asset reconciliations to ensure assets are safeguarded and the correct amounts are reflected on the State's financial records.

Recommendation No. 12:

The Department of Human Services should improve controls over fixed assets to ensure all fixed assets are safeguarded and appropriately recorded on COFRS by:

a. Completing quarterly agency and department-wide reconciliations between fixed asset expenditures and additions to fixed assets.

b. Correcting identified errors on COFRS prior to fiscal year-end.

Department of Human Services Response:

a. Agree. The Department has a procedure in place whereby these quarterly reconciliations are to be completed and turned into the central office for review and reconciliation. To ensure compliance with this procedure, the Department will establish follow-up procedures for when the quarterly reconciliations are not completed timely.

b. Agree. The Department will perform a department-wide reconciliation that reconciles all individual agency reconciliations to each other and to the general ledger control account.

Implementation Date: March 31, 2002

Securities in Lieu of Retainage Balance Not Reported Accurately

As part of our audit of fixed assets, we reviewed retainages recorded on COFRS for construction projects. State regulations require agencies to retain a percentage of the total cost of the contract for all capital construction projects until the project is completed and formally accepted by the State. In lieu of holding a percentage of payments, a contractor may choose to place securities with a value equivalent to the

retainage percentage in the Department's name with a bank authorized by the Department.

We found that the Department does not have procedures in place to ensure that securities held in lieu of retainage amounts for construction projects are recorded into COFRS accurately and in a timely manner. We noted that the amount on COFRS at June 30, 2001, was understated by $102,000 for one project. Due to an increase in the amount of that project during the fiscal year, the contractor was required to place additional securities in the Department's name. While Department Facilities Management staff were aware of the addition, these staff failed to notify the Department's central accounting staff of the change, and therefore, the increase was not reflected on COFRS.

By improving communication between agency and accounting staff regarding securities held as retainage for construction projects, the Department can help ensure that securities are accurately recorded and tracked.

Recommendation No. 13:

The Department of Human Services should develop and implement procedures to ensure securities held as retainage for construction projects are recorded in COFRS accurately and in a timely manner.

Department of Human Services Response:

Agree. The Department will change existing procedures to have all bank statements sent to the Division of Accounting for monthly verification and recording in the COFRS system.

Implementation Date: December 30, 2001.

Medicaid Funds Expended for Department of Human Services Programs

In January 2001 the Joint Budget Committee (JBC) reviewed a supplemental budget request from the Department of Human Services to address Medicaid overexpenditures totaling approximately $10.6 million in Fiscal Years 2000 and 1999. In the course of reviewing the request, the JBC became concerned about the management and control of Medicaid funds that are used for Department of Human Services programs.

During Fiscal Year 2001 the Office of the State Auditor conducted a financial review of the overexpenditure of Medicaid funds at Human Services and of the controls that Human Services and Health Care Policy and Financing have established to ensure that expenditures are recorded and reported accurately. The comments below were contained in the *Department of Human Services, Overexpenditure of Medicaid Funds Financial Review*, Report No. 1400, dated May 2001. The financial review contains comments directed at the Departments of Health Care Policy and Financing and Human Services; most of the comments are joint recommendations. The Department of Health Care Policy and Financing is the state agency that administers the Medicaid program. Therefore, for the purpose of this report, all six comments are listed collectively within the Department of Health Care Policy and Financing chapter. Please refer to pages 38 to 48 for details, comments, and recommendations.

Department of Labor and Employment

Introduction

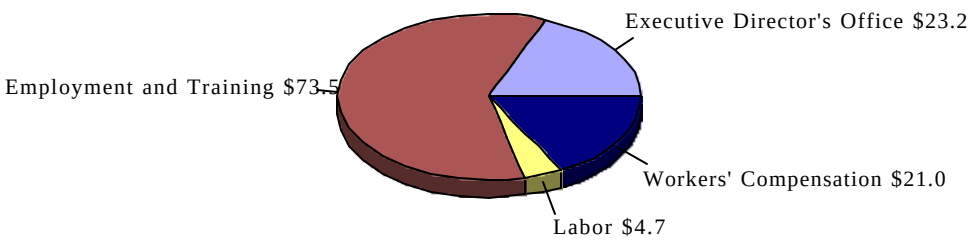
The Department of Labor and Employment is responsible for promoting and supporting the public economic well-being by providing services to employers and job seekers, and by enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. The Department is composed of the following major organizational units:

- Executive Director's Office
- Division of Employment and Training
- Division of Labor
- Division of Workers' Compensation

The Department was appropriated $122.4 million and 1,057.6 full-time equivalent staff (FTE) for Fiscal Year 2001. Approximately 35 percent of the funding is from cash funds and the other 65 percent is from federal funds. The following chart shows the operating budget by major organizational unit during Fiscal Year 2001.

Department of Labor and Employment

Fiscal Year 2001 Operating Budget by Organizational Unit (In Millions)



Source: Joint Budget Committee Fiscal Year 2001 Appropriations Report.

The following comment was prepared by the public accounting firm of Terry & Stephenson, P.C., who performed audit work at the Department of Labor and Employment.

Develop Reconciliation Procedures for Grant Expenditures

The U.S. Office of Management and Budget's Circular A-133 contains the reporting requirements for the State's Schedule of Expenditures of Federal Awards (Schedule). The Schedule lists funds received from the federal government and expended to vendors and subrecipients. The Department prepares its portion of the Schedule from its grant financial system (FARS) and reconciles the amount to COFRS, the State's financial reporting system.

The Department records federal revenue in COFRS. Charges by the State against this revenue are from two sources: direct and indirect allocations. Both direct and indirect federal expenditures are segregated by federal grant award and recorded in FARS.

Fiscal Year 2001 federal expenditures from FARS were approximately $66.8 million. This amount exceeded the revenue balances in the State's financial reporting system by $1.9 million. The resulting discrepancy has not been reconciled and appears to be the result of improper matching of indirect allocations and the lack of periodic reconciliations between FARS and COFRS.

Recommendation No. 14:

The Department of Labor and Employment should develop procedures to isolate and identify the indirect allocation charges for federal grants and perform reconciliations to the State's financial reporting system periodically throughout the year.

Department of Labor and Employment Response:

The Department agrees with the finding and is currently analyzing the problem. We are reviewing federal revenue recording procedures and the timing of reconciliations.

Department of Military Affairs

Introduction

The Department of Military Affairs consists of the National Guard and the Civil Air Patrol. The Adjutant General is the administrative head of the Department and the Chief of Staff of the Colorado National Guard. The Department is responsible for providing day-to-day command and control, guidance, policies, and administrative and logistics support to the Divisions of the National Guard and Civil Air Patrol.

During Fiscal Year 2001 the Office of the State Auditor, in cooperation with staff from the firm of Cottrell & Associates, conducted a financial review of the Department of Military Affairs. The audit comments below were contained in the *Department of Military Affairs Financial Review*, Report No. 1404, dated November 2001.

Overview of Federal Funding for Operations

The Department's Fiscal Year 2001 appropriation was just over $9 million. Of that, over $5 million is federally funded through a cooperative agreement that establishes the terms and conditions of the federal contribution of funds to support the operation and training of the state Army and Air National Guard.

Fiscal Responsibility Is Needed

The Department's management has the fiduciary responsibility to ensure that assets are safeguarded and financial transactions are recorded and reported accurately. Annually, state agencies are statutorily required to attest to the State Controller, State Auditor, and Governor that systems of internal accounting and administrative control have been instituted and maintained. State agencies also annually sign a Letter of Certification of Financial Accounting affirming that:

> The accounting function is staffed with adequate personnel to assure the accounting is properly carried out and timely, and sufficient monthly accruals are being made to update financial records so that management can properly analyze their financial condition and determine that the

federal government and other parties owing the state are being properly billed.

The Department responded that it was in substantial compliance with these requirements. However, we are concerned about the Department's controls over its financial transactions and the recording and reporting of financial information. The Department has had significant accounting issues over the past few years. During our Fiscal Year 2000 Statewide financial audit, we noted that there was a significant turnover of accounting staff, problems completing required transactions, and difficulty in providing information on a timely basis.

There continue to be significant turnover, delays in processing vendor payments, obtaining federal approvals for reimbursement, and recording additions and deletions to fixed assets.

Overall, we conclude that the Department needs to make improvements in its systems and controls to ensure that assets are safeguarded and that accounting for transactions is timely and accurate.

Recommendation No. 15:

The Department of Military Affairs should improve its oversight of financial activity and ensure its controls over accounting functions are adequate.

Department of Military Affairs Response:

Partially Agree. Financial controls are in place and are working. Procedures can be improved. The Department is hampered by significant turnovers in accounting personnel, delays in processing and obtaining reimbursements, adjusting fixed asset accounts, and providing timely information. While we agree with this observation, most of those issues are beyond our immediate control.

We cannot require employees to stay. They will leave for upward mobility that we cannot offer in a five-person office. Requests for additional personnel either have not been granted or have been reduced by the Legislature.

Since most transactions are carried out as part of a Cooperative Agreement between the State and National Guard Bureau, we cannot directly control delays in federal invoice approval and payment procedures.

We can control operations within the accounting section and have documented procedures in desk manuals to facilitate inevitable turnover. We have discussed problems with the Cooperative Agreement with federal authorities and have agreement to try to document and streamline processes, and to improve timeliness. We have shifted duties within the accounting section to better balance workload and individual abilities and talents. We are scheduling training on procedures to adjust fixed asset accounts.

Improve the Recording and Reporting of Transactions

Reduce Delays in Processing Transactions

During our Fiscal Year 2000 audit, the Department experienced a significant turnover of accounting staff and delays in replacing the vacant positions. The situation left the Accounting Section understaffed for the majority of the year. The State Controller's Office provided additional support. Even so, the Department had problems completing all required transactions and providing information on a timely basis. The shortage of accounting staff created additional risk that transactions may have been recorded improperly on the State's accounting system.

During our current review we found that new staff were faced with little or no documentation on department processes and, as a result, struggled to learn the complexities of federal and state regulations that govern transactions. To further compound the problem, during the year, both the accounts payable and the payroll positions were vacant for several months. The new Accounting Section has made significant progress in documenting tasks and processes and in cross-training personnel, but the entire section is still in a learning curve.

We continue to see areas where further improvements should be made:

1. The processing of vendor payments lagged during the year, exceeding the 45 days allowed by Section 24-30-202(24), C.R.S., as other accounting personnel temporarily filled the vacant position. After the position was filled, it took a few months to organize the existing backlog and follow up on potential unpaid balances while researching to ensure that duplicate payments were not made. Our review of May 2001 vendor payments indicates that the Department is improving the

timeliness of payment processing, but there are still some delays related to receiving invoices from the regions and obtaining timely approvals from program managers. For instance, of the May 2001 payables tested, 9 in the sample of 50 were paid between 60 and 174 days after the date of the vendor invoice. These nine payables amounted to a total of about $119,000.

2. The Department has not updated the State's accounting system for changes in its land, buildings, and construction in progress since Fiscal Year 1999. For example, a land purchase of about $58,000 is not shown and transfers of buildings to other state agencies, totaling about $450,000, have not been deducted from the accounting records. During Fiscal Years 2000 and 2001 the Department expended about $3.7 million in controlled maintenance, land purchases, and construction costs on armories and other buildings but was unable to provide information on the amount of these costs that should be capitalized. The Department also completed construction during this period, but the costs associated with the construction were not properly reflected as a completed project on the State's accounting system. As a result, the amounts reported do not accurately reflect the cost of the assets owned.

   Also, in Fiscal Year 2000 buildings and property owned by the Department, valued at $7.9 million, was transferred to the Department of Public Safety. In Fiscal Year 2001 the Department of Military Affairs determined that the actual cost was about $2.2 million. Public Safety revised its records to reflect the $2.2 million cost; however, the building is erroneously being reported on both Departments' books, resulting in an overstatement of assets in the State's financial statements of $2.2 million.

Delays Due to Federal Action or Approvals

We noted three processes during which a delay in obtaining federal approval or action on an item will slow down or halt the progress of transactions through the accounting system. These include:

- Approval and coding of vendor payments.
- Budget modifications that are required to make federal funding available for spending.
- Federal approval on requests for reimbursements.

Approval for Vendor Payments

For purchases that are subject to federal participation, the Department obtains approval from a federal program manager prior to vendor payment. This confirms the federal commitment to reimburse the State for the outlay, as well as identifies the correct funding source or coding for the payment. However, because the federal approval is in addition to the required state approvals, and there are numerous federal program managers, some on-site, and some at Buckley or other off-site locations, the entire process can be lengthy and may exceed the 45-day state vendor payment guidelines. For instance, some of the overdue May 2001 invoices discussed above were subject to federal program manager approval.

Budget Modifications Are Required to Make Federal Funding Available for Spending

For the large percentage of the Department's budget that is federal and restricted, spending authority and the ability to pay vendor invoices is not available until budget modifications are processed, approved, and entered into COFRS. In some instances, only a month or two worth of spending authority is approved by the federal agency at one time, requiring numerous budget modifications each year. A significant amount of department time is spent obtaining these budget modifications and the related approvals from the federal program managers. In the meantime, the payment of vendor invoices may be delayed pending approval of these budget modifications for federal spending authority.

Approval on Federal Requests for Reimbursement

The Department prepares monthly requests for reimbursement under the federal cooperative agreement. Separate requests are prepared for each of the 12 appendices of the agreement and then forwarded to the appropriate federal program manager for approval. Only after the requests for reimbursement are approved can they be submitted to the federal disbursing agents for payment. Obtaining timely approval from some of the federal program managers has been so problematic during the year that the Department created a spreadsheet to track the progress of each request through the approval and payment process. For instance, the Department's tracking sheets include the following example of delays:

- On December 11, 2000, three requests for reimbursement totaling about $40,000 were sent to the federal program manager for approval; the approved requests were not returned to the Department until March 6, 2001, three months later.

- On January 8, 2001, two requests for reimbursement totaling about $68,000 were sent to the federal program manager for approval; the approved requests were not returned to the Department until March 6, 2001, two months later.

During the year, the Department initiated a process of monthly meetings with federal program managers in an effort to increase communication and the timeliness of transaction processing, including federal reimbursements. It is clear, however, that more needs to be done. The Department needs to work with the federal program managers on systems and controls.

Recommendation No. 16:

In order to reduce delays in processing transactions, we recommend that:

a. All areas of the Department work with Accounting to streamline the vendor payment process. In particular, the Department should consider various means to identify outstanding payables at the earliest possible date to ensure they are monitored by Accounting for timely approval and payment, as well as recorded in the appropriate accounting period.

b. The Department continue to work diligently with the federal program managers to streamline the approval processes for vendor payments, budget modifications to make federal spending authority available, and federal requests for reimbursement. Working together to study tracking systems, like the invoice spreadsheet noted above, will help to identify bottlenecks in the approval processes that need to be addressed.

c. The Accounting Department record changes in fixed assets annually.

Department of Military Affairs Response:

Partially Agree. While the Department agrees with much of the recommendation, the solutions to all the problems are not within our control. For example, personnel turnover in a five-person accounting section can be an extreme detriment, but the Department has only limited ability to influence salary for new hires. The Department has little ability to influence personal decisions of employees who leave because of opportunities for advancement elsewhere. Further, requests for additional FTE have been denied or reduced. We did get

authority and funding to hire a part-time budget analyst and the impact of the new .5 position should begin to be felt this year.

Most transactions are accomplished through a Cooperative Agreement with the federal government and each is subject to approval by the federal program managers. Since the program managers are federal employees who work for federal supervisors, and for each it is an additional, rather than primary, duty, the Department does not exercise direct control over their activities and priorities. This often makes it difficult to get prompt approvals on payments and bills. To further complicate matters, there are 11 Program Managers and they change at the rate of about 4 per year. Recognizing that it is a Cooperative Agreement and that there are problems in execution, the Department and the United States Property and Fiscal Officer, CO, have instituted monthly meetings between the two accounting staffs and with program managers. We have also instituted a comprehensive review of procedures for payments, billings, and accounting to better document and streamline processes where possible.

Within the Department, the accounting section has created desk manuals for each position to document desk procedures and to facilitate inevitable transition of new employees.

Department of Natural Resources

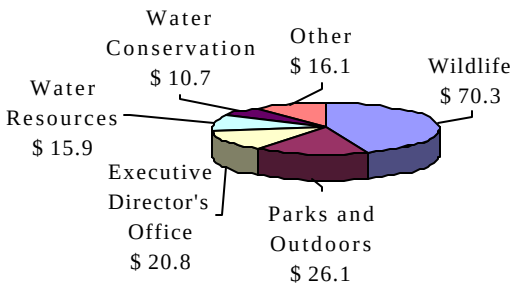
Introduction

The Department of Natural Resources is responsible for encouraging the development of the State's natural resources. Resources include land, wildlife, outdoor recreation, water, energy, and minerals. The Department operates under the authority of Section 24-1-124, C.R.S., and comprises an Executive Director's Office, which is responsible for the administration and management of the overall Department, and the following eight sections:

- Wildlife
- Water Resources Division
- State Board of Land Commissioners
- Parks and Outdoor Recreation
- Oil and Gas Conservation Commission
- Division of Minerals and Geology
- Water Conservation Board
- Geological Survey

The Department's Fiscal Year 2001 operating budget was about $160 million with 1,474 full-time equivalent staff (FTE). The Department is primarily cash-funded. Revenue sources include hunting, fishing, and other licenses; royalties and rents; interest; and other sources. The following chart shows the Department's operating budget by division, board, and commission for Fiscal Year 2001.

Department of Natural Resources
Fiscal Year 2001 Budget by
Division/Board/Commission (In Millions)



Source: Joint Budget Committee Fiscal Year 2002 Appropriations Report.

Oil and Gas Conservation Commission

The Oil and Gas Conservation Commission is responsible for regulating oil and gas activities in the State. When oil and gas operations are complete, the Commission is also responsible for ensuring that lands affected by operations are returned to their original state. In Fiscal Year 2001 the Commission was appropriated approximately $3.4 million and 35 FTE.

Ensure Compliance With PDPA Requirements

Prior to beginning oil and/or gas operations in the State, an operator must submit some form of financial assurance to the Commission showing that an operator is financially capable of reclaiming lands damaged by operations. If an operator fulfills the necessary requirements of reclaiming damaged lands, the financial assurance is refunded. Financial assurance may be submitted in various forms, including certificates of deposit. As of June 30, 2001, the Commission held approximately $2.6 million in certificates of deposit. Most of these certificates are for the term of one year and perpetually roll over into new one-year certificates.

Beginning with our Fiscal Year 1998 audit, we have found problems with the Commission's compliance with the Public Deposit Protection Act requirements. The Public Deposit Protection Act (PDPA), Title 11, C.R.S., was enacted to protect deposits that either are not insured or are in excess of the insured limit of federal deposit insurance of $100,000 for each account. One of the PDPA requirements is that public monies are to be deposited only in banks designated as eligible public depositories. This includes most of Colorado's banks. In addition, PDPA specifically excludes investment firms and most out-of-state banks from its coverage.

In both Fiscal Years 1998 and 2000, we recommended that the Commission ensure all certificates of deposit are in compliance with statutory and legal requirements by transferring short-term certificates to eligible depositories on their next maturity date and developing a plan for addressing any long-term certificates. Although the Commission has taken steps to comply with PDPA, we continue to find problems.

Certificates of Deposit Are Located at Noneligible Depositories

In our Fiscal Year 2000 audit the Commission provided us a listing of 31 certificates of deposit, totaling approximately $333,000, that were held in non-PDPA-eligible financial

institutions. During our Fiscal Year 2001 audit, we reviewed these 31 certificates to determine the current status and found that 15 of the 31 certificates of deposit, totaling about $190,000, had been moved to eligible depositories and 1 certificate, totaling $5,000, had been released when operations ceased on the well. This left 15 certificates still not in compliance with PDPA requirements.

During our current audit we found 11 additional certificates, totaling approximately $49,000, that are not held in eligible depositories. In total, at least 26 certificates of deposit, in the amount of about $187,000, remain in non-PDPA-eligible depositories. In addition, we found that 2 out of these 26 certificates, totaling $6,000, had been accepted by the Commission since our Fiscal Year 1998 recommendation.

In 1993 the Division of Minerals and Geology obtained a legal opinion from the Attorney General's Office. The Attorney General's Office determined that financial assurance held by the State qualifies as public monies and should be protected in the same manner as other public monies. The Commission subsequently chose to rely on the Attorney General's opinion for its own financial assurance. As noted in our prior audits, we agree and believe that the Oil and Gas Conservation Commission should take steps to immediately comply.

Section 11-10.5-111(2), C.R.S., states that "it is unlawful for an official custodian to deposit public funds in any bank other than one that has been so designated." Section 11-10.5-111(4)(c), C.R.S., further states that "any official custodian who violates the provisions of this article is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than two hundred dollars nor more than five hundred dollars...." The Commission does not believe it is the official custodian of the certificates of deposit, since the operator is responsible for the actual deposit of a certificate into an eligible bank. Confusion could arise, because certificates of deposit are approved by the Commission, reflected on the State's accounting system, recorded in both the operators' and the Commission's name, cannot be released without the Commission's authorization, and can be foreclosed upon by the Commission in situations where an operator defaults. Determining who is the official custodian/s is an important issue that needs to be clarified immediately.

Notify Operators to Transfer Certificates of Deposit in a Timely Manner

The Commission has had nearly eight years to comply with PDPA requirements. As previously stated, the average certificate of deposit held by the Commission matures annually and is perpetually rolled over into a new certificate. We found that at least four

certificates held in non-eligible depositories have rolled over since our Fiscal Year 2000 recommendation. In one instance, a certificate of deposit rolled over in October 2000 and the Commission did not notify the operator of the need to move the certificate to an eligible depository until March 2001, five months after the certificate was renewed. This certificate of deposit was subsequently moved to an eligible depository in June 2001.

In March 1999 the Commission sent a form letter to all operators explaining PDPA requirements. However, the Commission did not begin to send follow-up letters to operators until September 2000. According to the Commission, it takes an average of six months to transfer a certificate of deposit. We found three instances where an operator was not notified in a timely manner to transfer certificates. For example, letters were sent to two operators one to two months before and one letter was sent two weeks prior to the certificates' maturity dates. None of the above-mentioned certificates have been moved to an eligible depository, and each have been renewed since the notification letter was sent.

The Commission has had ample time to ensure that operators have moved their certificates of deposit before the maturity date arrives. Failure to notify the operator in a timely manner can result in an early withdrawal penalty being assessed against an operator by the financial institution; therefore, the Commission should ensure that operators are given sufficient notice to move a certificate of deposit so that an early withdrawal penalty is not assessed.

Recommendation No. 17:

The Oil and Gas Conservation Commission should take immediate steps to ensure that all certificates of deposit are in compliance with statutory and other legal requirements by, at a minimum:

a. Reviewing all certificates of deposit to determine whether they are being held in eligible public depositories.

b. Notifying operators in a timely manner of the need to move existing certificates of deposit not in eligible public depositories before the next maturity date.

c. Enforcing the transfer of all certificates of deposit to eligible public depositories.

d. Working with the Attorney General's Office to determine who should be designated as the official custodian of the certificates of deposit.

Oil and Gas Conservation Commission Response:

a. Agree. The Commission is on track to meets its July 2002 deadline for compliance as stated in its 2000 Statewide Audit response. The Commission conducted a full review of all certificates of deposit as of November 29, 2001, (193 certificates with a total value of $2,141,125) and developed a list of 26 certificates that are not yet in public depositories. These 26 certificates of deposit have a combined value of $187,000 and no individual operator has certificates with a combined value in excess of $30,000. Of the 26 remaining certificates of deposit, operators using 21 of the noncompliant certificates as financial assurance were each sent a letter dated December 6, 2001, requesting that the funds be transferred to public depositories no later than December 28, 2001. Two additional certificates had not been previously identified and have since been sent compliance letters. Three other certificates of deposit require additional documentation to validate the banks as public depositories, which has been requested.

   The Commission will review all certificates before the annual certificate of deposit confirmation letters are sent to depositories in April. The Commission will verify that its financial assurance database includes the Division of Banking PDPA number assigned to the operators. Compliance letters with a resolution deadline prior to July 2002 will be sent to operators that have certificates of deposit that are not in public depository banks or have not provided a PDPA number. Implementation date: July 1, 2002

b. Agree. The Commission has individually instructed all operators who have certificates of deposit used for financial assurance that are not in approved public depositories to move them to public depositories or provide some alternative method of financial assurance through compliance letters sent in December 2001 and January 2002. This action was necessary to meet the Commission's July 2002 deadline for compliance as stated in its 2000 Statewide Audit response.

   The operators have been informed that they are official custodians of the funds because the Commission may only access the funds if the operator fails to meet their environmental or fiscal responsibilities. Since the State may have potential future contingent ownership, the operator's certificates must comply with the Public Deposit Protection Act. Implementation: July 1, 2002

c. Agree. In Fiscal Year 1998 the Commission directed staff to require operators using certificates of deposits as financial assurance to come into PDPA compliance in a manner that would minimize cost and inconvenience to operators. The majority of the operators complied with this request. The remainder, who received the December 6, 2001 compliance letter, have moved their certificates, provided an alternative form of financial assurance, or have negotiated an extension. The remaining operators with noncompliant certificates of deposit are in the process of moving the funds to approved public depositories or are in the process of converting to insurance bonds.

The Commission currently has one operator scheduled for hearing and one operator who has been sent a Notice of Alleged Violation since they have refused to move their certificate of deposit to public depositories or provide an alternative method of financial assurance. The Commission's Assistant Attorney General has advised that because the Commission does not have ownership of the certificates of deposit, the staff may not convert the certificates to cash without the Commission finding the operator in violation of its rules.

The Commission is closely monitoring compliance deadlines given to operators to meets its July 2002 deadline for PDPA conformity on all of its certificates of deposit used as financial assurance. Implementation date: July 1, 2002

d. Agree. The Commission has consulted with the Division of Banking on this matter; however, the Commission has directed its Assistant Attorney General to review the matter. Implementation date: July 1, 2002

Division of Wildlife

The Division of Wildlife is responsible for protecting the wildlife of Colorado. The Division manages over 250 wildlife areas covering 300,000 acres by acquiring habitat lands, preventing the decline of certain species, conducting research, and enhancing the public's awareness of pertinent issues. The nearly one and a half million hunting and fishing licenses sold annually provide the majority of the Division's funding. In Fiscal Year 2001 the Division was appropriated approximately $70.3 million and 753 FTE.

Reduce Number of Cancelled Payments

In our Fiscal Year 1996 audit, we found problems with duplicate payments at the Division of Wildlife. We recommended that the Department of Natural Resources strengthen management controls over processing and reviewing payments to prevent payment errors. We continued to find problems during our current audit. In Fiscal Year 2001 the Division cancelled about 560 payments totaling approximately $245,000.

We reviewed 30 of these cancelled payments to determine the reason for the cancellation and found two significant deficiencies. First, the Division does not have procedures in place to ensure that limited license applicants' information is correct in order to send out refund checks. Second, controls over cancelled payments need to be improved. We found that 13 of the payments were cancelled due to inaccurate applicant information, 3 were duplicate payments, and we could not determine the reason for an additional 3 of the cancelled payments. The remaining 11 payments were cancelled for valid reasons. These issues are discussed in further detail in the following text.

Develop Procedures to Ensure License Refunds Are Received by Applicants

We found that 13 of the 30 payments reviewed, totaling about $2,000, were returned and reissued to limited license applicants. The Division starts to receive limited license applications around the beginning of March each year. After the annual limited license draw, which takes place in June, the Division sends a refund check to all unsuccessful applicants. If the Division does not have an applicant's correct address, the payment is returned to the Division. Often an applicant will notify the Division that a refund check has not been received and the Division will cancel the original payment and reissue the check. This occurred for the 13 payments found during our testwork. Each payment averaged about $150. In cases where the Division is not notified by an applicant that a refund check was not received, an attempt is made to contact the applicant by various methods, including calling the last known phone number.

During our audit we found a box with approximately 280 unclaimed warrants totaling over $15,000 (an average of $54 per warrant) that the Division was unable to return to applicants. When the Division is unable to locate applicants for license refunds, the refund checks are kept for over a year, until they expire. After the checks expire, the moneys are credited back into the Wildlife Cash Fund. The Division maintains a database of all expired license refunds for instances where an applicant later contacts the Division

regarding a missing refund check. However, no attempts are made by the Division to contact the individual after the refund checks expire.

We also found that the Division does not have procedures in place to ensure applicant information in its database is correct. Each license application includes a separate card for change-of-address information. However, if an applicant fills out an application with a new address, but does not fill out the change-of-address card, the database is not updated for the new address. Currently Division staff do not compare the address on the current application with information in the database for repeat applicants. By updating applicant information for address changes from applications, the Division may avoid having a number of unclaimed checks in the future. In addition, the Division does not cross-check current license applicants with its database of outstanding license refunds to determine whether any applicants have unclaimed checks. By performing this cross-check, the Division may be able to return a portion of the outstanding refund checks.

The Department of Personnel and Administration has estimated that it cost the State $25 to process each payment voucher. The 280 unclaimed warrants that will expire at the end of Calendar Year 2001 not only represent lost revenue for license applicants but also cost the State $7,000. Since the time frame between when a license application is received by the Division and when a refund check is issued is only about three months, it is likely that a large portion of license applicants can be located. Because returned checks represent the largest amount of payments cancelled by the Division, it is imperative the Division attempt to locate the rightful owner of an outstanding refund check.

Improve Controls Over Cancelled Payments

In addition, we found that 3 of the 30 payments reviewed, totaling about $6,500, were duplicate payments. The Division continues to have problems with duplicate payments. For example, one purchase was paid for twice because an employee submitted receipts for gas purchased and the vendor submitted an invoice for payment. The Division identified the error in this situation. However, in cases where an error is not discovered by Division staff, it is up to the vendor to notify the Division of the error and to return the overpayment. If a vendor does not bring the duplicate payment to the attention of the Division, there is a risk that the State will not be reimbursed for erroneous payments. The Division could not provide us with explanations for the remaining two duplicate payments.

Finally, the Division did not provide us with explanations for 2 of the 30 cancelled payments. Another payment voucher could not be located by Division staff. These three payment vouchers totaled about $2,100. We found that the Division does not always

document the reasons warrants are cancelled on the original payment voucher. Therefore, we could not determine whether the cancelled payments were appropriate.

Recommendation No. 18:

The Division of Wildlife should improve controls to reduce the number of cancelled payments by:

a. Ensuring applicant information is correct in order to send out limited license refund checks.

b. Performing a cross-check between returned limited license refund checks and returning applicants to ensure that unsuccessful applicants receive their refunds.

c. Following up on returned limited license refunds to ensure that unsuccessful applicants receive their refunds.

d. Documenting the reason a duplicate payment has occurred and developing procedures to identify and address overpayments.

e. Documenting the reason for cancelling a warrant on the original payment voucher.

Division of Wildlife Response:

a. Agree. The Division's License Administration Office prioritizes customer-submitted change-of-address forms and/or the bottom portion of the application form to ensure that correct customer addresses are on file prior to any limited licenses or refunds being issued. If refunds are returned for an incorrect address, the bottom of the application is double-checked for a current address. If the customer has written their phone number on the application, the staff attempts to contact the customer via telephone. If phone contact cannot be made, the staff searches the Internet for possible current address information. If any of the above processes result in obtaining current address information for the refundee, the information is entered into the customer file and the refund warrant is re-mailed to the correct address. At the end of the hunting seasons, the above procedures are repeated before the undeliverable refunds are transferred to the Division's cashier office for safekeeping. The above procedures resulted in the delivery of 99.82 percent of all mailed items in 2001. Implementation date: March 15, 2001

b. Agree. Frequently, reapplying customers realize that they did not receive a refund from the prior year in the situation where refunds have been returned to the Division of Wildlife. When these applicants inquire, the Division of Wildlife provides them with their refund, if appropriate. This process of the applicant querying for returned refunds, in addition to the procedures listed in response to Recommendation a, is designed to accommodate the situations that are most often encountered. Implementation date: March 31, 2003

c. See response to Recommendation a above.

d. Agree. The Department of Natural Resources accounting staff has been responsible for cancelling warrants to vendors where duplicate payments or other errors such as the wrong amount have been identified. The Department of Natural Resources has also developed a payment voucher entry manual, which has been distributed to all Division of Wildlife offices, and various policies and procedures for the entry of vendor payments. In cases where warrant cancellations are requested and the issuance of the warrant was in violation of those policies and procedures, Department of Natural Resources accounting team leaders will notify the supervisors of the employee who made the error for review and other action, as needed. Implementation date: February 1, 2002

e. See response to Recommendation d above.

Auditor's Addendum:

With regard to the Division's response to Recommendations a and c above, there has been an on-going problem with returned license refunds since at least 1992. While we realize that the amount of returned license refunds is not a substantial dollar amount, over time, this amount continues to increase as more refunds are not returned to applicants. We believe that the Division of Wildlife is retaining monies that do not belong to it without making a reasonable effort to locate the rightful owners. While the Division does make an initial attempt to locate applicants, we believe the Division should continue to follow up on outstanding refund checks after they expire.

Division of Minerals and Geology

The Division of Minerals and Geology is responsible for regulating mining activities in the State. This primarily includes overseeing the safety and environmental soundness of mining operations. When mining is complete, the Division is also responsible for ensuring proper reclamation of land affected by mining operations. The Division is functionally divided into the coal, minerals, mines, and inactive mines programs. In Fiscal Year 2001 the Division was appropriated approximately $5.7 million and had 68.7 FTE.

Reconcile Internal Systems to the State's Accounting System

The Division is responsible for accurately maintaining its accounting records by ensuring that adequate internal control procedures are in place. This should include timely reconciliations of internal systems to the State's accounting system to properly monitor activity. During our audit we found that the Division is not reconciling either mined land reclamation deposits or cash receipts information on its internal systems to the State's accounting system. The following narrative provides further detail on these two issues.

Mined Land Reclamation Deposits

The Division is required by statute to obtain reclamation deposits from mine operators before extracting resources from state lands. These deposits provide assurance that mine and well operators are financially capable of reclaiming land that has been damaged when operations are complete. Operators may submit various forms of reclamation deposits, including certificates of deposit. As of June 30, 2001, the Division held approximately $4 million in certificates of deposit.

The Division annually confirms certificates of deposit to verify their existence and worth. The certificate of deposit information used for the confirmation process is maintained by the Division in an internal database. During our audit we found that the Division does not have procedures to compare the amounts reported in the internal database with amounts recorded on the State's accounting system. In our Fiscal Year 1999 audit, we found similar problems with the Division's procedures over cash bonds, another form of reclamation deposit. Since Fiscal Year 1999, the Division has developed procedures over cash bonds but has not developed similar ones for certificates of deposit.

We requested that the Division reconcile its internal database with the State's accounting system for certificates of deposit. During this process, the Division found that 10

certificates, totaling about $59,000, were recorded on the State's accounting system but not on the internal database. Therefore, the Division did not include these 10 certificates of deposit in its annual confirmation process. Without procedures in place to ensure the Division has accurate information, there is a risk that the certificates of deposit may be redeemed without the Division's knowledge. Therefore, there may not be enough money to cover the costs for mined land cleanup in cases where an operator defaults. In these situations, the Division would have to cover such expenses from other sources.

Cash Receipts

The Division uses an internal accounting database as a means of tracking monies received for items such as annual permit fees, sales of publications, civil penalties, and Mine Safety videos. These types of receipts accounted for about $600,000 of the Division's total revenue in Fiscal Year 2001. Information from the internal database is used by the Division to record cash receipts on the State's accounting system.

During our audit we found that the Division does not reconcile cash receipt documents in the internal accounting database with the State's accounting system. Although we did not find any errors in our testwork, a reconciliation of cash receipts between the State's accounting system and the internal database will help ensure that all moneys are properly deposited and recorded.

Recommendation No. 19:

The Division of Minerals and Geology should perform a monthly reconciliation between its internal databases and the State's accounting system for mined land reclamation deposits and cash receipts.

Division of Minerals and Geology Response:

Agree. Errors that occurred in the reconciliation of certificates of deposit for bonding were due to data processing and coding inconsistences when matching the State's accounting system to the Division's mine permit system database. These inconsistencies have been corrected. All of the bonds were accounted for and all active permitted mine sites have bonds in place.

The Division of Minerals and Geology maintains a mine permit system as the primary business application for the Division. This permit system tracks over

2,000 mine operations in the State. Functions contained in the Permit System are for reporting and document generation. There are about 20 standard reports, such as monthly progress reports, fee reports for the staff, information on inspections, bonds, violations, and all environmental information on mine operations in the State. There are over 500 documents that are generated from the system including correspondence, reports, and legal notices.

In 1999 the system was rewritten due to some minor Y2K issues and due to the Department's standardization on the Microsoft Office Suite and Microsoft NT network. The Division continues to upgrade this permit database and will incorporate the needed reporting for monthly reconciliation.

Although the audit did not find any errors in the reconciliation of cash receipts, the Division understands the importance of reconciling the State's accounting system with the Division's internal system. The Division uses Quickbooks programming for tracking incoming cash receipts and has added a procedure to incorporate the reconciliation process.

Department of Personnel and Administration

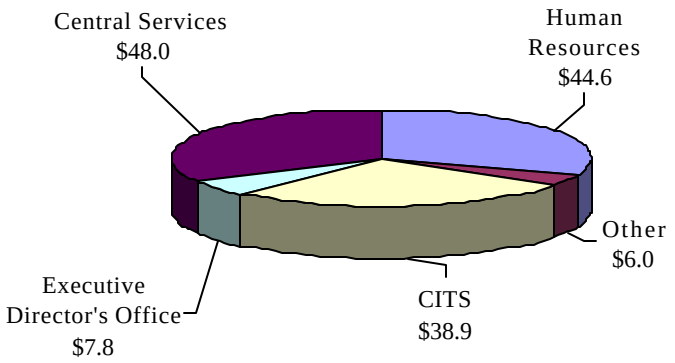
Introduction

The Department of Personnel and Administration's primary function is to support the business needs of state government. The Department administers the classified personnel system, which includes approximately 28,000 employees, (excluding the Department of Higher Education) and provides general support services for other state agencies. The Department of Personnel and Administration includes the following divisions:

- Executive Director's Office
- Human Resources Services
- Personnel Board
- Central Services
- Finance and Procurement
- Colorado Information Technology Services
- Administrative Hearings

The Department was appropriated total funds of $145.3 million and 587 full-time equivalent staff (FTE) for Fiscal Year 2001. Approximately 11 percent of the funding is from general funds and 89 percent is from cash funds. Cash funds include vehicle and building rentals, copying, printing, graphic design, and mail services. The following chart shows the operating budget by division/unit for the largest divisions during Fiscal Year 2001.

Department of Personnel and Administration
Fiscal Year 2001 Operating Budget by Division
(In Millions)



Source: Joint Budget Committee Fiscal Year 2002 Appropriations Report.

Monitor Sick and Annual Leave

The Department of Personnel and Administration is charged with oversight functions in matters of personnel. According to Section 24-50-101 (3)(c), C.R.S.:

> The state personnel director shall provide necessary directives and oversight for the management of the state personnel system and in discharge of his constitutional duty to administer the state personnel system.

The Department is responsible for overseeing all major statewide human resource programs and systems, including employee benefits, risk management, job evaluation, compensation, recruitment and selection, consulting and training, and personnel rules development and interpretation. These duties are delegated to the Division of Human Resources, which conducts periodic audits of statewide human resource functions.

As part of our annual statewide audit, we review personnel costs at various agencies on a sample basis. This year we reviewed sick and annual leave at the Department of Law, the Department of Natural Resources, the Office of the Governor, the Division of Central Services in the Department of Personnel and Administration, and the Department of

Revenue. Specifically, we examined the controls and processes for recording annual, sick, and other compensatory leave. We reviewed 85 personnel files for Fiscal Year 2001.

During our audit we found several common problems with the controls and processes for tracking and recording employee leave. Specifically, we found that:

- **Eleven percent (9 out of 85) of employees had leave request forms not signed by a supervisor.** We found one example of this at both the Department of Law and the Office of the Governor. Central Services had 7 employees with a total of 11 request forms that were not signed by a supervisor, representing more than 100 hours of leave.

- **Eight percent (7 out of 85) of employees had one or more leave request forms (nine total forms) that were not updated in the leave tracking system.** As a result, leave time that was taken was not deducted and employees were not properly apprised of their balances. There is also a risk that balances may be overstated, resulting in extra costs to the State. At the time of testing in June 2001, the forms ranged from one to eight months old. We found this problem three times each at Central Services and the Department of Law and once at the Office of the Governor.

- **Five percent (4 out of 85) of employees had leave time recorded without a request form, representing 26 hours of leave.** This involved files for three employees at Central Services and one employee at the Office of the Governor.

- **More than one-half (13 out of 25) of the employees' leave balances reviewed at Central Services contained mathematical errors.** We noted six individuals who had one month's activity posted two or more times. This resulted in both leave taken and leave earned being recorded several times, with the balances subsequently misstated.

In general, we found inadequate review over the leave tracking and recording function. It does not appear that agency controls that are in place are effective in preventing errors in employee leave balances. Without complete and accurate leave information, employees may take time off inappropriately, expenses may be recorded incorrectly, and managers may not have the information needed for policy-making decisions. This is compounded by agencies' using a variety of leave systems to track employee leave balances, ranging from manual leave cards to spreadsheets to full automation.

The Department of Personnel and Administration should incorporate the review of leave controls and processes into its examinations of the State's human resource programs. This action will provide the Department with vital management information and assist in their efforts to comprehensively manage and oversee the various human resource systems in the State's decentralized environment.

The Department is working toward a more comprehensive statewide leave management system. The individual, segmented leave systems currently in use make it very labor-intensive for the Department to gather management information needed to fulfill its monitoring and oversight functions. In addition, many of the various systems are complex and difficult to navigate and integrate, increasing the cost of using the systems and the possibility for errors, such as those found in our audit. A pilot program, Kronos, is currently being tested in two state agencies. We believe that the Department should continue to develop a more comprehensive statewide system that provides access to management information, is more user-friendly, and is made available to all state agencies.

Recommendation No. 20:

The Department of Personnel and Administration should monitor sick and annual leave on a statewide basis by:

a. Reviewing the adequacy of leave tracking systems as part of their oversight of the State's human resource systems.

b. Establishing a project schedule and deadlines for implementing a statewide automated leave system.

Department of Personnel and Administration Response:

a. Agree. The Division of Human Resources is responsible for overseeing the statewide human resource functions including the application by agencies. The Consulting Services Unit performs the audits to monitor and evaluate the state personnel system. This unit is currently redefining the auditing function and developing an audit methodology and evaluation standards that will be shared with the agencies. In determining the audit schedule, leave management is one area that is to be audited first. The audit review of each agency's policies,

processes, and systems regarding leave tracking will be part of these audits. This audit is tentatively scheduled to begin prior to June 2002.

Implementation date: Starting June 1, 2002 and then ongoing.

b. Agree. The Department of Personnel and Administration is committed to providing the necessary support and infrastructure for the statewide timekeeping (including leave tracking), providing funding is made available. The Departments of Public Health and Environment and Natural Resources have implemented the statewide pilot timekeeping system, Kronos, and the Department of Public Safety is beginning implementation. These departments and the Department of Personnel and Administration contributed funding for the pilot project. In addition, the Departments of Human Services and Labor and Employment are currently using a separate and self-administered version of the Kronos system. These departments are planning to migrate to the statewide Kronos system in the future. Other departments are considering joining the statewide system as well.

The Department of Personnel and Administration does not have funding to implement the Kronos system on a statewide level. As each additional department joins the statewide system, they will work with the Department of Personnel and Administration and the software vendor to identify the incremental costs. These costs may include software licensing costs, software implementation costs, additional infrastructure costs, and ongoing operational costs.

Implementation Date: June 30, 2003.

Improve Controls Over Payroll

In Fiscal Year 2001 the Department of Personnel and Administration had an annual gross payroll of approximately $24 million for its 503 full-time employees and an annual gross payroll of approximately $1.4 million for its 69 part-time employees. During our audit we found the following:

- The payroll process duties were not segregated. The employee directly associated with processing payroll was also reconciling the payroll expense. The

Department's payroll process should be segregated. The Department has adequate staff to allow for segregation of duties.

- The independent division verification of payroll eligibility is not adequately reviewed by the Department's Human Resource Section. To compensate for the lack of segregation in the Human Resource Section's payroll process, each division is requested to review and verify its monthly and bi-weekly payroll expense and acknowledge in writing that the payroll expense is accurate. We found that more than 50 division acknowledgment letters had not been reviewed and some divisions had not acknowledged the accuracy of their payroll expense within the previous two to three months. In addition, we could not determine if payroll expense reports were actually sent to all the divisions each pay period.

While we did not identify any payroll errors during our testwork, a sound control system will mitigate the risk of errors or irregularities.

Recommendation No. 21:

The Department of Personnel and Administration should ensure that:

a. The payroll process duties are segregated.

b. All divisions receive and review their payroll expense reports, and payroll staff review and verify that each division confirms the accuracy of its monthly and biweekly payroll in a timely manner.

Department of Personnel and Administration Response:

a. Agree. The Department of Personnel and Administration is currently going through a reorganization of internal departmental functions. As part of that reorganization the Department's payroll and human resources functions will be moved from the Division of Human Resources to the Executive Director's Office. This will provide adequate staff to allow for the proper segregation of payroll duties.

Implementation Date: March 1, 2002.

b. Agree. The necessary steps will be taken to ensure independent verification of payroll eligibility is performed in a complete and timely manner.

Implementation Date: March 1, 2002.

Improve Procedures and Controls Over Payment Vouchers

Central Collections, an agency within the Department of Personnel and Administration, is responsible for collecting debts owed to state agencies and local governments and disbursing collections to them. The agency's internal debt collection system, Columbia Ultimate Business System (CUBS), manages 450 client agencies and 229,000 accounts totaling $191 million as of June 30, 2001. In Fiscal Year 2001 Central Collections collected nearly $11.8 million in debts owed.

The Executive Director's Office (EDO) is responsible for reviewing supporting documentation, such as detailed billing information and approving payments to state agencies and local governments. We found that the EDO approved Central Collection's payments without reviewing supporting documentation. The same problem existed in our 1996 audit and the EDO agreed to implement procedures to review supporting documentation before approving payments. We did not find any errors during our Fiscal Year 2001 testwork; however, an established approval process can mitigate the risk of errors.

Recommendation No. 22:

The Department of Personnel and Administration, Executive Director's Office, should implement procedures to review Central Collections' supporting documentation prior to approval of payments.

Department of Personnel and Administration Response:

Agree. The Department will implement the necessary procedures to ensure that independent review of supporting documentation is performed prior to approval by the Executive Director's Office.
Implementation Date: March 1, 2002

State Controller's Office

The State Controller's Office (SCO) is organizationally located within the Department of Personnel and Administration. The Office is under the direction of the State Controller, who is appointed by the Executive Director of the Department of Personnel and Administration. The SCO is responsible for the State's financial affairs and reporting on the operations of the State as a whole, including the following functional areas:

- **Administration.** This area includes the State Controller and the Deputy State Controller, who are responsible for establishing financial guidelines and fiscal policies for the State's agencies.

- **Reporting and Analysis.** This area is primarily responsible for compiling the State's General Purpose Financial Statements as well as various other statutorily required reports.

- **Financial Accounting Specialists Team.** The members of this team provide various accounting services to State agencies, including assisting them in implementing new guidelines and addressing specialized accounting needs.

- **Central Accounting.** This area's primary responsibility is to issue warrants for the State's obligations.

- **Cost Accounting.** This area develops the statewide indirect cost plan.

- **Procurement.** The State Controller oversees the State's procurement functions.

The State Controller's Office was appropriated 38.5 FTE staff in Fiscal Year 2001.

Ensure Problem Areas Are Resolved

The mission of the State Controller's Office is to manage the State's financial operations and provide quality statewide financial information. The SCO routinely works in partnership with state agencies, which on a daily basis conduct the State's business and record the related transactions on the State's accounting system, COFRS. The SCO staff are in continual contact with agency accounting staff and analyze information in COFRS on a regular basis. These activities provide the SCO with feedback on financial issues.

Despite the SCO's involvement, we have seen problems at two of the State's largest departments that have continued over a number of years.

Department of Health Care Policy and Financing (HCPF). HCPF oversees the State's Medicaid program, which is the largest federal program administered by the State. The Medicaid program is funded approximately equally by state general funds and federal funds and had expenditures of over $2 billion in Fiscal Year 2001. As part of its responsibilities, HCPF tracks the accounts receivable due to the State from the federal government after general funds have been expended for the Medicaid program. In Fiscal Year 1996 the Statewide Single Audit reported that HCPF had inadequate controls over the various accounts receivable for the Medicaid program. The audit recommended that the Department improve its management of these accounts by completing reconciliations and strengthening controls.

Subsequent audits reported that the recommendation was "partially implemented" because, although the Department had been able to reconcile some of its receivables related to the Medicaid program, it had not been able to reconcile the largest one, the receivable from the federal government. After considerable effort over several years, in Fiscal Year 2001 the Department completed the reconciliation and concluded that the receivable was overstated and had to be reduced by $15.9 million. This amount represents almost 14 percent of the $116.2 million federal receivable prior to the reduction. (For additional information about HCPF and this write-off, see Recommendation No. 3).

Department of Human Services (DHS). DHS oversees the State's programs for public assistance, mental health, developmental disabilities, youth corrections, vocational rehabilitation, veterans, and numerous other areas. This Department had total expenditures of about $1.8 billion in Fiscal Year 2001 and is responsible for some of the State's other large federal programs. Some of these programs and their total Fiscal Year 2001 expenditures from all sources include Temporary Assistance for Needy Families, or TANF ($197.6 million), Food Stamps ($179.1 million), and the Social Services Block Grant ($85.2 million). Since Fiscal Year 1995, the annual financial audits have identified problems with cash management related to federal receivables at DHS on a regular basis. Specifically, the Department has not drawn down federal funds in a timely manner for all of its federal programs after state general funds have been expended. The Department has made efforts to address this problem, as well as other issues, by reorganizing accounting staff and functions and implementing a new county financial information system. However, the Fiscal Year 2001 audit again identified large balances in the federal accounts receivable for four of the Department's largest federal programs. This indicates that in these cases DHS still was not requesting reimbursement from the federal government as soon as it should. For a fifth program, the Department had drawn federal funds in advance of state expenditures, which is a violation of federal regulations. (For additional information about DHS cash management, see Recommendation No. 66).

Management of State Finances

The longer problems persist, the more difficult it may be to determine their source and the more likely they may result in costs to the State. In the case of HCPF, it is not known if the $15.9 million was originally a valid receivable that should have been collected from the federal government, or was a result of erroneous entries not discovered previously. If the $15.9 million was a valid receivable, the write-off represents an expenditure in general funds because the State did not receive the federal reimbursement. However, because the problem was not identified until at least three years after the entries in question occurred, and because of difficulties locating detailed accounting data, HCPF was unable to determine the specific entries that created the $15.9 million. In any case, since there is a two year limit under federal Medicaid regulations for requesting reimbursement, the amount is not collectible at this time.

In the case of DHS, the lack of timely draw downs of federal funds for programs such as TANF means that the State loses the use of those general funds longer than it should. In other words, the State unnecessarily loses interest on general funds used to front the federal share of expenditures prior to the receipt of federal reimbursement. In Fiscal Year 1998 the audit estimated that approximately $107,000 in interest was lost over a six-month period.

The SCO's assistance and guidance to state agencies is vital to ensuring that the State's finances are properly managed; adequate controls are in place to safeguard state assets; and financial reports are accurate, timely, and provide an appropriate basis for decision making.

Recommendation No. 23:

The State Controller's Office should assess ongoing problems identified during audits on the basis of risk, and assist agencies in addressing and resolving problems considered high priority for the State.

State Controller's Office Response:

Agree. The State Controller's Office does assist state agencies in resolving problems identified during financial audits. We are deeply troubled by the $15.9 million dollar adjustment to the federal receivables at HCPF and became aware of it shortly before closing the books. This adjustment was identified as a result

of that department responding to prior audit recommendations. Based on statements by the accountant involved, we believe that the error resulted from an over-accrual of federal revenue that occurred over a number of years. If this is the case, this represents an accounting error; it does not represent an under-collection of federal revenue. However, we have not yet been able to verify this explanation. The State Controller's Office will continue to investigate the transactions that may have led to this required adjustment.

To be implemented by June 30, 2002, and ongoing.

Record Write-Offs of Accounts Receivable in the Current Fiscal Year

Another concern identified during the Fiscal Year 2001 audit was that the State Controller's Office recorded the offset to the $15.9 million write-down in accounts receivable, discussed in the previous section, as a decrease to the prior year's fund balance in the State's Fiscal Year 2001 financial statements. In our opinion, the offset should have been recorded as a bad debt expense in Fiscal Year 2001. Recording the $15.9 million as a bad debt expense is consistent with the treatment of other reductions to accounts receivable for uncollectible amounts, and clearly identifies the adjustment in the current year.

In making its decision, the SCO used accounting standards that address how adjustments for errors and for changes in estimates should be reported. Standards require that the correction of an error be reported as an adjustment to the prior period, if the error is discovered during the current fiscal year but is attributable to an earlier year. On the other hand, a "change in estimate" is to be reported in the current fiscal year, regardless of whether the original estimate was made in the current year or an earlier year. In the case of the $15.9 million reduction, the State Controller's Office concluded that the reduction was the correction of an error or errors made in prior years and therefore must be treated as a prior period adjustment.

We are concerned that there is no documentation supporting the conclusion that the $15.9 million was an error or collection of errors. It is equally likely that the $15.9 million was at one time a valid receivable. Various audits conducted by our office of the Medicaid program have identified problems with oversight of the financial aspects of the program. In particular, the *Overexpenditure of Medicaid Funds Financial Review* conducted by the Office of the State Auditor (discussed in the Department of Health Care Policy and

Financing recommendations 4 through 9 in this report) found a serious lack of oversight and accountability on the part of both HCPF and the Department of Human Services (DHS) for expenditures for two parts of the Medicaid program administered by DHS. These problems have likely existed since the reorganization of state departments effective Fiscal Year 1995, and they also could have resulted in, or contributed to, misstated receivables. If this is the case, the $15.9 million represents not only an adjustment to accounts receivable, but also a loss of federal revenue to the State.

Receivable amounts deemed uncollectible are routinely reported in the current period as an expense to that period. For example, in Fiscal Year 2001 the SCO recorded another, separate write-down in accounts receivable in the amount of about $2.1 million from Medicaid providers as a bad debt expense in Fiscal Year 2001. Thus, the SCO did not handle the two Medicaid-related write-offs consistently with respect to reflecting the expense as current year activity. For the provider receivable, there was an allowance for uncollectible accounts, and the offsetting entry increased the allowance, rather than directly decreasing the receivable itself.

Disclosure of Adjustments in Current Year

Equally as important as the discussion of accounting standards, however, we believe that write-offs to accounts receivables and other adjustments affecting the State's assets should be disclosed as part of the current year's financial activity in order to ensure full accountability for these transactions. In this case, there is general agreement that the $15.9 million overstatement was the result of poor accounting practices, and the lack of a basic control over the Medicaid program. Such instances need to be fully disclosed, and in our opinion, recording these as current year adjustments is the most straightforward manner of achieving this.

In addition, recording such adjustments as a current year transaction prevents manipulation of the year's financial results by moving adjustments into prior years. This is particularly important because state spending is limited by several legal requirements, such as the 6 percent limitation on the annual increase in general fund expenditures under the Arveschoug provision (Sec. 24-75-201.1, C.R.S.). In this case, because the $15.9 million was treated as a prior period adjustment, it will not become part of the Fiscal Year 2001 base upon which the 6 percent limit in general fund expenditures is calculated for Fiscal Year 2002. If the $15.9 million had been treated as a budgetary expense in Fiscal Year 2001, this would have increased the Fiscal Year 2001 base by $15.9 million and would have potentially decreased the amount of money available for transfer into the Highway Users Tax Fund in Fiscal Year 2002. In the case of the Medicaid provider receivable reduction

of $2.1 million discussed earlier, this was treated as a budgetary expense for Fiscal Year 2001.

Recommendation No. 24:

The State Controller's Office should record write-offs of uncollectible accounts receivable as a current year expense in the year in which the determination is made, unless specific, documented evidence of entries exists that attributes the adjustment to an error or errors made in a prior period.

State Controller's Office Response:

Partially Agree. The State Controller's Office does record write-offs of uncollectible receivables in accordance with generally accepted accounting principles. We do not believe that recording a current year expense is always appropriate. The write-off of the $2.1 million of Medicaid provider receivables was properly shown as an expense because expenditures had been reduced when the receivables were established. However, write-offs of tax receivables are recorded as a reduction of current year revenue because revenue was overstated when the receivables were originally established. Prior period adjustments are only recorded for errors made in a prior period that are of such a size that showing them as current period adjustments would materially distort current year revenue or expenditures. The State Controller's Office will continue to discuss with the Office of the State Auditor, the Joint Budget Committee Staff, and the Office of State Planning and Budgeting, the most appropriate way to reflect these types of adjustments against the current year budget.

To be implemented by June 30, 2002.

Improve Timeliness of Initial Electronic Funds Transfer Payments

The State makes payments to vendors in one of two ways, by check or by Electronic Funds Transfer (EFT). In Fiscal Year 2001 about $4.6 billion of payments were made by EFT and $3.9 billion were made by check. These amounts do not include checks for income tax issued by the Department of Revenue and unemployment insurance checks issued by the Department of Labor and Employment.

EFT payments have advantages over paying by check. EFT transactions cannot be lost in the mail and the State Treasurer's Office is able to better predict the State's cash flow. Although float time is reduced, the predictability of EFT transactions allows money to be kept in higher-yielding investments for longer time periods. These advantages are lost when manual checks are issued.

When a vendor initially requests to be paid by EFT, the State Controller's Office enters the vendor information into the State's accounting system and sends a prenotification to the vendor's financial institution. The prenotification is a zero-dollar EFT transaction that is used to verify that the account information is accurate. If the prenotification is not rejected, the State will send the first EFT payment 17 days later.

During our audit we identified a problem with the time period between when a vendor signs up to receive payments by EFT and when the initial payment is made to the vendor. Currently the State's accounting system is programmed to transmit a prenotification and to wait 17 days for a response from the vendor's financial institution before initiating the EFT payment. In some instances, this delay has necessitated the issuance of manual checks to ensure payments are made within the statutory 45-day deadline.

We contacted six financial institutions to determine whether the State's prenotification process was reasonable. The banks we contacted had time periods ranging from two days to two weeks, with the standard being about one week. All of these time periods were less than the State's 17 days. In addition, we found that the National Automated Clearing House Association, the national rule-making body governing electronic payments through the Automated Clearing House system, no longer requires prenotifications when initiating EFT transactions.

We believe that the State Controller's Office should eliminate the prenotification requirement or reduce the time period so that initial EFT transactions will be processed in a timely manner. This change would require reprogramming the State's accounting system to accept a shorter time period. The State Controller's Office should work with Colorado Information Technology Services staff to coordinate any system changes.

Recommendation No. 25:

The State Controller's Office should eliminate the prenotification requirement or reduce the time period to ensure initial EFT payments to vendors are made in a timely manner.

State Controller's Office Response:

Agree. The State Controller's Office will review the need for the prenotification process. If it is determined that it will still be required, we will work with the appropriate parties in the Department of Personnel and Administration to implement the needed system changes to reduce the time required to initiate EFT payments.

To be implemented by June 30, 2002.

Colorado Information Technology Services

Colorado Information Technology Services (CITS) integrates the State's information services. The Division's responsibilities include planning, coordinating and integrating communication capabilities for data, voice, radio, and wireless technologies; planning, managing, operating, and delivering the State's computer infrastructure (such as desktop microcomputers, mainframe resources, and data entry services); developing data sharing technologies; archiving historical records; and supporting all statewide applications (including payroll, personnel, financial, and purchasing systems). The State Archives is a unit of CITS.

State Archives

The Colorado State Archives' mission is "to ensure the preservation of the state's permanent legal records and information and to promote their use by the citizens of Colorado." Archives provides records and archive management and micrographics assistance to state and local government agencies. Archives' information and research functions provide for citizen access to public records created by the legislative, executive, and judicial branches of state government. Archives was appropriated 11 FTE to carry out its functions in Fiscal Year 2001.

Records Management Processes Need Improvement

Section 24-80-102, C.R.S., states that the Executive Director of the Department of Personnel and Administration is responsible for the proper administration of public records.

For all practical purposes, this duty is delegated to the State Archivist. Agencies are allowed by statute to appoint records liaison officers to help with the performance of the duties and functions concerning state archives and public records. These officers aid in the oversight of records management processes at their agencies by monitoring compliance with the State's Record Retention Manual, creating policies and procedures regarding record retention and destruction, ensuring that records are purged and destroyed according to established schedules, establishing protocols for the safeguarding of confidential records, and serving as a resource for agency personnel.

Archives works with the records liaison officers to develop and approve retention schedules for agency records. Retention schedules and destruction requests are approved by the executive director of the requesting agency, the Attorney General's Office, the State Archivist, and the Office of the State Auditor.

As part of our audit, we sent records management policy and procedure surveys to 22 Colorado state agencies encompassing all three branches of government. In addition we surveyed records management personnel from five surrounding states. We also performed testwork at the State Archives and various state agencies. During our testwork we noted several ways in which the State's records management processes could be improved. In addition, we found a general lack of awareness of basic records management requirements and practices and a lack of overall information. For example, we were unable to obtain basic information such as the amount of storage space used, number of records stored, and records storage costs.

Improve Communication About Records Management Policies and Procedures Among Agencies

We found one agency was not updating its record retention schedules on a regular basis; four agencies were not aware that records retention policies and procedures must be approved by the State Archivist, Attorney General's Office, and Office of the State Auditor; and several agencies had schedules that did not include all agency records. Schedules should be reviewed and updated periodically to ensure that they are appropriate and that records are being kept and purged in an efficient manner.

Six agencies were not aware that record liaison officers should be appointed for each department. We obtained a listing of record officers from the Archives and noted the record liaison officers listed for these six agencies were no longer responsible for those duties, or only were responsible for their division.

None of the agencies surveyed requested detailed billing statements from DocuVault, the State's approved record storage vendor. DocuVault allows customers to indicate the level of detail they prefer on their monthly statements. If an agency does not specify the type of statement, the default monthly billing will only show a total amount due. If agencies do not request detailed billing statements, there is no way to ensure that they are being charged for the correct services.

Purge Records Annually

Four of the twenty-two agencies reviewed were not purging records on an annual basis and were keeping records longer than needed. Although annual purging is not required by statute, records should be purged regularly so that unnecessary items are not retained, resulting in extra storage costs to the State.

Records should be destroyed in compliance with Section 24-80-105, C.R.S., which requires approval of the Attorney General's Office and the State Archivist before records are destroyed. We noted multiple instances where record liaison officers stated they were unaware of this requirement. When records disposal is not properly approved, items with a business, legal, or audit value may be destroyed inadvertently.

Improve Maintenance and Storage of Records

None of the state agencies we surveyed were able to produce an inventory listing of records. Although this is not required by statute, it is essential for records management. An inventory of stored records should be kept so that the retention and disposal processes can be efficiently managed and so that agencies are aware of the number and location of the records they possess.

All records should be stored appropriately. We noted two agencies using off-site storage facilities that were not climate-controlled. Records stored in such areas may be subject to the variations of the weather or to pest infestation, which may cause damage or destruction.

Agencies should use the most cost-effective record storage methods. Specifically, agencies are storing records themselves when it may be more cost-effective to use the state-approved vendor. The State entered into a price agreement with DocuVault to provide record retention services for Fiscal Year 2002. For records that are not needed on a frequent basis, it may be more cost-effective for agencies to use DocuVault's services than to maintain their own storage facilities. Using DocuVault would also free up space in state buildings that could be used for other purposes.

Obtain Records Information and Create a Records Management Users Group

The above problems indicate a fundamental lack of awareness and disregard on the part of state agencies for records management. Archives could remedy this deficiency by:

- Working with the General Assembly to establish standards for records management including, but not limited to, requiring the appointment of a records officer for each department, periodic inventories of agency records, and the appropriate destruction of agency records.

- Requiring inventory listings of records stored and storage space used from each agency. This information would assist in efficiently managing retention and disposal processes and provide information on the cost of record storage at each agency.

- Creating a users group to achieve better communication between agencies and Archives. Such a group would provide a forum for records liaison officers to discuss issues and concerns relating to their duties. It would also provide a mechanism for Archives to disseminate information relating to retention requirements and best practices and to provide opportunities for additional training. During our testing we noted a tremendous disparity in the experience of the records liaison officers. Some officers were very knowledgeable about the process, while others were not. A users group would allow new records liaison officers to draw on the experiences of their peers in an informal environment. Since Archives possesses the necessary expertise, it should take the lead in coordinating such a group.

Recommendation No. 26:

The State Archives should work with the General Assembly to establish standards for records management.

State Archives Response:

Agree. The State Archives will work with the General Assembly this summer and fall to establish such standards. Legislative change will be sought in the 2003 session.

Implementation Date: June 30, 2003.

Recommendation No. 27:

The State Archives should require the submission of inventory listings of records stored and storage space used from each agency.

State Archives Response:

Agree. We will proceed to establish a process to collect this information from the agencies and anticipate beginning to request this information in July 2002. If agencies do not respond to our request, we will note this and advise the Office of the State Auditor.

Implementation Date: June 30, 2003.

Recommendation No. 28:

The State Archives should improve communication regarding records management requirements among state agencies by creating a users group. This group should include records liaison officers from each agency, should meet on a regular basis, and should address:

a. Records management policies and procedures.

b. Purging and destroying records.

c. Maintenance and storage of records.

State Archives Response:

Agree. The State Archives will establish a records management users group as recommended. We will move forward to develop a process whereby the group will meet quarterly beginning with Fiscal Year 2003 to address these issues.

Implementation Date: July 15, 2002.

Convert to an Electronic Cataloging System

Archives maintains a catalog of all permanent records in its possession in a paper format. Agencies provide Archives with two copies of the Public Records Register, detailing the items to be stored. Archives stamps a record location on the copies and files them in binders called Finding Aid Guides for each agency. When locating a record, Archives personnel must manually locate the Public Records Register for the item. Because this information is filed manually, there is only one access point to look up records. For example, information cannot be retrieved from different computer terminals or other remote locations. Archives also does not have the ability to perform searches by topic or keyword, leading to more effort and time spent by staff in retrieval.

There are a variety of systems available that could aid in tracking the records Archives keeps. These range from off-the-shelf database software to programs created by agency staff. An electronic cataloging system would allow Archives multiple access points to retrieve information and to process requests more quickly and efficiently. Items could be retrieved using a variety of search terms in addition to the item number. Archives should investigate the options available and convert its existing inventory from a paper to an electronic format for its cataloging system.

Recommendation No. 29:

The State Archives should investigate the various options available and convert its current cataloging system from a paper to an electronic format.

State Archives Response:

Agree. Efforts are currently under way to determine what the scope and resource requirements of this project would entail. Our goal would be to make the information available on the Internet as well. If the spending authority, funding, and technology are available, this process could begin in Fiscal Year 2003.

Implementation Date: June 30, 2003.

Improve Records Management Training Provided to State Agencies

Archives provides records management training to agencies upon request. This training covers basic records management topics, such as the duties of the records liaison officers. As of October 2001, Archives had not provided any training to agencies other than on demand. However, we noted that several statewide training sessions are now available with dates listed on Archives' Web site. Although this is a step in the right direction, we believe that Archives should take further steps to publicize available training services.

As part of our survey of state agencies, we asked if records liaison officers had attended an Archives-sponsored training session and, if so, their opinion of the quality and value of the information they received. Individuals who stated they had attended the training had a high opinion of the content and quality. However, we noted that 9 of the 22 records liaison officers stated that they were unaware that Archives offered such training.

It is important that records liaison officers receive training on their duties. Staff at four out of the five states we surveyed stated that they provided at least annual training sessions. We believe that Archives should take steps to publicize its training program and conduct at least annual training sessions for all agency records liaison officers.

Recommendation No. 30:

The State Archives should ensure that training is available to all agencies by:

a. Taking steps to publicize the type and nature of training that is available.

b. Conducting general training sessions for all agency records officers on at least an annual basis.

State Archives Response:

Agree. The State Archives can expand information about the training opportunities that are available to state agencies. However, there is a need for additional records management FTE to do the job well. At present only a .5 FTE is available for statewide records management. Conversely, our neighboring states

have anywhere from 3 to 12 full-time records management FTE assigned to this responsibility.

We will plan for an annual records management training session beginning in Fiscal Year 2003 assuming funding and resources are available.

Implementation Date: August 1, 2002.

Central Services

The Division of Central Services is responsible for providing basic services needed in all state agencies. These services include mail processing, messenger services, management of the statewide travel program, copying, printing and graphics design, microfilming, vehicle leasing, management of the State's motor vehicle fleet, and collection of overdue accounts. Central Services is funded entirely from fees paid by state agencies.

Improvements Are Needed in Direct Billing Systems

Central Services directly bills other agencies more than $10 million each year for centralized services. Automated billing systems generate bills and interface with the State's accounting system, as well as provide various management reports.

During our audit we identified the following control issues:

- Two data entry people at the Print Shop can perform data-entry related functions and modify programs. These duties are incompatible and allow the opportunity to alter programs and billings.

- There is no off-site storage of backups for some of the Direct Billing System application files and master data files. The backup files are stored at the same location with the computer equipment. In addition, no formal document is stored off-site that contains all information necessary for locating key employees and data files.

Recommendation No. 31:

The Division of Central Services should ensure that there is:

a. Proper segregation of duties and limited access to necessary functions by employees.

b. Backups of application files and master data files are stored off-site in case of a disaster.

Division of Central Services Response:

a. Agree. Implemented June 30, 2001.

b. Agree. During the audit the recommendation was made to the Network Administrator that a monthly backup tape for the Condor Server be taken off-site. This process was implemented June 30, 2001.

Department of Revenue

Introduction

The Department of Revenue's primary role is to manage the State's tax system. Tax collections totaled $8.7 billion in Fiscal Year 2001. In addition, the Department is responsible for performing various other functions as follows:

- Administer the State Lottery, which grossed nearly $351 million in ticket sales in Fiscal Year 2001. Of this amount, about $79 million was available for distribution for capital construction as well as for parks and outdoor projects.

- Act as a collection agent for city, county, RTD, special district, and severance taxes. The Department received nearly $926 million in taxes and fees on behalf of other entities.

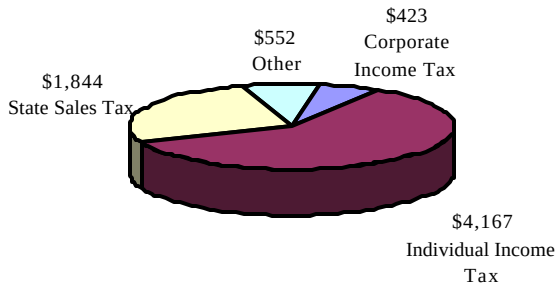
- Collect taxes and fees for the Highway Users Tax Fund (HUTF), which is primarily for the benefit of highway maintenance projects in the State. In Fiscal Year 2001, amounts collected for the HUTF totaled approximately $742 million.

- Regulate the limited stakes gaming activities in Cripple Creek, Black Hawk, and Central City. The gaming communities grossed about $651 million in Fiscal Year 2001.

- Enforce tax, alcoholic beverage, motor vehicle, and emissions inspection laws.

- Operate the State's 11 Ports of Entry.

Department of Revenue
General Fund Revenue Collections
(In Millions)



Source: Department of Revenue, Fiscal Year 2001 Collections Report.

In Fiscal Year 2001 the Department had a budget of nearly $476 million and 1,523 full-time equivalent staff (FTE). The State Lottery Division had the largest share of the budget, accounting for nearly 65 percent of the total.

TABOR Refund Mechanisms

The Taxpayer's Bill of Rights (TABOR) was added as Article X, Section 20, of the Colorado Constitution in the November 1992 general election. TABOR limits increases in the State's revenue to the annual inflation rate plus the percentage change in the State's population. Revenue in excess of this limitation must be refunded to taxpayers in the following fiscal year unless voters approve a revenue change that allows the State to keep the excess. TABOR also allows the State to use tax credits as a mechanism to refund the excess revenue.

For Fiscal Year 2001 there were nine mechanisms used to refund the $941.1 million Fiscal Year 2000 TABOR excess. These included the state earned income credit; the personal property tax credit; the dividend, interest, and capital gains exemption; the capital gains modification; the rural health care provider credit; increased child care credits; the pollution control equipment credit; the health benefits plans credit; and the state sales tax refund.

We examined over 200 income tax returns from seven different samples, each relating to one of the nine TABOR refund mechanisms. During our testwork we found controls lacking over the issuance of some of these credits.

Ensure Only Eligible Individuals Take TABOR Credits

Many of the credits require the submission of documentation in addition to the standard return that shows that a taxpayer is eligible to take the credit. Others restrict eligibility by the amount of a taxpayer's federal adjustable gross income. On the basis of our sample, we found that $343,306 in credits were erroneously granted to ineligible taxpayers. Specifically, we found:

- **Over 600 taxpayers who were not appropriately certified by the Department of Public Health and Environment claimed the rural health care provider credit.** Individuals are statutorily required to be certified by the Department of Public Health and Environment (DPHE) to take the rural health care provider credit. Health care professionals who reside and practice in areas of Colorado that are understaffed can take a credit of up to one-third of the amount of qualified student loans. Out of 10 tax returns in our sample for this refunding mechanism, only one individual was certified by the DPHE and therefore qualified to take the credit. We compared a list of certified taxpayers with a report showing the total number that claimed the credit, and found that over 600 uncertified taxpayers took the credit for a total amount of $309,250. Additionally, the certification form, which is required by statute, was missing in all 10 returns sampled. The Department does not have any controls in place to ensure only certified taxpayers claim this credit.

- **218 taxpayers erroneously claimed the earned income credit.** Taxpayers with a federal adjusted gross income of less than $31,250 are eligible to take the state earned income credit. The credit is 10 percent of their federal earned income credit. In our sample of 60 tax returns, we found one individual with a federal adjusted gross income of greater than $31,250 who had taken the credit. The Department provided us with a report showing an additional 217 taxpayers who had erroneously claimed the credit for a total amount of $30,895.

- **At least seven ineligible taxpayers claimed the health benefit plan credit.** Individuals with a prior year federal adjusted gross income of less than $35,000 are eligible to take the health benefit plan credit. The credit allows taxpayers to claim a credit for health benefit plans not paid for by an employer or deducted from federal adjusted gross income. We found 7 out of 25, or 28 percent, of taxpayers in our sample for this credit had federal adjusted gross income in excess of the threshold. The errors totaled $3,161. The Department could not provide us with a report showing the prior year adjusted gross income of the individuals who took the credit. The Department basically has no controls to ensure the health benefit credit is appropriately taken.

- **40 returns did not include the Colorado Individual Credit Schedule or the Colorado Source Capital Gain Affidavit.** During our Fiscal Year 2000 audit, we found that taxpayers did not always submit the Colorado Individual Credit Schedule or the Colorado Source Capital Gain Affidavit. The schedule is required by the Department when claiming certain tax credits. The Department processed returns that were incomplete. For Fiscal Year 2001 we found that the schedule was not submitted in 25 out of 110 instances when required for the credits we sampled, and the affidavit was not submitted in 15 out of 25 instances in our sample of the Colorado Source Capital Gain Exclusion. The Department requires these forms but will process returns without them.

The Department does not have a methodology in place to verify taxpayers' federal adjusted gross income, and does not ensure that supporting documentation is submitted with the return. Such documentation is already required by statute or the Department's own instructions. Without this documentation, the Department cannot verify the eligibility of taxpayers to take the credits. Because there is no methodology in place to verify eligibility, individuals who were not eligible to take these credits, did so. The Department should identify and bill all individuals who ineligibly claimed these credits. If the schedules are not provided by the taxpayer, the Department should not process the return or should evaluate other methods of independently verifying the accuracy of the credit. Our audit clearly indicates the need for verification procedures.

Recommendation No. 32:

The Department of Revenue should ensure that only eligible individuals claim and receive TABOR credits by:

a. Identifying and billing individuals that were ineligible to claim TABOR credits.

b. Implementing a methodology to ensure that taxpayers are eligible for the credits taken.

c. Processing only complete returns, or evaluating methods of ensuring that accurate credits are claimed should the taxpayer fail to submit the required schedules.

Department of Revenue Response:

a. Agree: The Department is currently in the process of identifying and billing any taxpayer that is found to have taken a credit in error. This process is part of our regular efforts to ensure accurate filings.

   The Department does have edit criteria in place that result in the review of certain net capital gain deductions. If an affidavit was not filed, the Department requests the affidavit.

b. Agree: However, the Department is concerned that the expenditure of resources on credits that might not exist for the next tax season is kept to a minimum. Further, the Department considers a number of factors in prioritizing its resources, including the number of taxpayers affected, the impact on processing returns, programming expense, anticipated results, and availability of other audit processes. The credits identified are fairly new and limited to a relatively few taxpayers and only select tax years. The following paragraphs describe actions being taken in response to the audit concerns:

   - Earned Income Credit. Implemented: The Department already has a computer edit in place to check income threshold.

   - Health Benefit Credit. The Department will investigate imposing a computer edit this year to audit for last year's federal adjusted gross income. We currently plan to audit this credit, as we explained in the fiscal note, as part of our Fair Share section's projects.

- Individual Credit Schedules and Net Capital Gain Affidavit. The Department must balance the need for efficient processing with the need for auditing and compliance efforts. The TABOR credits resulted in the requirement that new forms be attached to the return. Manual visual checking for the attachment of these forms would have significantly slowed the processing of the paper returns during the last tax season. The Department is under tremendous pressure to process over two million returns, many of which require refunds, in a short period of time, to avoid interest and refund penalties. All possible efforts to ensure compliance with the laws are being considered.

- Rural Health Care Provider Credit. The Department will investigate a programming change to create a database to verify that the taxpayer has a certificate. Taxpayers without certification will be contacted for more information and, if appropriate, assessed.

c. Agree. To the degree possible given limited resources. The above discussion describes the Department's activities in this regard.

Enhance Controls Over Personal Property Tax Refund

The personal property tax refund began as a TABOR refund mechanism in Fiscal Year 1999. This mechanism allows qualified taxpayers to claim a refund of personal property taxes paid to all taxing jurisdictions in Colorado. All qualified taxpayers were required to submit a paper return and proof of payment to claim the refund. The Department manually processed more than 100,000 property tax returns in Fiscal Year 1999. House Bill 00-1145 changed the process beginning in Fiscal Year 2000. The bill allows taxpayers to receive the refund automatically on the basis of information provided to the Department by county treasurers and county assessors. The counties are required to provide the Department with a personal property schedule number, the taxpayer's ID number, taxpayer's name and address, and the amount of personal property tax that was paid timely. During Fiscal Year 2001 about 104,000 refunds were issued, totaling $84.6 million.

We found three problems during our review of the refund process. We found that (1) there are still more than 3,100 outstanding refund checks as of October 4, 2001, (2)

data entry errors were made by the Department, and (3) some counties are still unclear on the required information to be provided to the Department.

Resolve Outstanding Check Issues

During our audit we found that some taxpayers were not receiving their refund checks. The Department did a mass mailing of refund checks in August 2000 for refunds of Calendar Year 1999 personal property taxes paid in Calendar Year 2000. Of the approximately 104,000 checks issued, there were more than 3,100 outstanding checks, totaling about $1.3 million as of October 4, 2001. Among those checks, about 2,900 were issued on a single day, August 7, 2000, totaling $1.1 million.

The outstanding checks ranged from $1 to $238,479, and most were cancelled as part of the State's expired check process. Although most were for $25 or less, we found that there were 183 that were greater than $500 each. The top 10 highest amounts ranged from $6,177 to $238,479 and appeared to belong to major corporations that are easily located. However, the Department had only contacted 3 of the taxpayers with the top 10 highest amounts and 17 of the 183 with outstanding checks over $500, despite the checks having been issued over a year and a half before. We do not believe that the Department has made sufficient efforts to locate these taxpayers given the amount of time the checks have been outstanding.

We have asked the Department to immediately resolve this issue. The outstanding checks consist of (1) checks that have been mailed to taxpayers but were returned to the Department due to incorrect addresses or any other reasons, (2) checks that have been received by taxpayers but have not been cashed, (3) checks that have been issued but were not mailed to taxpayers until our audit. The Department was not able to provide us with a breakdown of the amounts for each of these categories.

It is imperative the Department attempt to locate the rightful owners of these outstanding checks. Since taxpayers are not required to submit paper returns, many may not be aware of the refunds owed to them. The Department could provide data regarding which taxpayers had outstanding checks to the county that originally provided information and work together to attempt to contact the individuals involved. Names of individuals with outstanding checks could also be posted on the Department's Web page, in order to provide a listing to interested parties. Alternatively, the Department should consider whether it is viable to turn the outstanding checks over to Treasury's Unclaimed Property section when other attempts to locate the taxpayers are exhausted.

Recommendation No. 33:

The Department of Revenue should resolve outstanding check issues to ensure that taxpayers receive their personal property tax refunds in a timely manner.

Department of Revenue Response:

Agree: The Business Tax Accounting Section has, or will, contact the 183 taxpayers and attempt to re-issue these refunds.

Verify the Accuracy of Data Entry

Incorrect data entry can cause taxpayers to receive incorrect refunds. As part of our audit, we tested 60 refund records and found the following problems due to data entry errors. All the errors were corrected by the Department after we brought them to its attention.

- Two instances in which complete information was provided by counties, but some details were omitted during data entry. This resulted in the taxpayers being underrefunded by $866. The Department refunded the appropriate amounts to the taxpayers.

- Four instances in which two or more different ID numbers were entered for the same taxpayer. In this case, the State overrefunded $783. The taxpayers were billed for the amounts owed.

- One instance in which the amount of the tax paid was entered incorrectly. This resulted in an overrefund of $821. The taxpayer was billed for the amount owed.

- One instance in which an invalid ID number was entered as a valid ID number. This resulted in an overrefund of $32 by the State. The taxpayer was billed for the amount owed.

While these amounts are small, they are indicative of a basic lack of control over the personal property tax process.

We noted there were no edits or other verifying procedures in place during the data entry process for Fiscal Year 2001 refunds. Under House Bill 00-1145, counties can file their

reports electronically or in paper format. Beginning in Fiscal Year 2002, the Department plans to have a new reporting format for counties who will report the information in a paper format. There are edits in this new format to verify the accuracy of data entry for the amount of tax paid and the number of schedules submitted. However, there are no edits to ensure the accuracy of ID numbers or taxpayer addresses. The Department needs to obtain reasonable assurance that correct information has been obtained and used to process the refund.

The Department should continue to encourage counties to file their reports electronically and work cooperatively to reduce the submission of incorrect data. All the errors noted above were found in the reports filed in paper format. Approximately 39 percent of reports were filed electronically in Fiscal Year 2001. The Department also noted these manually processed reports were where the most data entry errors occurred.

Ensure Accuracy of Information

During Fiscal Year 2001 the Department had to process more than 2,800 returned checks mainly because of incorrect address information provided by counties. The Department statutorily relies on information provided by each county treasurer and county assessor to process the refund. While some counties provided correct information to the Department, others did not. For example, some counties provided street addresses while the post office only delivered to P.O. boxes in some areas.

House Bill 01-1287 modified the administration of the credit. The bill requires each county to submit one set of combined information from the county treasurer and the county assessor. Prior to House Bill 01-1287 both the Treasurers had sent in separate reports on the same data. These reports sometimes contained inconsistent information. The Department also has provided counties with a new form to report necessary information. In the new form, there are specific instructions to ask for the ID number and mailing address, etc. In addition, the Department held meetings with county personnel to discuss the new procedures and requirements.

The accuracy of the information provided by counties is vital to the success of the property tax refund process. We contacted three of the largest counties in the State regarding the personal property tax refund. Representatives from two of the counties attended the meeting held by the Department and are aware of the new procedures and requirements. One county experienced many problems in Fiscal Year 2000 and is expecting the same problems again in Fiscal Year 2001.

Recommendation No. 34:

The Department of Revenue should enhance personal property tax refund procedures by:

a. Ensuring all the information furnished by the counties will be entered correctly and encouraging counties to file the report electronically.

b. Providing additional training and assistance to counties so that they can provide more accurate required information.

Department of Revenue Response:

Implemented: All procedures surrounding personal property tax refunds were dramatically changed and improved prior to the November 2001 refunds.

a. As of the October 1, 2001 deadline, 86 percent of all counties had filed electronically.

b. Since the November 2001 refunds were issued, only one county submitted incomplete information.

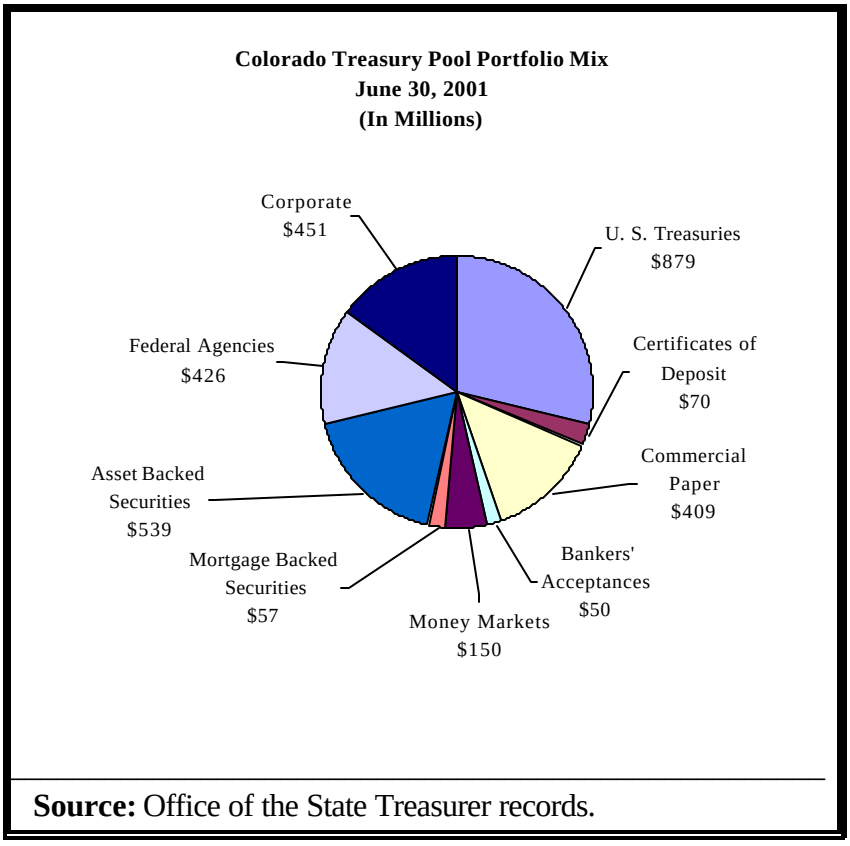
Office of the State Treasurer

Introduction

The Office of the State Treasurer is established by the State Constitution. The Treasurer is an elected official who serves a four-year term. The Office manages the State's investments, and implements and monitors the State's cash management procedures. Other duties and responsibilities include:

- Receiving, managing, and disbursing the State's cash.
- Safekeeping the State's securities and certificates of deposit.
- Managing the State's Unclaimed Property Program, the School District Loan Program, and the Elderly Property-Tax Deferral Program.

The State's pooled investments are made up of a variety of securities as shown in the following chart:



Source: Office of the State Treasurer records.

Ensure Custodial Funds Receive Interest

The Treasurer's Office held over $190 million in cash on behalf of others in Fiscal Year 2001. This amount is recorded in about 70 custodial funds on the State's accounting system. The funds range from sales taxes collected by the Department of Revenue for cities and counties to collateral received by the Oil and Gas Conservation Commission from operators to conduct oil and gas operations. The amounts recorded in the custodial funds are deposited as part of the Treasury's pooled cash, and interest is earned on the deposits. Since the Treasurer's Office acts as the custodian of the monies, the interest earned should not be credited to the State. Instead, the interest belongs to the entities. During our testing we noted that the Treasurer's Office was not crediting interest received to the custodial funds as required.

In Fiscal Year 1991 the Treasurer's Office obtained an Attorney General's opinion regarding the payment of interest to custodial funds. The opinion specifically stated that interest earned on a custodial fund is to be credited to that custodial fund. During Fiscal Year 2001 we noted that about 30 custodial funds received the interest due, while the interest for the remaining approximately 40 funds was credited to the State's General Fund. We estimated that the General Fund received about $2.2 million in interest that should have been credited to custodial funds in Fiscal Years 2000 and 2001. The majority of this amount related to sales and severance taxes collected on behalf of cities and counties at the Department of Revenue. Therefore, the interest should have been paid to these cities and counties.

In the past the Treasurer's Office has credited interest to custodial funds only after a request from another state agency. This was because the Office had no definitive way to determine whether the funds were actually custodial in nature and should be receiving the interest. We believe that since the Attorney General's opinion was addressed to the Treasurer's Office, it is the Office’s responsibility to ensure that custodial funds are receiving interest. Therefore, the Treasurer's Office should work with state agencies to identify which custodial funds are not currently receiving interest and ensure that such funds receive the proper amount due them.

In addition, the amount of interest recorded in the State's accounting system can have an impact on TABOR revenue. The source of the interest received determines whether interest revenue should be included in or excluded from the TABOR base. Interest credited to the State's General Fund is included as TABOR revenue. We have brought this to the attention of the Treasury's staff who are in the process of identifying which funds should have received interest and the amount. This process will be completed by June 30,

2002, and the impact on TABOR and agency funds will be assessed at that time. Therefore, the State Treasurer's Office should determine the amount of interest that should have been paid to the custodial funds in the past three fiscal years and the TABOR effect, if any.

Recommendation No. 35:

The Treasurer's Office should ensure that all custodial funds receive the proper amount of interest due by:

a. Working with state agencies to identify the custodial funds that should receive interest.

b. Determining how much interest should have been paid to custodial funds instead of the State's General Fund for the past three fiscal years.

c. Determining the TABOR effect, if any, on the interest recorded in the State's General Fund instead of the custodial funds.

Treasurer's Office Response:

Agree. The Treasurer agrees with the requirement to pay interest on those accounts that are custodial. The Treasurer also agrees that the Treasurer is the appropriate authority to determine which accounts are or are not custodial.

Section 24-36-114, C.R.S., gives the Treasury the fiduciary and statutory responsibility to credit all interest earnings on "state money" to the General Fund unless expressly directed otherwise. This obliges the Treasurer to operate upon the presumption that interest earnings from any funds on deposit in the Treasury are credited to the General Fund unless he receives statutory direction or appropriate documentation that allows him to make a determination that the fund is custodial. Therefore as a matter of policy, the agency or department that opens the account must provide the Treasurer the information he needs to determine that the account is custodial. Without that documentation, he will presume the account is not custodial and continue to credit the interest to the General Fund.

Over the past several months, the Treasurer has repeatedly asked the other departments to update their lists of custodial accounts and to provide the documentation to support that list. Included in these requests was a detailed description from the Attorney General's opinion explaining the nature of custodial

funds. Unfortunately, to date, the Treasurer has received a minimal response from the other departments to these letters. Significantly, of the few responses the Treasurer has received, the majority were for accounts that the Treasurer determined were not custodial.

The Treasurer will send another request that the agencies and departments update their lists of current custodial accounts by March 31, 2002. When the Treasurer receives information from the agencies and the departments, he shall complete steps b. and c. of the recommendation.

To ensure the proper recording of interest, the Treasurer will request updated information from agencies on an annual basis.

Implementation date: June 30, 2002

Compliance With Colorado Funds Management Act

The Colorado Funds Management Act (the Act), (Section 24-75-901, C.R.S.), was enacted to allow the State to finance temporary cash flow deficits caused by fluctuations in revenue and expenditures. Under the Act, the State Treasurer is authorized to sell Tax and Revenue Anticipation Notes (TRANS). TRANS are short-term notes payable from the future anticipated pledged revenue.

The Office of the State Auditor reviews information relating to tax and revenue anticipation notes and reports this information to the General Assembly as directed by Section 24-75-914, C.R.S. This report section provides information about the July 3, 2001, issuance of $150 million in General Fund Tax and Revenue Anticipation Notes (hereafter referred to as the Series 2001A Notes) and the October 12, 2001, issuance of $600 million in General Fund Tax and Revenue Anticipation Notes (hereafter referred to as the Series 2001B Notes).

Terms and Price

Both series of Notes have a maturity date of June 28, 2002, and are not subject to redemption prior to maturity. This date complies with the Act, which requires the maturity date to be at least three days prior to the end of the fiscal year of issue. The table on the following page provides other details of the terms and price.

State of Colorado Details of Series 2001A and 2001B Note Issues		
Issue Amount:	2001A 2001B	$150,000,000 $600,000,000
Denomination (Both Series)		$5,000
Premium on Sale:	2001A 2001B	$2,043,600 $3,723,300
Face Interest Rate:	2001A 2001B	3.50% 4.00% 3.00% 3.25%
Average Interest Cost to the State:	2001A 2001B	2.551% 2.144%
Source: Office of the State Treasurer records.		

Notes in each series are issued at different face interest rates. These are the rates at which interest will be paid on the Notes. The average interest cost to the State differs from the face amount because the Notes are sold at a premium, which reduces the interest expense incurred.

Security and Source of Payment

In accordance with the Act, principal and interest on the Series 2001A and 2001B Notes are payable solely from any cash income or other cash receipts recorded in the General Fund for Fiscal Year 2002. General Fund cash receipts include those that are subject to appropriation in Fiscal Year 2002 and any pledged revenue, including the following:

- Revenue not yet recorded in the General Fund at the date the Notes were issued.
- Any unexpended Note proceeds.
- Proceeds of internal borrowing from other state funds recorded in the General Fund.

The State Controller will record monies reserved to pay the principal and interest of the Notes in the Series 2001 Note Payment Account (Account). The holders of the Notes are secured by an exclusive first lien on assets in the account. The State Treasurer holds, in custody, the assets in the Series 2001 Note Account.

If the balance in the Account on June 15, 2002, is less than the principal and interest of the Notes due at maturity, the Treasurer must deposit into it all General Fund revenue then available and borrow from other state funds until the balance meets the required level.

The amount due at maturity for Series 2001A is $155,818,056, consisting of the Note principal of $150,000,000 and interest of $5,818,056. The amount due at maturity for Series 2001B is $612,871,111, consisting of the Note principal of 600,000,000 and interest of $12,871,111. To ensure the payment of the Series 2001A and 2001B Notes, the Treasurer has agreed to deposit pledged revenue into the Account so that the balance on June 15, 2002, will be no less than the amount to be repaid. The Note agreement also provides remedies for holders of the Notes in the event of default.

Legal Opinion

Kutak Rock LLP, bond counsel, have stated that, in their opinion:

- The State has the power to issue the Notes and carry out the provisions of the Note agreements.
- The Series 2001A and 2001B Notes are legal, binding, secured obligations of the State.
- Interest on the Notes is exempt from taxation by the United States government and by the State of Colorado.

Investments

Both the Colorado Funds Management Act and the Series 2001A and Series 2001B Note agreements allow the Treasurer to invest the funds in the Account in eligible investments until they are needed for Note repayment. Interest amounts earned on the investments are credited back to the Account. The State Treasurer is authorized to invest the funds in a variety of long-term and short-term securities according to Article 36 of Title 24, C.R.S. Further, Section 24-75-910, C.R.S., of the Funds Management Act states that the Treasurer may:

- Invest the proceeds of the Notes in any securities that are legal investments for the fund from which the Notes are payable.

- Deposit the proceeds in any eligible public depository.

Purpose of the Issue and Use of Proceeds

The Notes are being issued to fund the State's anticipated General Fund cash flow shortfalls during the fiscal year ending June 30, 2002. The proceeds of the sale of the Notes were deposited in the State's General Fund. Note proceeds will be used to alleviate temporary cash flow shortfalls and to finance the State's daily operations in anticipation of taxes and other revenue to be received later in Fiscal Year 2002.

Additional Information

The Notes were issued through a competitive sale. A competitive sale involves a bid process in which notes are sold to bidders offering the lowest interest rate.

The Notes issuance is subject to the Internal Revenue Service's (IRS) arbitrage requirements. In general, arbitrage is defined as the difference between the interest earned by investing the Note proceeds and the interest paid on the borrowing. In addition, if the State meets the IRS safe harbor rules, the State is allowed to earn and keep this arbitrage amount. The Department of Treasury is responsible for monitoring compliance with the arbitrage requirements to ensure that the State will not be liable for an arbitrage rebate.

State Expenses

There are expenses incurred by the State that are directly associated with the issuance and redemption of the TRANS. These expenses include:

- Bond legal counsel fees and reimbursement of related expenses incurred by the bond counsel.

- Disclosure counsel fees and expenses.

- Fees paid to rating agencies for services.

- Costs of printing and distributing preliminary and final offering statements and the actual notes.

- Travel costs of state employees associated with note issuance and selection of a financial advisor.

- Redemption costs, consisting of fees and costs paid to agents to destroy the redeemed securities.

The above expenses were approximately $122,000 for the Series 2001A and Series 2001B Notes.

No recommendation is made in this area.

Department of Transportation

Introduction

The Colorado Department of Transportation is responsible for programs that impact all modes of transportation. The State Transportation Commission governs its operations.

In Fiscal Year 2001 about 78 percent of the Department's expenditures were related to construction funded by the Federal Highway Administration (FHWA) and state sales and use tax funds. The Department's portion of the State Highway Users Tax Fund (i.e., the State Highway Fund) and various aviation-related taxes fund most of its other expenditures. The Department also receives monies from other federal agencies that it passes through to local governments and other entities for highway safety and transportation improvement programs.

The FWHA funds are used for research, planning, and construction of highways. The State Highway Fund and Bond Revenues pay for highway maintenance and operations and about 65 percent of any highway construction not covered by FHWA funds.

The following comments were prepared by the public accounting firm of Arthur Andersen LLP, who performed audit work at the Department of Transportation.

Perform Monthly Reconciliation of Note Proceeds Accounts

During Fiscal Years 2000 and 2001 the Department issued Transportation Revenue Anticipation Notes. The proceeds from the issuance of the Notes are maintained in three bank accounts, which in aggregate totaled about $1.03 billion at year-end.

We found that the Department does not reconcile between the bank statements and the general ledger on a monthly basis. Failure to reconcile bank accounts monthly increases the risk that transactions recorded by the bank (e.g., interest and dividends) are not recorded in the general ledger, or vice versa, leading to a misstatement of cash balances. We noted that the Department did not record about $172,000 of dividends earned as of year-end.

Monthly reconciliations would have detected this difference and facilitated the recording of the dividend income in a timely manner. An individual should be assigned and trained. A standard template should be developed to simplify completion of the monthly reconciliation.

Recommendation No. 36:

The Department of Transportation should:

a. Create a standard template for use in completing reconciliations of the Note proceeds bank accounts.

b. Assign one individual to perform the reconciliations for the Note proceeds accounts.

c. Provide adequate training for the assigned individual so that the proper reconciliation procedures are fully understood.

Department of Transportation Response:

Agree. Bank reconciliations will be assigned to an individual and these reconciliations will be accomplished on a monthly basis.

Implement December 31, 2001.

Ensure Leases Are Properly Classified and Future Payments Are Correctly Reported

The Department leases equipment for use in its operations, such as copiers and other office equipment. As of year-end, the Department has entered into leases that will require aggregate future payments of about $2.7 million. During our audit we found two problems with the recording and accounting for leases, as follows:

The Department does not have formal policies or procedures in place to evaluate the classification of leases. The Department currently classifies all new leases as operating leases. This treatment may not be correct.

There are two types of leases, capital and operating. Capital leases consist of items such as equipment that is essentially considered as being owned. The equipment is recorded as an asset of the Department and the debt is recorded as a liability. The principal portion of future payments is offset against the liability, and only the interest portion is recorded as an expense on the statement of operations. In contrast, operating leases do not give rise to property rights or obligations. As such, all payments related to operating leases are recorded as lease expense.

While we did not find any leases that were classified incorrectly, a formal process should be put in place to evaluate the classification of all leases. Certain individuals should be assigned the responsibility for reviewing leases. Accounting standards contain the authoritative criteria for capital versus operating leases and should be incorporated into a checklist to aid in the classification. Failure to perform such an evaluation may result in classifying capital leases as operating, causing a misstatement of the related assets, obligations, and expenses.

The Department is not properly compiling the required information of future lease payments. For operating leases, financial accounting standards require disclosure of the future lease payments that will be due within each of the five years following the balance sheet date, and the aggregate amount thereafter. We noted errors in the Department's compilation of this information. The Department calculates future minimum lease payments from a summary schedule prepared from the Department's records. Errors that were noted included expired and cancelled leases on the summary schedule, and certain leases on the schedule multiple times. We tested 13 leases related to the future minimum lease disclosure and found an overstatement of future lease payments of about $68,000.

These errors resulted from a lack of formal procedures that provide for adequate oversight by the accounting department in obtaining information from other divisions of changes in the payment amount and lease terms and a lack of controls in the compilation of the summary schedule. Errors in the preparation of the summary lease schedule may result in over- or understatement in the disclosure of future obligations under operating leases.

Recommendation No. 37:

The Department of Transportation should:

a. Ensure that leases are properly classified as operating or capital. A checklist should be developed that lists out the criteria for capital lease accounting. This checklist should be completed at the initiation of every new lease. Assign the

responsibility of lease evaluation to certain employees and provide training on capital lease criteria.

b. Evaluate the completeness and accuracy of the operating lease summary schedule used to compile the future minimum lease disclosure.

c. Review the operating lease summary schedule for accuracy at year-end. This review should include verification with the responsible party that the reported leases exist and that the terms are accurate. The review should also include a confirmation that each lease is only included on the schedule once and that all new lease agreements are included.

Department of Transportation Response:

Agree. Due to funding constraints, the Department does not typically enter into capital leases. However, since the possibility exists to inadvertently execute a capital lease, a checklist will be developed to ensure the timely and accurate reporting of all leases. Implement June 30, 2002.

Department of Health Care Policy and Financing

Introduction

The Department of Health Care Policy and Financing (HCPF) develops financing plans for public health care programs. In Fiscal Year 2001, HCPF spent about $2.3 billion to administer its programs including Medicaid and the Children's Basic Health Plan. Please refer to page 35 in the Financial Statement Findings section for additional background information.

The following comments were prepared by the public accounting firm of BKD, LLP, who performed audit work at the Department of Health Care Policy and Financing.

Ensure Costs Are Allowable

Under the federal Medicaid program, certain expenditures are considered allowable costs and thereby qualify for reimbursement by the federal government. Total Medicaid program expenditures, excluding administrative costs, were over $2.1 billion for Fiscal Year 2001, which represents a federal share of just over $1 billion. The audit tested a stratified sample of 127 program expenditures and credits with a net value of $3,790,882 (federal share $1,895,441) for allowability under Medicaid regulations.

The types of errors identified in the sample continue to be similar to those found during the previous two fiscal years' audits. Overall, evaluation of the sample identified 51 program expenditures that did not comply with one or more of the allowable cost criteria for the Medicaid program. These 51 items had a value of $44,681 (federal share $22,341). The errors were as follows:

- **Electronic Data Interchange Agreements and Adequate Support for Claims**. There were 43 out of 127 instances in which no Electronic Data Interchange agreement for the billing provider was available for our review. By not confirming these agreements are in place with providers, the Department does not adequately ensure providers are aware of their obligation to have medical records to support the claims submitted. Payments for claims unsupported by medical records are not allowed under the Medicaid program.

- **Prescription Credits**. There were 6 of 11 sample items in which documentation was not present to indicate whether prescriptions were picked up by the Medicaid recipient within the prescribed 14-day period. Regulations allow the costs for prescriptions to be billed only if the recipient obtains the prescription within 14 days. Should a recipient not pick up a prescription within that time frame, the provider is required to credit the original cost back to the program. This requirement is stated clearly in the Pharmacy Provider Manual supplied by HCPF.

  Effective June 1, 2000, HCPF approved an amendment to the pharmacy provider agreements requiring that the provider maintain a log documenting the signature of the Medicaid recipient and the date the prescription was picked up. During our testing in Fiscal Year 2001 it was evident that some pharmacy providers were unable to provide this documentation for sample items. The Department intends to establish procedures to monitor and periodically test the pharmacy signature logs during Fiscal Year 2002 to ensure the Medicaid program receives credit for prescriptions not claimed within 14 days.

- **Transportation Claims**. There were two nonemergency county transportation claims tested. Both were billed directly by the transportation provider rather than by the appropriate county as required. Further, the services required prior authorization; however, approval occurred on a trip sheet submitted after the date of services. Additionally, two nonemergency Home and Community Based Services (HCBS) transportation services did not have documentation supporting prior authorization of the services.

- **Private Duty Nursing**. The one home health private duty nursing claim reviewed was for services that require prior authorization. No prior authorization was on file. The Department indicates that it subsequently made a change to the State's automated data processing system for payment of Medicaid claims; this change will require prior authorization before payment on these types of claims occurs. However, this error is further evidence that the Department should conduct the automated data processing reviews to ensure adequate internal controls are in place over claims processing for Medicaid. Currently only limited reviews are taking place. This issue is discussed further in Recommendations No. 39, 45, 46, and 47 below. (CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 38:

The Department of Health Care Policy and Financing should ensure payments are made only for allowable costs under the Medicaid program by:

a. Ensuring that Electronic Data Interchange agreements are current for every provider submitting batch transactions before payment is made for those claims.

b. Establishing procedures to randomly test pharmaceutical providers' compliance with established requirements of maintaining chronological logs of the Medicaid recipient signatures and following up, as appropriate, to ensure credits are received for prescriptions not claimed within 14 days.

c. Reviewing and revising procedures for processing transportation claims to ensure only authorized transportation services are provided and paid.

d. Establishing and documenting reviews of the Medicaid claims processing system to ensure all services requiring prior authorization are screened for receipt of authorization before payment is made. The list of such services should be updated on a recurring basis.

Department of Health Care Policy and Financing Response:

a. Agree. Updating the Electronic Data Interchange agreements is part of the five-year provider reenrollment plan scheduled for completion by July 1, 2005. The Department is currently in the process of updating the Primary Care Physician's Electronic Data Interchange agreements. The current provider application incorporates the Electronic Data Interchange agreement so that all providers enrolling must sign the form. The agreements will need to be modified when the Health Insurance Portability and Accountability Act is implemented. The absence of an Electronic Data Interchange Agreement is a documentation issue and does not alter the correct processing and edit checks through the Medicaid Management Information System; it does not directly indicate improper payments.

b. Agree. Beginning in the third quarter of Fiscal Year 2002 the Program Integrity Unit will begin random yearly reviews of a sample of pharmacy

providers. Each review will encompass a 3-month time period and assess the provider's compliance in maintaining an accurate prescription receipt log. Compliance to claims reversal will be evaluated when prescriptions have not been picked up from the pharmacy within 14 calendar days. Appropriate provider education and/or demand letters for recovery of overpayments less than $200 will be issued at the conclusion of the review.

c. Agree. The Department has proposed revised transportation benefit rules which are to be presented to the Medical Services Board for first reading on November 9, 2001. If passed, they will go to second reading on December 14 with an effective date of February 1, 2002. The proposed rules provide clarification on the correct procedures for obtaining prior authorization for transportation services.

   The Department is issuing a Request for Proposal (RFP) for a statewide transportation broker to be implemented by July 1, 2002. The transportation broker will provide the prior authorization for non-emergent transportation, provide the reimbursement for transportation services, and maintain the administrative oversight and reporting for non-emergent transportation. Transportation claims for non-emergent transportation will no longer be processed through the fiscal agent once the transportation broker is implemented.

d. Agree. The Department continues to work with the fiscal agent to ensure that the Medicaid Management Information System has edits designed to prevent payment for unauthorized services. The Department will review these edits to ensure they are being set properly. Further, the Department will review the service codes that are to be prior authorized to ensure that the authorization indicators are set correctly. Completion scheduled for April 2002.

Perform Reviews of Controls over Automated Systems

The Medicaid program is dependent on extensive, complex computer systems and the internal controls over such systems for ensuring the proper payment of Medicaid benefits. Federal regulations (45 CFR 95.621) require state agencies to establish and maintain a program for conducting a biennial risk analysis and security review of automated systems for the Medicaid program. The purpose of these requirements is to ensure that

appropriate, cost-effective controls and safeguards are incorporated and operating as intended in Medicaid claims payment systems. The Department contracts with a nongovernmental service organization that functions as the fiscal agent for the Medicaid program and is responsible for the operation of the Medicaid Management Information System (MMIS), the automated claims processing system for the Medicaid program.

In both Fiscal Year 1999 and 2000, we found that the Department was not conducting the required biennial risk analysis and security review of MMIS. During the Fiscal Year 2001 audit, we noted that the Department had compiled policies for MMIS and had reviewed the physical security for the system. However, HCPF did not provide evidence that the biennial risk analysis had been performed.

In addition to meeting these federal requirements, the Fiscal Year 1999 and 2000 audits recommended that the Department ensure that an independent assessment of the internal controls over MMIS is performed on a regular basis. Our Fiscal Year 2001 audit noted that these reviews are still not taking place. The Department's continued lack of systematic testing of internal controls over MMIS creates concern about the accuracy of Medicaid payments. For example, many of the variables used in calculating Medicaid payments are input manually. If an error is made, claims may not be processed correctly. The need to test internal controls over MMIS was also addressed in the *Medicaid Management Information System Performance Audit* (May 2001, Report No. 1334) conducted by the Office of the State Auditor (see Recommendations Nos. 45, 46, and 47).

Because of the volume of claims processed through MMIS, it is critical that the Department ensure that data are secure, accurate, and safeguarded, and that internal controls are in place and operating as intended. On average, MMIS processes over one million claims each month. As mentioned earlier, expenditures for services under the Medicaid program were about $2.1 billion in Fiscal Year 2001.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions (Automated Data Processing)).

Recommendation No. 39:

The Department of Health Care Policy and Financing should ensure adequate controls are in place over automated systems for the Medicaid program by:

a. Performing and documenting biennial risk analysis for the MMIS and following up on any corrective action deemed necessary as a result of that analysis.

b. Implementing a regular, systematic, independent assessment of controls over the Medicaid Management Information System.

Department of Health Care Policy and Financing Response:

a. Agree. The Department will conduct a risk analysis of the Medicaid Management Information System during Fiscal Year 2002. The analysis will be done in conjunction with the annual security review.

b. Agree. The Department currently conducts regularly scheduled claim processing assessment reviews. In addition, new controls over edit resolutions and reference file changes have been implemented. During Fiscal Year 2001 the Office of the State Auditor conducted a performance audit of the Medicaid Management Information System. The recommendations of the audit are currently being implemented. The fiscal agent is planning an independent assessment of controls for its data facility for Calendar Year 2002.

Improve Oversight Over Eligibility

The audit reviewed the Department's procedures for complying with federal requirements for determining the eligibility of the individuals who receive benefits and the providers who receive reimbursements under the Medicaid program. HCPF has established an agreement with the Department of Human Services (DHS) to oversee the determination of individuals' eligibility for Medicaid through county departments of social services. These departments are under the oversight of DHS. County departments are responsible for inputting information related to individuals' eligibility into the Client-Oriented Information Network (COIN) system or the TRAILS system, which tracks and monitors beneficiary eligibility. The information in COIN and TRAILS is used by MMIS in determining whether or not a claim should be paid on the basis of the individual's eligibility.

For providers, HCPF contracts with its fiscal agent, a nongovernmental service provider, to determine providers' eligibility for receiving Medicaid payments. Nonetheless, under federal regulations the Department of Health Care Policy and Financing remains ultimately responsible for the Medicaid program. This means that HCPF must have controls in place to ensure compliance with state and federal regulations for all aspects of the Medicaid program, whether performed directly by the Department, or by another entity through contractual or other formal agreements. As mentioned above, in Fiscal Year 2001, HCPF

paid Medicaid benefits to various providers in excess of $2.1 billion on behalf of individual beneficiaries.

In Fiscal Year 2001 our audit identified beneficiary eligibility errors in 3.1 percent (4 of 127 items) of the transactions tested; that is, instances in which payments were made on behalf of individuals not eligible for Medicaid. This is an increase from the 1 percent error rate found in the transactions tested during the Fiscal Year 2000 audit.

In the area of provider eligibility, we continued to identify a significant number of instances in which the documentation of required licenses was lacking, as was the case in the prior audit.

Individual Eligibility

The audit tested individual eligibility for 127 expenditures by reviewing files from the county departments of social services and determining whether individuals' information was properly reflected in COIN. We identified four payment errors with a net value of $3,140 (federal share $1,570). Further, we noted that there was no documentation in any of the files indicating that HCPF had attempted to recover the overpayments. The errors are as follows:

- In two instances, file documents indicated that the beneficiaries were not eligible at the date of service. The information contained in COIN showed the beneficiaries were eligible, and therefore the claims were paid.

- In one instance, documents indicated that the individual was ineligible for Medicaid because his income exceeded the 300 percent eligibility level for Old Age Pension (OAP). The information contained in COIN indicated the beneficiary was eligible, and the claim was paid.

- In one instance, a beneficiary's date of death preceded the capitation payment date, and the claim was paid.

The Department reports that it does not perform random testing of eligibility across all program areas. Instead, through a federally approved pilot project, eligibility testing is targeted toward areas considered to be of high risk. However, under this approach the Department does not ensure that all areas are periodically tested for eligibility determination accuracy. In addition, periodic random testing would enable the Department to reevaluate its risk assessment.

According to federal regulations, individuals must be eligible for the Medicaid program in order to receive benefits (42 CFR Part 435, Subparts G and H). By not ensuring that client eligibility is accurately determined and ensuring that eligibility information in COIN is accurate, HCPF risks that benefits may be paid on behalf of ineligible individuals. If erroneous payments were made, HCPF would have to repay to the federal government any Medicaid monies previously reimbursed to the State for these individuals.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Eligibility (Client Eligibility).)

Recommendation No. 40:

The Department of Health Care Policy and Financing should strengthen controls over the eligibility process for individuals under the Medicaid program by:

a. Working with the Department of Human Services to implement control policies and testing procedures to ensure all county departments of social services are maintaining current and complete files for Medicaid-eligible beneficiaries.

b. Establishing control procedures to ensure claims are not paid for an individual who is ineligible for benefits and to ensure individuals no longer meeting eligibility requirements are disenrolled in a timely manner from the Medicaid program and any associated payments are recouped for benefits paid on behalf of ineligible individuals.

c. Performing periodic random testing of eligibility claims in conjunction with targeted reviews to ensure eligibility is being properly determined, documented, and reported.

Department of Health Care Policy and Financing Response:

a. Agree. The Department of Health Care Policy and Financing has been working with the Department of Human Services to coordinate county eligibility training and establish protocol for answering county eligibility questions. Additionally, the HCPF Eligibility Section is currently working on a Volume 8 state Medicaid rules revision project. The goal of this project is to revise the state rules related to determination and redetermination of

Medicaid eligibility to make the rules more clear and user-friendly. The revision of rules should be completed by August 2002.

b. Agree. The Department agrees that an error occurred with regard to recouping the capitation payment that was made on behalf of the deceased. The Department is committed to ensuring that Medicaid payments are made on behalf of eligible clients only. Under current Medicaid process, recipients are informed of their rights and responsibilities at the time of application. Current client responsibilities require that eligible families or individuals notify their county department of any change in household circumstance within 10 days. This applies to the death of a household member. In the error cited above, the family notified their county and the eligibility technician discontinued the case within the allowable time frame. Unfortunately, this occurred at the end of the month after the mental health capitation was issued.

With regard to the recoupment issue, under managed care, payment for services is issued prospectively, which creates a challenging situation for the Department, especially in the instances of birth and death. Because of the reliance on client reporting of those events, these situations usually require manual adjustments to payment. Currently, when the Department becomes aware of a payment that was made on behalf of a client who died, a manual transmittal is issued to recoup the payment. To further ensure that erroneous payments are recouped, the Department is modifying the Medicaid Management Information System to automate this recovery process. A change request detailing the need for a monthly, automated reconciliation was developed and submitted to the fiscal agent for implementation. The Department expects to have this process in place by December 2002.

c. Agree. As stated previously, since 1994 the Department no longer performs random testing of eligibility. Instead, it targets specific areas for testing, otherwise known as Quality Control pilots. The Center for Medicare and Medicaid Services, formally known as the Health Care Financing Administration, gives states the option of fulfilling the federal Medicaid Eligibility Quality Control (MEQC) requirements by either traditional case reviews or pilot projects. The purpose of MEQC reviews is to effectively identify and reduce erroneous payments. Colorado chose the pilot option because it allows the Department to apply our expertise in Medicaid eligibility to focus our QC reviews and resources on areas where errors are more likely to occur.

The Department recognizes the value of randomized sampling; however, the federal pilot standards require all of our current MEQC resources. The Department is in the process of developing a sampling methodology for the Colorado Benefits Management System (CBMS) that will allow us to more readily sample all eligibility categories. We anticipate that this sampling will be in place by August 2002.

Provider Eligibility

The Department has contracted with its fiscal agent to determine the eligibility of providers to receive reimbursement for services under the Medicaid program. As part of this, the fiscal agent is required to maintain documentation to support that the medical providers are licensed in accordance with federal, state, and local laws and regulations (42 CFR sections 431.107 and 447.10; Section 1902(a)(9) of the Social Security Act).

Out of the sample of 127 Medicaid expenditures, the audit found 86 instances of provider eligibility errors related to lack of documentation of required licenses and registrations. In some cases more than one type of error was identified with a particular provider. The total value of payments made to providers in the sample for which one or more errors were identified was $977,461 (federal share $488,731). The audit identified the following errors:

- 29 provider files did not contain a signed copy of the provider agreement. According to federal regulations (42 CFR §431.107), there must be an agreement between the state Medicaid agency and each provider furnishing services for which reimbursement is claimed.

- 71 provider files lacked documentation of one or more required licenses.

- 16 hospital, long-term care, and intermediate-care facilities lacked documentation of certification to operate in accordance with the State's health and safety standards from the Department of Public Health and Environment.

In response to our audit recommendation in this area last year, HCPF indicated that it would develop a five-year reenrollment plan for providers to address these types of problems and improve documentation of provider eligibility. During Fiscal Year 2001 the Department established a provider enrollment committee that is responsible for developing a strategic plan for provider reenrollment. The Department has terminated providers with unknown addresses, providers with only post office box addresses, and providers with no

claim activity for the past three years. The Department has initiated a Primary Care Physician reenrollment process that requires updated provider agreements and proof of licensure; this information is being entered into MMIS. Finally, the Department is reviewing licensing information from the Department of Regulatory Agencies, and if licenses are expired, revoked, or inactive, the providers are terminated in MMIS.

If payments are made to ineligible providers, the Department would have to refund monies previously reimbursed to the State by the federal government. Therefore, the Department should continue efforts to ensure that the fiscal agent meets requirements related to provider eligibility. (CFDA Nos. 93.777, 93.778; Medicaid Cluster; Provider Eligibility (Special Tests and Provisions).)

Recommendation No. 41:

The Department of Health Care Policy and Financing should improve controls over provider eligibility by:

a. Requiring the fiscal agent to review all provider files to ensure each file includes a current provider agreement and documentation of applicable provider licenses and registrations.

b. Revising control procedures to ensure expenditures are made only to eligible providers.

c. Formalizing a written five-year strategic corrective action plan detailing the goals, milestones, and time frames for completion of the procedures to accomplish provider reenrollment.

Department of Health Care Policy and Financing Response:

a. Agree. The Department continues to work on a five-year provider reenrollment plan to update provider files, which is scheduled for completion by July 1, 2005. A strategic plan has been developed and implemented for this project.

b. Agree. As part of the five-year plan, the Department is currently updating provider files manually and electronically. Providers found not to be eligible

are terminated from the Medicaid program. The Department will implement additional control procedures by summer 2002.

c. Agree. The Department has developed and implemented a five-year strategic plan for provider reenrollment as noted above. In order to update the provider files in the most cost-effective manner, the Department has organized a provider reenrollment group that is pursuing several areas. The strategic plan has goals and target dates. The Department will continue to update and refine the plan. As noted in the audit report, the Department has accomplished several tasks the past fiscal year as part of the five-year plan.

Maintain Adequate Documentation in Case Files

The audit included tests on case files maintained by the Program Integrity Unit (PIU). This Unit investigates and attempts to recover overpayments under the Medicaid program. We identified one instance in which documentation in the case file indicated the case was closed to recovery, but the case had been closed without any evidence of recovery. The Department reports that the case file was backlogged since 1998 and was reviewed in May 2001 by a recovery agent. The recovery agent determined the case was unrecoverable, since the recovery amount could not be substantiated in 2001. When a case is closed for recovery, it is imperative that the recovery efforts be timely to ensure actual amounts are recovered and any backlogs are minimized.

In addition, of the 30 case files reviewed, we noted 2 files were missing required signatures and documentation of case disposition. HCPF should ensure all documentation is included in case files in accordance with the established Quality Assurance Policy and Procedures to ensure program integrity activities are properly carried out. (CFDA Nos. 93.777, 93.778; Medicaid Cluster; Special Tests and Provisions (Fraud & Program Integrity).)

Recommendation No. 42:

The Department of Health Care Policy and Financing should improve documentation of program integrity cases by:

a. Evaluating recovery procedures to ensure all cases are handled consistently and timely.

b. Requiring that case files contain all required supporting documentation of approvals and dispositions.

Department of Health Care Policy and Financing Response:

a. Agree. The backlog addressed above has been eliminated. This should prevent any delays in processing recoveries in the future.

b. Agree. The two cases where missing signatures and documentation were noted were opened in 1997 as part of a special study. At that time parameters for special study case reviews would be identified. As long as the terms of the study were satisfied, not all cases with recoveries were signed by the supervisor. Since this time the Quality Assurance Section has developed policies and procedures for all the major activities conducted by Program Integrity. This includes policies on case openings, the organization of case files, provider reviews, and the recovery of overpayments for disallowed services. This should ensure that all cases opened after April 2001 are handled consistently.

Determine Proper Rating for CBHP Beneficiaries

The audit tested a sample of 30 expenditures for the Children's Basic Health Plan (CBHP). We found that in one instance the beneficiary's income was miscalculated and an incorrect rating was assigned. The error did not result in the beneficiary being improperly determined as eligible, and the beneficiary enrolled during a period when premiums for the program had been suspended. Therefore, there was no monetary effect from the error. However, this type of error could result in inappropriately enrolling ineligible individuals in the program.

The Department contracts with a private nonprofit organization to administer the Children's Basic Health Plan, including the performance of eligibility determination. As of Fiscal Year 2001, the Department is requiring the contractor to obtain an audit under the federal Single Audit Act. Therefore, annual audit procedures at the contractor will include testing for compliance with federal and state laws and regulations, such as those for CBHP. (CFDA Nos. 93.767; State Children's Health Insurance Program; Eligibility.)

Recommendation No. 43:

The Department of Health Care Policy and Financing should improve documentation of eligibility for the Children's Basic Health Plan by requiring periodic reviews of eligibility determinations of those enrolled and those denied to test ratings and ensure proper enrollment into the program.

Department of Health Care Policy and Financing Response:

Agree. The Department agrees that documentation should be strong. The Department already has strong quality assurance measures in place. The Department of Health Care Policy and Financing contractually requires the Children's Basic Health Plan administrative services contractor, Child Health Advocates, to document all eligibility policies and procedures. Current policy and procedures manuals are maintained by the contractor and approved by the Department. In addition, the Department has required that Child Health Advocates complete a monthly quality assurance review of eligibility determinations since Fiscal Year 1999. During the review, the contractor randomly selects at least 40 applications each month and ensures that the eligibility determination, whether enrolled or denied, was correct and that all data entry for the record was correct. The contractor is required to maintain an eligibility determination accuracy rate of 90 percent. The contractor reports its findings to the Department with its monthly reports. During Fiscal Year 2001 the contractor reviewed 480 individual files and reported a 98.96 percent accuracy rate for eligibility determinations. The Department also increased its oversight of CBHP eligibility determination with the additional requirement that Child Health Advocates have a Single Audit annually beginning with the year ending June 30, 2001. This audit will include eligibility testing by the independent auditors.

Subrecipient Monitoring of Single Entry Points

The Department of Health Care Policy and Financing is responsible for monitoring the performance of its single entry point (SEP) subrecipients, and the Department has entered into an Interagency Agreement with the Department of Human Services (DHS) to oversee the SEPs. SEPs are responsible for assessing what types of community-based services

are appropriate for individuals eligible for long-term care under the Medicaid program. Some of the options available include Home and Community Based Services, the Home Care Allowance program, and the Adult Foster Care program.

HCPF's current agreement does not require DHS to use a systematic or rotating time frame for completing on-site financial compliance reviews of SEPs or ensure that all SEPs are reviewed within a reasonable period of time. During the audit we found that some SEPs had not had a financial compliance review in five years. Without performing regular reviews, HCPF cannot ensure that beneficiaries are receiving appropriate long-term care services. (CFDA Nos. 93.777, 93.778; Medicaid Cluster; Subrecipient Monitoring.)

Recommendation No. 44:

The Department of Heath Care Policy and Financing should modify its Interagency Agreement with the Department of Human Services for single entry point subrecipient monitoring by:

a. Establishing procedures for conducting risk assessments of each single entry point entity and evaluating the need for an on-site financial compliance review.

b. Requiring that all single entry point entities receive an on-site financial compliance review within a reasonable period of time to ensure new and revised financial policies and procedures are being followed.

Department of Health Care Policy and Financing Response:

a. Agree. The Department will establish a procedure for prioritizing on-site financial compliance reviews that will improve financial compliance by recovering identified unspent or inappropriately spent case management payments. The Department will develop a risk-based prioritization for financial compliance reviews by July 1, 2002, for implementation of the Fiscal Year 2003 round of financial compliance reviews to be conducted by the Department of Human Services.

b. Agree. The Department will work through the budget process to procure the additional funds needed to conduct 12 on-site financial compliance reviews

annually, with each SEP being reviewed at least once every three years. Pending legislative approval, this will be implemented July 1, 2004.

Oversight of the Medicaid Management Information System

As part of its Medicaid plan, each state is required by federal regulations to have an automated claims processing and information system, referred to as the Medicaid Management Information System (MMIS). The Department of Health Care Policy and Financing is responsible for MMIS, since all Medicaid claims are paid through this system. HCPF contracts with Affiliated Computer Systems, Inc. (ACS; formerly Consultec, Inc.), to serve as the State's fiscal agent for the Medicaid program. ACS is responsible for claims processing through MMIS and ensuring payments are appropriate. The Department anticipates that ACS will be paid about $12.7 million in Fiscal Year 2001 to perform these services. During this period, MMIS is expected to process almost 13 million claims totaling about $2 billion on behalf of an average monthly Medicaid caseload of about 288,600 individuals.

Out of the over one million claims submitted by providers and processed through MMIS each month, approximately 95 percent are electronic and 5 percent are paper. This does not include the monthly capitation payments to managed care organizations, including HMOs. Paper claims are manually keyed into MMIS, at which point they are processed in the same manner as electronic claims.

As claims are processed through MMIS, they are "reviewed" by a complex series of approximately 700 system edits designed to ensure payments are accurate and allowable under the Medicaid program, based on the type of claim and service and other factors. As claims are processed, they are "flagged" by edits to be either paid, denied, or placed into suspense; these settings are referred to as "edit dispositions." The fiscal agent's claim technicians manually resolve suspended claims by using on-line "edit resolution text," which outlines the appropriate action to take for the particular claim. Once edits are resolved, the claim is placed back into the processing queue. Each Friday, provider payment records, based on claims approved for payment, are uploaded from MMIS into the State's financial system. Payments are issued to providers by warrants or electronic fund transfers.

In Fiscal Year 2001 the Office of the State Auditor and Buck Consultants conducted a performance audit of the Medicaid Management Information System. The audit comments below were contained in the *Medicaid Management Information System, Department*

of Health Care Policy and Financing Performance Audit, Report No. 1334, dated May 2001.

Mechanisms for Monitoring Accuracy

One of the key performance measures for claims processing is accuracy. "Accuracy" in this context refers to whether paid claims are accurately calculated and are allowable under state Medicaid policy. In other words, only claims for permitted services are paid, services must be provided to an eligible individual, and the claim must be paid to an eligible provider. Our audit found that while HCPF has numerous processes in place for overseeing the fiscal agent's activities and claims processing, the Department lacks adequate, systematic methods for ensuring and monitoring accuracy of claims payment. Our analysis indicates the need for improvement in this area to ensure all Medicaid claims payments are appropriate.

The Department reports that its most recent claims audit (October 2000) of MMIS showed a financial error rate of less than 1 percent; this is within the industry standard for financial error rates in an automated claims processing environment. The financial error rate is the absolute value of payment errors in the sample divided by the dollars paid for all claims in the sample.

As part of our audit, Buck Consultants tested a random sample of 150 suspended claims in MMIS to evaluate the quality and efficiency of claims processing. The auditors found that 26 claims (17.3 percent) had some type of error that occurred because of a mistake made during processing. While there is no industry standard for a tolerable error rate on suspended claims, there is general agreement that an error rate of 17.3 percent is unacceptably high. Buck Consultants noted that suspended claims have already been subject to the fiscal agent's data entry quality assurance procedures, which should have identified and corrected the great majority of the errors identified.

We noted the following concerns with the Department's mechanisms for monitoring accuracy for claims processed in MMIS.

Claims Audits Performed by HCPF

While the Department receives feedback from its program personnel and from providers when there are problems with claims processing, its most direct and systematic means of monitoring the accuracy of claims processing is the performance of claims audits by IS Section staff. Until 1996, the federal Health Care Financing Administration (HCFA) mandated that claims audits be performed on a routine basis; states may now perform these reviews at their discretion. HCFA permits states to receive federal matching funds

for the performance of the claims audits. The Department has elected to continue performing claims audits. We agree that continuing the audits is important because, ultimately, the federal government will hold the State responsible for amounts paid through the Medicaid program and require settlement for any improperly paid claims.

While the Department has taken a positive step by continuing the audits, it needs to use this tool in a more effective and systematic manner to ensure the audits detect and prevent errors in processing. We noted the following:

- The Department has not established specific measurable goals for accuracy of payment, either for the fiscal agent or for the Department itself.

- The Department has not ensured that claims audits are completed on a routine basis. Only three audits on samples of paid claims have been performed since the installation of the new MMIS on December 1, 1998. These audits should be performed at least quarterly. In addition, the audits should test for timeliness of payment, since the fiscal agent is required to meet timeliness requirements under the contract.

- The Department has not reported financial error rates that reflect all errors identified in the claims audits. The reported rates reflect only errors attributable to the fiscal agent. The overall financial error rate reflecting errors attributable to both the Department and the fiscal agent should be calculated. This overall rate would reflect the extent to which payments are accurate and in accordance with Medicaid policy. For example, the March 2000 claims audit reported a financial error rate of 4 percent for the fiscal agent. However, the rate reflecting all errors, regardless of source, would have been 10.4 percent. As noted earlier, the industry standard in an automated claims processing environment for the financial error rate is 1 percent or less. In addition, the Department should calculate a procedural error rate during the claims audits. This is another type of benchmark commonly used in automated claims processing environments.

- The Department has not formally communicated the results of claims audits to the fiscal agent and to HCPF staff and ensured that corrective action plans are developed and implemented.

The Medicaid program is the largest federal program administered by the State, with expenditures at approximately $2 billion annually. The Department should take stronger measures to ensure that payments for services under this program are accurate and allowable under the Colorado Medicaid program.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 45:

The Department of Health Care Policy and Financing should ensure claims processed through MMIS are accurate and allowable under the Medicaid program by:

a. Establishing performance measures for claims processing in terms of financial and procedural error rates.

b. Conducting regular claims audits on at least a quarterly basis. Timeliness of processing should be included in the testing procedures.

c. Reporting all errors and problems identified in the claims audit, regardless of source, and calculating procedural and financial error rates both for the fiscal agent and for claims processing overall.

d. Ensuring corrective action plans are developed and implemented in a timely manner by both fiscal agent and Department staff for all issues identified in the claims audits.

Department of Health Care Policy and Financing Response:

Agree.

a. The Department will work on developing appropriate standards that include measures for procedural error rates. The Department will establish the performance measures for the next scheduled Claims Processing Assessment System (CPAS) review for claims paid in June 2001.

b. Quarterly reviews are already being done. The timeliness calculation will begin with the next internal review process. To be completed by September 15, 2001.

c. The CPAS audit report will be enhanced to include newly defined procedural and financial error rates. To be completed by September 15, 2001.

d. The Department has already begun work in ensuring corrective action plans are developed and implemented. Issues from CPAS audit reports are being

developed into recommendations for the fiscal agent when appropriate. Referrals to Department staff will now include more information to allow for adequate follow up. The Department will take corrective actions on the recommendation as quickly as resources allow.

Quality Assurance Procedures Performed by the Fiscal Agent

The fiscal agent's Quality Assurance (QA) initiative has two components: internal programs run by several units in their own areas and the formal QA program run by the QA unit. In terms of claims processing, procedures performed by the QA unit are limited and consist only of tests over the processing of paper claims through the point at which the claims are manually keyed into MMIS. Paper claims represent about 5 percent of all claims submitted.

In terms of data entry of paper claims, QA staff review 10 percent of all paper claims manually keyed into MMIS by "exam entry" staff. Prior to this formal QA review, the exam entry unit itself reviews 50 percent of all data-entered claims. Thus, the data entry function on paper claims is reviewed twice. The purpose of both these procedures is to ensure paper claims are accurately entered into MMIS. Once paper claims are keyed into MMIS, they are processed identically to electronic claims.

The QA unit does not test a sample of paid claims to ensure payments are accurate and allowable under the Medicaid program.

Results of Tests Performed by Buck Consultants

As mentioned earlier, Buck Consultants tested a sample of 150 suspended claims during its audit at the fiscal agent and found a procedural error rate of 17.3 percent (26 claims). A procedural error is a claim containing one or more mistakes in the calculation of amounts payable on the claim, or in fields that potentially affect the calculation or management reporting of data, such as an error in a diagnostic code. Although procedural errors may not directly affect accuracy of payment, a high procedural error rate such as 17.3 percent indicates problems with the claims processing function.

Buck Consultants found that the errors were attributable to two causes. First, most of the errors (19 out of 26) were paper claims that had been inaccurately keyed into MMIS.

This is a concern because paper claims processed to the point of suspense have already been subject to two levels of QA reviews. This indicates the fiscal agent's quality assurance procedures over data entry of paper claims are not effective. The high error rate also presents the risk that other data entry errors may be occurring and are not being detected when the errors do not cause the claims to suspend. Finally, undetected data entry errors increase the volume of suspended claims. This means claim technicians must spend more time resolving claims, thereby driving up administrative costs, processing times and, more importantly, delaying payments to providers.

The second source of errors (7 out of 26) was errors made because of problems with the edit resolution process: the technicians did not use the appropriate edit resolution text to resolve the claim, a duplicate claim was overlooked and approved for payment, and a claim was approved for payment when there was a private insurance carrier listed as a third-party resource. Since Medicaid is the payer of last resort, the claim should have been returned to the provider for submission to the carrier. In two other instances there were no resolution instructions available online for the claim technician to use for resolving the edit that caused the claim to suspend.

Factors Affecting Error Rates

Buck Consultants also identified several factors that can contribute to high error rates. First, the fiscal agent's claims processing staff had a high turnover rate (about 45 percent from July through December 2000). Second, the fiscal agent's training program is not as comprehensive as programs offered by other claims administrators. The fiscal agent provides three months of training, which is a combination of classroom and on-the-job training; other administrators provide two to three months of formal classroom training, and processors are in training status for six months. Third, the fiscal agent has set very high production requirements. Claims technicians are expected to resolve 500 claims per day after six months of experience; this calculates to less than a minute per claim based on an eight-hour day. This is not sufficient time to adequately review and process a payment and may explain why technicians do not always use the appropriate resolution text. Most administrators require claims processors to resolve 75 to 100 suspended claims daily.

Improvements to Quality Assurance Function

The results of the audit by Buck Consultants indicate the need for the fiscal agent to improve the QA function over both the exam entry and edit resolution processes. As part of this the fiscal agent should expand its QA function to include audits on a sample of paid claims. Buck Consultants reports that in a commercial automated claims processing

environment, standards require that 3 percent of the volume of processed claims be audited. Overall, the Department needs to ensure that the QA process at the fiscal agent functions as an effective tool for maintaining accuracy of claims processing. Further, HCPF should work with the fiscal agent to ensure that production requirements for claims technicians do not have an unacceptably high impact on processing accuracy.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 46:

The Department of Health Care Policy and Financing should ensure claims processed through MMIS are accurate and allowable under the Medicaid program by requiring that the fiscal agent:

a. Expand quality assurance procedures for testing the accuracy of data entry on paper claims and report results to the Department. The Department should monitor results to ensure satisfactory data entry performance is achieved.

b. Conduct regular audits of paid claims on a defined percentage of processed claims and report the results to the State. The Department should monitor results against the performance measures established under Recommendation No. 45.

c. Increase oversight of edit resolution claim technicians and reassess production requirements to ensure suspended claims are appropriately resolved. In particular, the fiscal agent should ensure that all required resolution text is available and appropriately applied to claims and claims with third-party resources are returned to providers for submission to those parties.

Department of Health Care Policy and Financing Response:

Agree.

a. The Department will begin work with the fiscal agent to expand quality assurance procedures for testing the accuracy of data entry of paper claims by September 1, 2001.

b. The Department will work with the fiscal agent to have it use the Claims Processing Assessment System (CPAS) for its own auditing purposes. Results will be measured against the standards established in Recommendation No. 45. The Department will work with the fiscal agent to begin the audits by September 2001.

c. Although the fiscal agent currently employs quality assurance activities over edit resolution technicians, the Department will work with the fiscal agent to establish a plan for achieving further oversight and increased accuracy by August 1, 2001.

Review of Edits and Edit Resolution Text

The Department and fiscal agent staff have initiated a review of all edits, edit dispositions, and the edit resolution text. The Department acknowledges that prior to implementation it was not able to adequately review the approximately 700 edits in the new MMIS. The purpose of the review would have been to ensure that the edit dispositions were correct and that the resolution text contained appropriate instructions for claim technicians to use during the edit resolution process of suspended claims.

The lack of an adequate initial review has been a concern because the edits in MMIS were brought in from another state's MMIS, while the edit resolution text was brought in from Colorado's previous MMIS. The Department and the fiscal agent report that a number of problems have resulted from the fact that the edit resolution text does not always appropriately match the edits in the new MMIS. Additionally, inappropriate edit dispositions themselves have in some instances contributed to inaccurate payment of claims and high volumes of suspended claims.

In July 2000 the Department and the fiscal agent embarked on a review of all edits, edit dispositions (e.g., pay, deny, suspend, ignore), and the associated edit resolution text. This review has not yet been completed. The Department reports that it plans to complete this task in May 2001; however, documentation provided to us indicates that fewer than 200 of the 700 edits in MMIS had been reviewed as of the end of our audit. It is critical that this task be completed as soon as possible. Until the review is finished and claim technicians have been adequately instructed to use the revised text, there should be heightened attention to accuracy of payment.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 47:

The Department of Health Care Policy and Financing should establish the review of MMIS edits, edit dispositions, and edit resolution text as a high priority and work with the fiscal agent to complete this project as soon as possible. The Department should require that the fiscal agent conduct appropriate training and monitoring of claims processing staff to ensure changes are appropriately implemented.

Department of Health Care Policy and Financing Response:

Agree. The Department has established the edit review process as a high priority by having regular, weekly meetings. The fiscal agent operations staff and the State's business analysts have been utilizing these weekly meetings to address edits in a critical priority order. A schedule has been developed with completion defined in July 2001. The Department will require the fiscal agent to provide enhanced training and monitor staff for appropriate implementation of the edits by August 2001.

Controls Over MMIS Provider Database

As mentioned above, the Department of Health Care Policy and Financing contracts with a fiscal agent to operate MMIS and handle the processing of Medicaid claims through the system. Medicaid providers are required to submit claims to the fiscal agent for reimbursement. As of April 2001, almost 16,600 providers had submitted claims to the Medicaid program during the current fiscal year. Altogether, reimbursements to providers average about $148 million each month.

Medicaid providers include a broad range of professions and facilities. Under state and federal requirements, a Medicaid provider must have a valid license or certificate, as applicable, to furnish the goods or services charged to the program. HCPF is responsible for ensuring this requirement is met. The Department of Regulatory Agencies (DORA) and the Department of Public Health and Environment are responsible for issuing licenses and certifications and otherwise regulating the various types of providers as a whole in the State.

As part of the audit, we compared information from DORA on licensed professionals in the State for three of the major professions (physicians, pharmacists, and dentists) with the

provider database maintained on MMIS. Out of a sample of 131 providers, we found that 65, or just under half, currently had valid licenses; the remaining 66 did not. Because of the manner in which we chose our sample, these results are not indicative that a similar percentage of all MMIS providers lack licenses. However, these results do confirm that there are unlicensed providers in the MMIS database. Out of the 66 unlicensed providers, we found 7 that had received almost 580 payments totaling about $2,540. Individual providers received payments for periods ranging from 4 to 22 months. These seven providers all either had inactive licenses or had allowed their licenses to lapse.

We recognize that these are small amounts compared with total monthly program volumes of over a million claims and average monthly payments of around $148 million. Nonetheless, the identification of unlicensed providers in the provider database—along with the fact that, in some cases, payments were made to these providers—demonstrates that there are problems with provider data in MMIS. These problems can allow erroneous or fraudulent payments to be made in the Colorado Medicaid program.

Department Efforts to Improve Provider Data

The Office of the State Auditor has previously issued recommendations to HCPF directed at, among other things, the need to (1) verify licensing and other provider credentials and (2) perform periodic reenrollments of providers. The Department has made some progress in addressing these areas.

- **Reenrollment of providers.** The Department has begun a three-year phased reenrollment of the 1,700 Primary Care Physicians in the Medicaid program. The Department has not yet developed a plan for reenrolling other providers or a policy on frequency of reenrollment.

- **Deactivation of nonparticipating providers.** Recently the Department worked with the fiscal agent to identify providers that have not submitted claims in three years, and as a result, over 6,000 providers were placed on "inactive" status. The Department has not established a policy on how often deactivations will occur or what benchmark will be used in the future.

- **Data match project.** The Department has several staff working on matching licensing information from DORA with providers on MMIS. The process is highly manual because the two databases are not compatible, and the match is not yet completed. HCPF plans to electronically perform this match with data from DORA, but no time frame has been established for implementation and no policy has been established for how often the match would be performed. Many professional licenses must be renewed every two years.

Overall, the Department has undertaken several important initiatives to improve the quality of provider data. These should assist with detecting and preventing improper Medicaid payments. The Department should ensure these efforts are fully implemented and utilized by formalizing policies and procedures, establishing time frames, and monitoring completion of these tasks.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 48:

The Department of Health Care Policy and Financing should develop and implement adequate controls over the provider database in MMIS by establishing formal policies, procedures, and time frames for the following:

a. Routine reenrollment of Medicaid providers.

b. Deactivation of providers who have not submitted claims to the Medicaid program for specified lengths of time.

c. Periodic data matches on provider credential information with other state agencies that regulate Medicaid providers.

The Department should monitor all of these projects to ensure completion.

Department of Health Care Policy and Financing Response:

Agree.

a. As mentioned in prior audit responses, the Department is working on a five-year plan for reenrollment. The five-year plan is scheduled to be completed by July 1, 2005. A reenrollment committee has been established and reenrollment activities have already begun. This committee will be addressing the issue of policy, procedure, and time frames for provider reenrollment. A strategic plan will be developed by August 1, 2001.

b. The Department conducted deactivation activities this year and will continue such activities on a yearly basis. Again, the committee will address the ongoing policy and procedures of this activity.

c. Periodic data matches, while technically possible, are extremely complex and manually time-consuming. Based on the current experience of matching data with the Department of Regulatory Agencies for eight types of practitioners, this has required a tremendous amount of manual verification. During Fiscal Year 2002 the Department will be investigating with DORA to determine how to resolve the differences in required unique key information to allow a possible electronic interface. This will allow the Department to update licensure information for prescribing physicians. Until there is an electronic solution, the manual process will be used as appropriate.

Role of Program Integrity Unit

The Program Integrity Unit, which is under the Quality Assurance Section at the Department, has the ongoing responsibility of obtaining information from several sources on providers that have been sanctioned as a result of disciplinary actions. These providers no longer have valid licenses and thus are ineligible to participate in the Medicaid program. The Program Integrity Unit receives and reviews information from several sources at the federal level and from the State Board of Medical Examiners. The Unit relays information about providers that can no longer participate to the Department's Contract Administrator, who furnishes it to the fiscal agent. The fiscal agent removes the provider from active status in MMIS.

While the information forwarded by the Unit serves an important role in maintaining the integrity of provider information, the Unit has not established routine communication procedures with other state regulatory boards at DORA in addition to the Board of Medical Examiners. For example, the Department does not receive regular updates on disciplinary actions from the Board of Dental Examiners, the Board of Pharmacy, the Board of Nursing, or the Board of Optometric Examiners; there are additional boards, as well, whose regulatory authority affects providers in the Medicaid program. While the Unit reports that it receives information from the federal level on providers other than physicians, the information would be more complete and timely if the Unit established routine communication with these other state boards. It should be noted that the information received by the Program Integrity Unit does not include providers that have changed their status to inactive or have allowed their license to lapse. Therefore, this communication does not fulfill the same function as performing a data match with DORA boards.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 49:

The Department of Health Care Policy and Financing should establish routine communication on disciplinary actions taken by other state agencies that regulate Medicaid providers and ensure the provider database in MMIS is updated as appropriate.

Department of Health Care Policy and Financing Response:

Agree. By August 31, 2001, the Department will develop routine communication mechanisms with other state agencies to identify providers who should be terminated from the Medicaid program. The Department will terminate those providers from active status in the MMIS.

Certifications for Laboratory Providers

Medicaid regulations require that providers furnishing laboratory services must have a certification under the federal Clinical Laboratory Improvement Amendment (CLIA) program. The certification is intended to establish quality standards for all laboratory testing to ensure accurate, reliable, and timely patient test results across all facilities. The federal Health Care Financing Administration (HCFA) oversees the CLIA program. In Colorado the Department of Public Health and Environment (DPHE) conducts the CLIA certification process for laboratories on behalf of HCFA. Each certified provider is issued a CLIA number. Certifications also indicate the level of laboratory services the provider is permitted to perform. All providers of laboratory services, including physicians' offices that perform less complex laboratory work, are required to have some type of CLIA certification.

DPHE reports that there are about 2,500 CLIA-certified sites in the State. In Fiscal Year 2000 the State paid almost $8 million to providers for laboratory services under the Medicaid program.

During the audit the Department reported that CLIA certification numbers are routinely collected from appropriate providers and entered into MMIS. The MMIS system was developed with edits that were designed to ensure that claims for laboratory services are not paid unless the provider has the appropriate level of CLIA certification. However, the

Department reports that these edits have not worked properly since the implementation of the new MMIS, and therefore, the CLIA requirements are not being enforced. In other words, laboratory claims may be paid regardless of whether the provider has the necessary CLIA certification. The Department reports that the delay in correcting this problem is due to turnover in program staff with knowledge about CLIA requirements.

Although our audit did not identify instances in which laboratory claims were paid without evidence of required CLIA certification, the Department should ensure that this safeguard is operating appropriately in MMIS in order to prevent improper payments.

(CFDA Nos. 93.777, 93.778; Medicaid Cluster; Allowable Costs.)

Recommendation No. 50:

The Department of Health Care Policy and Financing should implement edits in MMIS to review laboratory claims for compliance with CLIA requirements in accordance with state Medicaid policy.

Department of Health Care Policy and Financing Response:

Agree. The Department has recently hired a new policy person, who will review and address the Clinical Laboratory Improvement Amendment (CLIA) issues. This activity has started this month including review of policy, edit dispositions, and systems issues. A plan to address these issues will be completed by June 2001.

Home and Community Based Services and Home Health Services Overview

As an alternative to nursing facility care, Medicaid-eligible individuals who meet the functional assessment for needing nursing facility level of care can choose to receive supportive services in their home or an alternative living environment outside of a nursing facility. These supportive services are provided to individuals through the Home and Community Based Services (HCBS) and the Home Health programs. HCBS programs provide unskilled care in community settings. Unskilled care includes adult day care, personal care, homemaker services, and nonmedical transportation, among other services.

There about 1,100 HCBS providers (including those that are not overseen by the Department of Public Health and Environment's survey process). In Fiscal Year 2000 the HCBS program for the Elderly, Blind, and Disabled (HCBS-EBD) provided services to nearly 13,000 individuals at a cost of about $64.2 million.

In addition to the unskilled services provided by HCBS, skilled services are available through Colorado's Home Health program. Skilled services include skilled nursing, home health aid, occupational therapy, physical therapy, and speech pathology. There are about 131 home health (skilled) services providers. In Fiscal Year 2000 the Home Health program provided services to about 6,600 individuals at a cost of $66.9 million.

The Department of Health Care Policy and Financing is responsible for overseeing and administering all Medicaid programs, including HCBS and Home Health. The Department of Health Care Policy and Financing delegates some responsibilities for the HCBS and Home Health programs to other entities. The Department of Public Health and Environment (Health Facilities Division) is responsible for overseeing quality of care provided by HCBS and home health service providers. The Department of Human Services monitors the Single Entry Point agencies (SEPs). Consultec, a private corporation, serves as the State's Fiscal Agent, disbursing payments made for HCBS and home health services.

During Fiscal Year 2001 the Office of the State Auditor conducted a performance audit of Home and Community Based Services and Home Health Services. The audit comments below were contained in the *Home and Community Based Services and Home Health Services Performance Audit*, Report No. 1033, dated June 2001.

Controlling Costs

Costs for both home health (skilled) and HCBS (unskilled) care have risen dramatically in the past seven years, as demonstrated in the following table.

Change in Home Health and HCBS Expenditures Fiscal Years 1995 to 2001				
	Fiscal Year 1995		Fiscal Year 2001 (Projected)[1]	
	Total Expenditures (In Millions)	Cost per Person	Total Expenditures (In Millions)	Cost per Person
Home Health	$ 20.3	$3,742	$ 71.1	$10,555
HCBS	$ 18.4	$3,745	$ 73.1	$5,037

Source: Office of the State Auditor's Analysis of Data Provided by the Department of Health Care Policy and Financing's Budget Office.
[1] FY 2001 expenditures projected by Department of Health Care Policy and Financing staff.

The importance of controlling costs cannot be overstated. As the population ages and the cost of health care services rise, there will be increasing pressure on the limited dollars available in the State's budget for long-term care. It is critical that the Department of Health Care Policy and Financing has set up an appropriate fiscal control structure over both the Home Health and HCBS programs. One of the most important controls is setting appropriate limits on expenditures. Payment system edits and postpayment review also provide important controls in a fee-for-service environment.

As part of our audit, we reviewed overall costs, payment system edits, postpayment reviews; analyzed claims data using audit software; and discussed cost containment limits with other states. We found significant problems with the fiscal management of both the skilled and unskilled portions of community long-term care.

Cost of Serving Individuals in the Community

Colorado law requires that "home and community based services... shall be offered only to persons... for whom the costs of services necessary to prevent nursing facility placement would not exceed the average cost of nursing facility care...," Section 26-4-606, C.R.S. Additionally, the agreement with HCFA (federal Health Care Financing Administration) for the HCBS-EBD program states that:

> The state will refuse to offer home and community-based services to any recipient for whom it can reasonably be expected that the cost of home or community-based services furnished to that recipient would exceed the cost of [nursing facility] level of care.

During our review we found that current controls are not working to ensure that the cost of caring for individuals in the community is less than the cost of serving them in a nursing facility. Specifically, a review of all HCBS (unskilled) and home health (skilled) claims paid on behalf of those 3,300 HCBS participants (25 percent of the HCBS population) who also receive home health services revealed that for about 20 percent (673) of those clients, the cost of community care exceeded the cost of nursing facility care when their home health and HCBS services are combined. Assuming these 673 clients could be placed in a typical nursing facility, the HCBS and Home Health programs combined paid over $14.5 million more than the average cost of nursing facility care to serve these individuals in the community. As a result, HCPF not only is paying more to serve some individuals in the community than it would in a nursing facility but also is not in compliance with state statutes and federal agreements for the HCBS program.

Maximum Service Limits Are Set Too High

Currently the home health (skilled) and (unskilled) service limits combined total about $119,000 per year for community long-term care and $141,000 per year for acute care obtained in the community. These limits are about five and six times the average cost of serving an individual in a nursing facility, respectively. There may be reasons to approve costs above the upper payment limits in certain cases; however, Colorado's service limits are set so high that, effectively, they are not limits at all.

Other States' Limits Indicate Service Limits in Colorado Are Too High

We interviewed six other states for information on the limits they had set on unskilled (HCBS) care. The other states we interviewed did not have comparable types of limits on skilled care, and therefore, comparison of other state limits on skilled care is not included in this audit. We chose these states based on their location in our region or because they were known for having cost-effective HCBS programs.

Specifically, we found that of the six states we interviewed, three set annual dollar limits on unskilled care of about $5,000, $10,000, and $12,000 per person, per year. These limits are significantly lower than the $38,000 limit Colorado has set for HCBS services. The remaining three states had differing levels of need for which they had a range of dollar limits. For example, one state has several levels of care including a hospital level-of-care limit to ensure that individuals who would otherwise need to be cared for in a hospital can

be served in the community for less than ongoing hospital care. Additionally, a report issued by the American Association for Retired Persons (AARP) in 1996 states that for an HCBS program to be cost-effective, the limits on unskilled services in the community should be about one-fifth the cost of nursing facility care. In Colorado, this would be about $5,100 (as opposed to the current limit of over $38,000).

The federal government (specifically HCFA) has allowed states a lot of flexibility in setting up its HCBS and Home Health programs, including how states set limits on services to ensure that the overall per capita cost of the HCBS programs do not exceed the per capita costs of nursing facility care and that the amount of skilled services provided to individuals in their homes is appropriate. Further, state statute gives the Department of Health Care Policy and Financing the authority to set rules, including those pertaining to upper service limits.

HCBS Limits Are Set Higher Than the Average Cost of Nursing Facility Care

For the HCBS program, the Department set up program rules requiring that the community-based services provided to each qualified HCBS-EBD participant are less than or equal to the cost of nursing facility care. To do this, the Department set a monthly cost containment limit on the HCBS (unskilled) services for each program participant. This maximum dollar amount is reduced by the amount of Social Security Income (SSI) and other income a participant might have, as well as by the amount of Home Care Allowance the person receives.

For Fiscal Year 2000 the HCBS cost containment limit is set well above the actual cost of serving an individual in a nursing home, as is demonstrated in the following table.

HCBS Cost Containment Limits As Compared to Actual Costs of Nursing Facility Care[1] Fiscal Year 2000		
Annual Cost Containment Limit (Amount Allowed for Unskilled Care per Person)	**Actual Average Cost of Nursing Facility Care per Person for One Year[2]**	**Annual Cost Containment Limit for HCBS as a Percentage of the Average Cost of Serving Someone in a Nursing Facility**
$37,308	$25,530	146.13%

Source: Office of the State Auditor's analysis of data provided by the Department of Health Care Policy and Financing.
[1] Average cost containment limits and actual costs of nursing facility care do not include client contribution payments.
[2] Actual average cost of nursing facility care is based on average length of stay in nursing facility being 245 days times the average nursing facility rate of $104.20 per day.

As shown in the above chart, the HCBS cost containment limit is about 46 percent higher than the actual cost to serve an individual in a nursing facility.

Nursing facilities are paid a daily rate for serving each resident. This daily rate is to cover all skilled care, unskilled care, meals, and room and board needed by that individual. It is inappropriate to allow HCBS participants to receive unskilled services that alone are 46 percent more than the entire average cost of care in a nursing facility.

Service Utilization Indicates Limits Are Too High

On average, HCBS (unskilled) services provided to 65 of the 67 clients in our claims review sample were 61 percent, or about $17,000 per person, below the clients' personal cost containment limits (including reductions for the client's income and Home Care Allowance amounts). For the State as a whole, the average amount spent per HCBS participant in Fiscal Year 2000 was about $5,000, or 87 percent, below the cost containment limits. The fact that the limit on HCBS services could be lowered is also evident from the utilization data presented in the following table. This table demonstrates the stratification of service dollars paid on behalf of all clients receiving HCBS services.

Stratification of HCBS (Unskilled) Services Paid per Client for Clients Statewide[1] Fiscal Year 2000		
Range Dollar Amount HCBS Services	**Number of Clients**	**Percentage of Population Served**
$0 to $4,999	8,536	65.17%
$5,000 to $9,999	2,445	18.67%
$10,000 to $14,999	1,274	9.73%
$15,000 to $19,999	491	3.75%
$20,000 to $24,999	306	2.34%
$25,000 to $29,999	45	0.34%
$30,000 to $35,000	2	0.02%
TOTAL	**13,099**	**100.00%**

Source: Office of the State Auditor's analysis of Fiscal Year 2000 HCBS claims data. FY 2000 claims data is paid through November 2000.
[1] Does not include Home Modification Services, because those services are subject to a separate $10,000 lifetime limit.

As shown by the above table, 65 percent of all individuals served were served for less than $5,000. About 94 percent of all individuals served in the HCBS-EBD program were served for 60 percent or more below the cost containment limit in Fiscal Year 2000.

Home Health Limits Should Also Be Examined

For the Home Health program, HCPF has set the following limits on services:

Home Health Service Limits[1] Effective January 1, 2000		
	Daily Limit	**Annual Limit[2]**
Long-Term	$223	$81,395
Acute[3]	$285	$104,025

Source: Colorado Medicaid Program Billing Procedures manual.
[1] Limits do not include Private Duty Nursing.
[2] Calculated using the daily limit times 365 days.
[3] Acute home health is provided to a client when they have an immediate need for a service due to a sudden sickness or injury. Acute home health is not meant to be continued over the long term.

In other words, a person could receive more than $81,000 per year in skilled care in the community on a continual basis. This is roughly the equivalent of receiving skilled nursing services for three hours per day, every day, for an entire year. The home health limits can be exceeded under certain extenuating circumstances and with prior approval from Colorado Foundation for Medical Care (CFMC). The fact that home health limits should be lowered is evident from the service utilization data presented in the table below. This table demonstrates the stratification of home health services provided to all home health recipients.

Stratification of Home Health (Skilled) Services per Client for All Clients Receiving Home Health Care [1] Fiscal Year 2000

Range Dollar Amount Home Health Services	Number of Clients	Percentage of Population Served
< $15,000	5,515	83.02%
$15,000 to $29,999	525	7.90%
$30,000 to $44,999	314	4.73%
$45,000 to $59,999	194	2.92%
$60,000 to $74,999	62	0.93%
$75,000 to $89,999	28	0.42%
$90,000 to $104,999	2	0.03%
$105,000 to $135,000	3	0.05%
TOTAL	**6,643**	**100.00%**

Source: Office of the State Auditor's analysis of Fiscal Year 2000 home health claims data. FY 2000 claims data is paid through November 2000.
[1] Excludes Private Duty Nursing Services.

As shown in the above table, 91 percent of all home health recipients received services of less than $30,000 during Fiscal Year 2000. In other words, about 91 percent of all clients receiving home health were served for 63 percent or more below the daily limits on home health care. Less than one-half of 1 percent of all home health clients received services exceeding $90,000.

Combined Cost of HCBS and Home Health Care Needs to Be Reviewed

We believe that the main reason the cost containment limits have been set so high is that the Department of Health Care Policy and Financing has overlooked the total cost of community care for clients receiving both HCBS (unskilled) and home health (skilled) services.

Home health services are not considered when determining the cost of serving someone in the community. The cost containment limit is based on the average annual nursing facility rates (as opposed to the actual cost of nursing facility care) and is not reduced to adjust for the additional services provided by a nursing facility. In other words, the Department of Health Care Policy and Financing did not take into account that the average individual is not in a nursing facility for 365 days, and a portion of the nursing facility rates are to cover the costs of skilled care, medical supplies, or room and board (which would not be provided under the HCBS program). As a result, clients can get a level of unskilled care in the community that is much higher than the level of unskilled care that would otherwise be provided in a nursing facility.

Additionally, home health services that individuals are receiving are not considered when determining whether a person meets the criteria of costing less to serve in the community than they would to serve in a nursing facility. When a case manager assesses an HCBS client to determine whether they can be served within their cost containment limits, the home health services the client will need are not taken into consideration. As a result, the Department of Health Care Policy and Financing does not get a complete picture of the costs of serving individuals in the community as opposed to in a nursing home. For example, about 25 percent of HCBS-EBD participants, statewide, also received home health (skilled) services. As mentioned earlier, we estimated that the State spent more than $14.5 million, or an average of $22,000 per person, beyond what services in a nursing home may have cost, by serving some of these individuals in the community.

According to a 1996 report issued by the American Association of Retired Persons (AARP), without looking at both the unskilled and skilled services a person is getting, the comparison between supporting a person in the community and supporting a person in a nursing facility is distorted.

Elevated Service Limits Increase Pressure on Program Budgets

Nationally, both skilled and unskilled Medicaid services are recognized as an area where overutilization, fraud, and abuse may occur. Having realistic caps on payments is critical in a fee-for-service payment environment. While Colorado has not yet had to limit the number of eligibles served, at some point in the future, rising costs, combined with an increasing number of eligible individuals, will create budgetary pressure. Home health and HCBS services will be limited by the amount of state general funds available. In addition, having a realistic cap is important for case managers in setting appropriate boundaries on unskilled care. Because the Department has not set appropriate limits for unskilled care, it may be paying for individuals to be served in community settings when, likely, it would be more cost-effective to serve these individuals in a nursing facility. In addition, not setting reasonable limits on skilled care can result in more services being paid for than are needed and more opportunity for abusive billing practices.

Colorado Has Options for Realistically Limiting HCBS and Home Health Services

The federal government has given states virtually unlimited authority for establishing cost containment controls in their Medicaid programs. As a result, Colorado has many options for how to manage the cost of both skilled and unskilled care. Providing services to the greatest number of people in the most cost-effective way should be the overriding goal of the program. Department of Health Care Policy and Financing staff believe it is an achievable goal to have a combined limit on HCBS and home health services that ensures the total cost of community care is reasonable in comparison to the cost of nursing facility care. However, the Department is concerned that using the average cost of nursing facility care ($25,530 for Fiscal Year 2000) may set the limit for combined services too low. Choosing how to set the limits and at what dollar amount is an important policy decision. As a result, the Department should work with the General Assembly to clarify the language regarding the upper payment limits on both skilled and unskilled care. Some of the options could include:

- **Establishing fixed limits in law.** For HCBS or home health services these caps could be one fixed amount. These limits could be increased annually by the Consumer Pricing Index (CPI). In addition, statute should define the circumstances, if any, for which an individual will be allowed to exceed such limits.

- **Establishing limits based on level of need.** For HCBS or home health services various categories of need could be established in law. Some examples could include low, moderate, high, and hospital level of care. For each level there would be a corresponding limit set on the dollar amount of services that could be provided. Establishing limits or caps based on level of care requires that the Department of Health Care Policy and Financing utilize a reliable assessment tool and set up an appropriate structure for limits that corresponds to the assessed level of care. If the Department of Health Care Policy and Financing and General Assembly choose this option, the Department of Health Care Policy and Financing should evaluate the adequacy of its current assessment tools for accomplishing these tasks. Again, statute should define the circumstances, if any, for which an individual will be allowed to exceed such limits.

- **Taking a managed care approach for funding HCBS and home health services.** This approach could include paying providers, or another gatekeeping agency, a set dollar amount for providing all necessary services to all eligible individuals needing services.

Systems for Monitoring Costs Need to Be Improved

In addition to the problems with the cost containment limits for HCBS (unskilled) and home health (skilled) services, we found that the Department does little to monitor the overall costs of an individual's care. Although the Department completed a focused study on community long-term care in November 2000 evaluating costs in the HCBS and Home Health programs, this study did not evaluate the total cost of serving individuals in the community who get both home health and HCBS services. Further, the Department needs to improve its analysis of claims data on an ongoing basis and better coordinate with the SEPs in terms of cost control. We used an inexpensive audit software program to analyze over 420,000 claims. Whether the Department needs a new software program or whether its current software capabilities are adequate, the Department should develop the capability to routinely analyze the data. Developing in-house analytical capability is essential for sound financial management.

Recommendation No. 51:

The Department of Health Care Policy and Financing should work with the General Assembly to develop more appropriate service limits for HCBS and home health services.

Department of Health Care Policy and Financing Response:

Agree. The Department will work with the General Assembly to develop more appropriate service limits for HCBS and home health services. The Department will take immediate action to ensure that the HCBS program complies with all state and federal requirements.

In addition, the Department will screen the caseload, by October 1, 2001. Clients with extraordinary medical needs may need to be served through a separately authorized program. The Department will recommend a legislative solution for such clients if the caseload analysis justifies it.

Recommendation No. 52:

The Department of Health Care Policy and Financing should establish procedures for routinely monitoring the overall costs of skilled and unskilled care for individuals in community settings.

Department of Health Care Policy and Financing Response:

Agree. The Department will establish policies for routine monitoring of the costs for individuals by October 1, 2001, and propose any required regulations to the Board of Medical Services at its November 2001 meeting.

Payment Controls Should Be Improved

During our review of home health (skilled) and HCBS (unskilled) claims we found several instances where controls over provider payments were lacking and where postpayment review to identify inappropriate payments was insufficient. The Department of Health Care Policy and Financing has two primary defense mechanisms for preventing inappropriate payments for its Medicaid programs.

- **Automatedsystem edits**. The State contracts with Consultec (the State's Fiscal Agent) for processing all Medicaid claims. Consultec and the Department of Health Care Policy and Financing work together to maintain a payment system that

employs automated edits and controls to help ensure that the Medicaid payments made are allowable. This system is called the Medicaid Management Information System (MMIS), and is the Department of Health Care Policy and Financing's primary control over ensuring that payments made are allowable, paid at the correct rate for the service type, not duplicative, and only for Medicaid-eligible clients.

- HCBS (unskilled) services are specifically controlled by the MMIS system through automated edits that do not allow payment for any services other than those that have been prior authorized by the Single Entry Point (SEP) agencies on the client's PAR (Prior Authorization Request).

- Home health (skilled) service authorization and utilization are currently controlled only through postpayment review. However, under the new home health rules, home health services will also be controlled via a PAR document, and the MMIS system will not pay for home health services that are not prior authorized.

- **Postpayment review**. The Department of Health Care Policy and Financing also has a Program Integrity Unit (a unit within the Department's Quality Assurance Section) that works on postpayment review and claims review for Medicaid claims to identify instances of inappropriately paid claims and to recover those payments. This unit currently has 5 FTE (one of which is vacant) dedicated to the review of about 12.5 million Medicaid claims paid for all Medicaid programs. To supplement the activities of this unit, the Department of Health Care Policy and Financing contracts with outside providers to conduct claims reviews. Additionally, the Department is in the process of trying to implement contingency-based contracting for post-payment review of claims. Contingency-based contracts would allow an outside contracting agency to investigate claims, recover on inappropriately paid claims, and keep a portion of the recoveries.

Existing Rules Do Not Ensure That Services Paid For Are Authorized or Medically Necessary

Currently home health services are authorized on the home health certification or plan of care (the HCFA 485 form). Essentially, the plan of care states the type of services to be provided and the number of visits per day, week, or month. This plan of care is revised every two months. According to staff at the SEPs, the home health agency will write up the plan of care and a physician signs the plan. Under the current rules for home health billing, claims for services will be paid as long as the service billed is allowable, the client

is Medicaid-eligible, and the provider submits a physician's referral number on the claim. Other than these items, there are no edits in the system that prevent home health agencies from billing for unauthorized or unnecessary services. The only manner in which HCPF will find that unauthorized services are being billed is through postpayment claims and case file review. With over 160,000 home health claims processed in Fiscal Year 2000, it would be difficult for HCPF's Program Integrity Unit to perform postpayment review on a large enough volume of claims to obtain assurance that services paid for are authorized and medically necessary. During our audit we found several examples of payments for home health services that appeared to be unauthorized or not medically necessary. According to Program Integrity Unit staff, the reviews they have completed have resulted in similar findings.

- **Services paid for were not included on plans of care.** During our audit we reviewed home health plans for 20 clients in our case file sample and compared what was authorized on the plan of care with what was actually paid for during the same time period. For 9 of the 20 (45 percent) clients reviewed, we found services paid for that were not authorized. In total, we found about $25,000 in unauthorized services provided during the six-month period from approximately January 1, 2000, to June 30, 2000.

- **Home health plans of care were not signed by the physician.** During our review of home health plans for 20 clients, we found that the home health plans of care were not signed by the physician in 40 percent of the cases. As a result, it is questionable whether a physician actually authorized all services provided and paid for these clients. In total, these clients received over $280,000 in home health services that could potentially be denied due to lack of documentation.

- **Home health and HCBS services are sometimes duplicative.** Our case file review identified instances of personal care services being included in both the HCBS and home health plans of care. Further, we found instances where both the home health care provider and HCBS provider were billing for personal care services on the same day for the same client. In some cases the services listed as provided in the provider logs appeared to be duplicative. As an example, the HCBS personal care provider comes in two times a day to clean the bathroom and comb and set the client's hair. A home health provider was also billing for these same services on the same days, within a short time after the HCBS provider was at the client's home. In some cases it was not apparent that services were needed from both types of providers. In a review of provider documentation of services provided, we identified a total of about $2,000 in services that were paid for and appear to be duplicative. In most cases the duplicative services were provided by the same service provider agency.

- **Some services provided appeared to be unnecessary.** Our review of home health plans and claims data identified one instance of physical therapy services being provided to a 94-year-old woman who was wheelchair-bound. According to a registered nurse at the SEP who is familiar with this client's medical history and reviewed the client's home health plan of care, this client should not be getting physical therapy, because she is not benefitting from the therapy. This client received almost $5,200 in physical therapy services during Fiscal Year 2000. In our review we found that therapy services should typically be limited, and services should be discontinued when the therapist can no longer show that the person is benefitting from the therapy. In addition, many physical therapy techniques can be taught to the client or the client's caregiver and continued without continuous visits by the therapist. Closer attention should be paid to the authorization and use of therapy services to ensure that services provided are medically necessary and beneficial to the client.

The claims identified in the above examples are potentially recoverable items that the Department will have to investigate further.

New Home Health Rules Are a Step Toward Accountability

Since 1999 the Department of Health Care Policy and Financing has worked with the Medical Services Board, the SEPs, service providers, and client advocacy groups at revising the current system of authorization for long-term home health care provided by the Medicaid Home Health program. The Medical Services Board recently passed the new home health rules, and implementation is planned for July 1, 2001. The Department has worked to implement these rules because it recognizes that the existing rules for home health allow many loopholes for payment of services that are not authorized and for duplication of services between the HCBS and Home Health programs. The Department has completed a series of four studies on the growth and expenditures in the Home Health program. The new home health rules are one of the additional controls in place that the Department hopes will reduce the occurrence of inappropriate billing and service practices.

Under the new home health rules, all home health services will be controlled through Prior Authorization Request (PAR) documents similar to those used in the HCBS system. HCBS claims will only be paid if the claim submitted is for services authorized on the PAR document. For clients getting both HCBS and home health services, the SEPs will be responsible for reviewing and approving the PAR documents. PARs for all other home health participants will be reviewed and approved by the State's Fiscal Agent, Consultec. The Department hopes that these rules will reduce the occurrence of unauthorized service

payments, that there will be less duplication between HCBS and home health services, and that unnecessary services will be prevented.

Recommendation No. 53:

The Department of Health Care Policy and Financing should monitor the implementation of the home health rules. Specifically, the Department should evaluate the effectiveness of the new rules in preventing payment for services that are not authorized, preventing duplication between HCBS and home health services, and preventing services that are not medically necessary from being provided.

Department of Health Care Policy and Financing Response:

Agree. The Department will monitor the implementation of the new home health rules and their effectiveness in preventing payment of unnecessary services. The Department is currently training SEPs on their new responsibilities for prior authorization of HCBS and home health services and will monitor the SEPs directly and through the Department of Human Services. Rules will be modified or added as needed. The Department will use contingency-based contract vendors to ensure that providers are complying with the rules.

In addition to the new SEP responsibilities, the Department implemented several other changes to the HCBS and Home Health programs which have significantly reduced the cost increases in both of these programs. The changes include growth caps, measurement guidelines for the use and length of time to complete certain tasks in the home, new edits in the MMIS, payment units based on time instead of visits, and limitations on nurse assessments.

Postpayment Review Processes Should Be Improved

The Department of Health Care Policy and Financing employs 5 FTE in its Program Integrity Unit. The primary mission of this unit is to identify instances of inappropriate payments and recover payments when necessary. Our audit revealed several problems with the manner in which this unit handles the review of Medicaid claims related to the HCBS-EBD and Home Health programs. Specifically, we found:

Follow-Up on Problems Identified Is Not Always Done

The Department paid about $140,000 to the Colorado Foundation for Medical Care (CFMC) to perform a review of HCBS-EBD and home health claims. The results of this review were reported to the Department in April of 2000. CFMC reviewed a large sampling of claims for both programs and found very high occurrences of inappropriately billed services. In total, CFMC found that 22 percent of the total dollar value of HCBS claims sampled were billed inappropriately and were likely recoverable. In addition, 37 percent of the total dollar value of home health claims sampled were also found to have been billed inappropriately and to likely be recoverable. The total dollar amount identified as recoverable for these HCBS and home health claims combined was over $23,000. These findings are significant. In the same study, CFMC recommended that the Department conduct several focus studies to further identify inappropriate billing practices. However, more than one year has passed since these recommendations were made, and the Department has still not done any of the additional studies or recovered on the inappropriate payments identified by CFMC.

Our audit also performed a claims review and found problems similar to those in the CFMC study, including about $5,000 (10 percent of the total dollars reviewed) of services for 18 clients that were inappropriately charged for reasons including that the service was not documented, the services were duplicative of other services that the client was receiving, the service appeared unnecessary, or the provider was unbundling the services (e.g., billing both the home health and HCBS programs for the same care for one client).

Volume of Claims Review Is Not Adequate to Provide Assurance That Claims and Expenditures Are Appropriate

Of the total 5 FTE in the Program Integrity Unit, only 1 FTE is dedicated to the review of about 1,200 home health and HCBS service providers (including providers not certified by the Health Facilities Division). According to documentation provided by the Program Integrity Unit staff, they reviewed a sample of claims for about 100 HCBS and home health providers paid during Fiscal Year 2000. The provider reviews resulted in a little over $110,000 in recoveries for Fiscal Year 2000. For Fiscal Year 2001 (through April) the Program Integrity Unit has recovered about $102,000. The largest recovery year was in Fiscal Year 1999 when nearly $485,000 was recovered. The Program Integrity Unit could not identify the total number of claims reviewed for the providers in their sample. The volume of review conducted is insufficient and does not provide adequate oversight of HCBS and home health expenditures. Similar findings were reported in our 1999 audit of Medicaid Fraud and Abuse, in which HCPF agreed to increase the volume of postpayment review of home health providers.

Aggregate Data Review Is Not Used to Identify Potential Problem Areas

According to interviews with Department staff, aggregate claims data are used for identifying outliers and selecting providers and claims for postpayment review. However, the Department is not doing some of the more basic types of aggregate data review, such as reviewing claims paid by service type, reviewing claims paid to ensure that providers are not paid for services that they are not certified to provide, or doing ongoing review of claims to ensure that payments are not made for services after the client's date of death. During our review we performed several tests of aggregate data using an audit software with the capability to handle large volumes of data. Some of the problems we identified are discussed in subsequent sections of this report and include payments made for unallowable service types, payments made to uncertified providers, and payments made for service dates after the date of the client's death. Each of these findings resulted from an aggregate test of the data, such as looking at the data by service type, or matching dates of death or lists of certified service providers to the claims data. These types of aggregate data analysis could provide HCPF with important trend information on the types of services being provided, amounts paid to specific providers, or amounts paid on behalf of clients, and this information could indicate problems with provider billing practices, or provider abuse. Such analysis would allow for a more effective postpayment review that targets unusual payments and identifies system edits that are not functioning properly.

Postpayment review is the last defense the Department can employ for preventing fraudulent and abusive billing practices for Medicaid programs. With the volume of claims the Department is responsible for, sampling is obviously a tool that must be used in order for the staff to provide the best coverage with the fewest resources. However, the amount and type of reviews that are ongoing are inadequate to ensure that the Department is meeting its fiscal responsibilities for these programs.

There are aggregate data reviews that are also critical. HCPF should be reviewing total claims expenditures by type of service and by provider on a quarterly basis to identify trends and potential areas of abuse. Likewise, it could easily automate certain reviews that could be done periodically to match data sets from death records or certified provider lists to identify claims that were potentially paid inappropriately. These types of review are not time- or staff-intensive but could provide HCPF with better coverage of their claims data, as well as better information from which to choose samples of claims or providers to review. According to Department staff, they already have the software capabilities to do these types of analyses.

Recommendation No. 54:

The Department of Health Care Policy and Financing needs to increase the value added by its Program Integrity Unit by doing the following:

a. Increasing the volume of reviews performed on claims data, and scheduling certain types of reviews to occur in an ongoing way.

b. Changing the Department's review methodology from a strictly sampling methodology to one that also incorporates aggregate data analysis and review.

c. Utilizing the information provided through other agency reviews of claims to implement prevention measures and recover additional monies paid out incorrectly.

Department of Health Care Policy and Financing Response:

Agree. The Department stated, in its response to the July 1999, State Auditor's Recommendation on extending oversight of home health agencies with post-payment review, that it could only expand such review by receiving additional resources or using "contingency-based contracting." This authorization was requested in the Department's November 1, 1999 report to the JBC, which was authorized on June 22, 2000. Since that time, the Department has promulgated RFPs for three of the five projects, and has awarded contracts for two of the five contracts. In addition, the Department requested additional FTEs for the Program Integrity Unit (PIU) in its Budget Request for Fiscal Year 2002. In maximizing these new resources, the Department agrees to incorporate the Auditor's recommendations.

In the past, to maximize the Department's limited resources, the PIU conducted focused studies in home-based services by reviewing a small sample of clients per provider in an effort to address rising costs in home health care. The Department believes that, in order to create a sentinel effect and inform providers of the requirements, it is more important to review a larger number of providers versus a larger number of clients from only a few providers. The Department believes that these recommendations can be fully implemented by July 1, 2002, using the contingency-based contractor.

Additional Payment Controls Are Needed

During our review of claims data for Fiscal Year 2000 HCBS and home health payments, we found several instances in which additional system edits or controls in the MMIS system would have prevented inappropriate payments to providers. Our review identified several weaknesses in payment controls.

MMIS Allows Payment to Uncertified Providers

Each provider of HCBS (unskilled) and home health (skilled) services must be certified as a Medicaid provider to receive Medicaid payments. For HCBS, service providers must be certified separately for each different service type they would like to provide. For example, one provider may offer personal care services and adult day care services. This provider must be certified as both an adult day care provider and a personal care provider. The MMIS system does not currently have an edit in place that allows providers to be paid only for services that they are certified to provide. According to staff at Consultec, when originally setting up some of the system edits, installing an edit that would prevent payments for services to providers that are not certified for that payment type was discussed. However, the Department never pursued the edit. In June 2000 the Department added several edits to the MMIS system to prevent payments to uncertified providers from occurring in the Home Health program; however, these same edits are not in place for the HCBS program.

For Fiscal Year 2000 we found about $15,000 in services paid to four providers who were not certified to provide the services for which they were paid. In Fiscal Year 1999 we paid an additional $43,000 to one of these same providers for services that the provider was not certified to provide. According to Department staff, the Department does not periodically check to see whether providers are providing services for which they are not certified. The Department should be able to automate this check and integrate it into its claims review process.

MMIS Does Not Prevent Inappropriate Use of Acute Home Health Revenue Codes

Under the current (and future) home health rules, home health agencies are allowed to provide acute home health care, without prior authorization. Acute home health is provided to a client when they have an immediate need for a service due to a sudden sickness or injury. Acute home health is not meant to be continued over the long term. Ongoing home health services are billed to long-term home health revenue codes. Because acute home health does not have to be authorized prior to the service's being delivered,

these services do not have to appear on the client's plan of care and, as a result, are a higher risk for abuse and inappropriate billing. Although the Department did recently add an edit to the MMIS system to prevent providers from being able to bill for services in excess of the daily dollar limits, these edits do not ensure that acute home health codes are used appropriately. Currently the only method used by HCPF to identify instances of acute home health codes being used inappropriately is postpayment review. During our review of home health plans for a sample of 20 clients, we identified 3 clients who had plans of care in place but for whom all services paid during the six-month period reviewed were charged to acute home health codes. A system edit to identify frequent or ongoing billing of acute home health for one client may help to focus reviews and identify instances of provider abuse. This will be even more critical under the new home health rules where long-term home health services will be much more tightly controlled and acute services will not.

MMIS Continued to Allow Payments for Services After the Client's Death

During our review of Fiscal Year 2000 claims data, we performed a data match to identify payments for services that may have occurred after the client's date of death. For this review we obtained the dates of death for 201 clients served by the five SEPs in our sample areas who died between July 1, 2000, and October 31, 2000. We matched these clients to a database of nearly 95,000 claims for HCBS and 51,000 home health claims with service dates occurring during the same time period. Although we did not find any home health claims paid inappropriately, our review identified about $3,000 in HCBS claims paid on behalf of five clients (2 percent of all clients sampled) for services after their dates of death. The majority of these costs were for personal care services for one client. Of particular concern is that we found these problems in a small sample of clients and also in a small sample of claims. This could indicate that a much larger dollar amount of claims is being paid for clients who are deceased. A 1999 audit of Medicaid Fraud and Abuse identified problems with the dates of death being entered into the MMIS system in a timely fashion. If the date of death is entered into the system after claims have already been paid for services occurring after that date, the system does not go back and recover those claims. The Department of Health Care Policy and Financing agreed to implement the 1999 audit recommendations.

Edits for Some Unallowed Service Types Are Missing

A review of all skilled care claims paid during Fiscal Year 2000 identified four types of services paid for that are not covered benefits of the Home Health program. In total, MMIS paid claims amounting to about $5,200 for services that the Home Health program does not cover. For these services, Consultec was unaware that the particular service was not a covered benefit of the Home Health program, and therefore, no edit had been set up to prevent payment for these service types. The Department is responsible for notifying Consultec of the edits that should be in place. It is critical that the MMIS system is updated frequently and that the Department reviews edits and expenditures to ensure that the State and Medicaid are not paying for services that are not covered. According to HCPF staff, the Department does not currently review all expenditures by program to ensure that unallowable types of expenditures have not been made. This review is neither time- nor staff-intensive and prevents payment for inappropriate types of services. Further, these types of problems should be easily prevented through automated edits.

Staff at Consultec Overrode Edits and Paid Claims for Unallowable Services Under Home Health

Our review of all home health payments identified three types of services, totaling about $4,300, that are not covered benefits of the program. According to staff at Consultec, these claims were paid because of clerical mistakes; specifically, staff had overridden edits. According to Consultec staff, these errors should not have been made. There are few reasons, if any, to override edits and pay claims for services that are not covered. HCPF should ensure that appropriate levels of supervision are in place for reviewing and approving instances where edits are overridden. One concern is that with the volume of staff turnover at Consultec, training needs to be provided more frequently on the appropriate circumstances for overriding edits.

Decreases to PAR Services Are Not Entered Into MMIS

The MMIS system will only process payments for services that are authorized on the client's PAR document. If a provider bills for a service not included on the PAR, the system will deny payment. Currently decreases to PAR services are not required to be submitted to Consultec for entry into the MMIS system. As a result, if a case manager decreases the amount of services that a client is supposed to receive, that decrease will not be reflected in the MMIS system and a provider could continue to bill for services that are no longer authorized. Decreases to PAR services should be a required entry into the MMIS system.

Additional Controls Are Needed Over Home Modification Services

Once a PAR has been entered into the MMIS system authorizing a home modification (a service offered through the HCBS program), the provider could theoretically bill and be paid for the entire project prior to ever completing any of the work. There are no controls in place in the MMIS system that prevent a contractors from being paid until the work is completed satisfactorily or, if the project is large enough, until it has been formally inspected. As an example, one of the clients in our case file review was authorized about $4,000 for a bathroom remodel job. The initial contractor completed some of the work but left prior to finishing the job. As a result, the HCBS program paid about $16,000 for a new contractor to come in and redo the job correctly. The Department has since recovered nearly $5,400 from this provider. Department staff acknowledge that this is a problem; however, they also stated that the same problem is true for all HCBS service types. Theoretically, a provider could bill for all services authorized on the PAR at one time prior to providing the services. This, however, is not allowed by the rules for how providers are to bill for services.

Automated edits in a payment system are the State's best defense against inappropriate payments to service providers, for all Medicaid programs. The types of problems identified during this audit are preventable through the use of system edits.

Recommendation No. 55:

The Department of Health Care Policy and Financing should work with Consultec, the State's Fiscal Agent, to implement additional system edits and controls to address the types of issues identified during this audit, increase oversight of edit resolutions, and increase monitoring of Consultec`s training of staff. Further, the Department should perform ongoing review of the edits in place to ensure that edits are set and functioning correctly and to identify areas for improvement.

Department of Health Care Policy and Financing Response:

Agree. The Department has addressed many of the issues identified in the audit and will continue to do so. Edits are already in place to prevent payment for non-benefits and to place a daily payment limit on acute home health services. Beginning July 1, 2001, prior authorizations will be required for long-term home health services. The Department will continue to investigate ways of improving

edits over home health and HCBS. The Department has also conducted an investigation and produced a report on improving date of death information.

All edits have resolution text that instructs the individual handling the claim how to process the specific claim posting this edit. The Department and the fiscal agent have regular, weekly meetings. The fiscal agent operations staff and the State's business analysts have been utilizing these weekly meetings to address edits in a critical priority order. A schedule has been developed with completion defined in July 2001. The Department will require the fiscal agent to provide enhanced training and monitor staff for appropriate implementation of the edits by August 2001.

Assessment and Eligibility Processes Should Be Improved

Currently the eligibility determination process for HCBS services is a two-step approach. The first step is for the applicant to apply for services at the Single Entry Point (SEP) agency in their area. The SEP then conducts the initial functional assessment and prepares an initial plan of care for the client. The SEP then forwards the assessment to the Colorado Foundation for Medical Care (CFMC). CFMC is the agency that the Department contracts with as its Peer Review Organization (PRO) and utilization review contractor. The Department has delegated final eligibility determination authority to CFMC for the HCBS programs.

The client assessment process is currently separate from the eligibility determination process. The SEP agencies assess the client's functionality using standards established in the ULTC-100 assessment document. SEP staff meet with the client in person, in the client's home, and verify all information related to assessment criteria. SEP staff do not determine whether the client is actually eligible. The ULTC-100 is forwarded to CFMC for final eligibility determination. Upon receipt of the ULTC-100, CFMC either data enters and automatically approves the client for services, or does a desk review of the ULTC-100 and then approves or denies eligibility. During our audit we found that eligibility determination could be streamlined. Restructuring the assessment and eligibility processes will result not only in cost savings but also in a more effective screening process.

In our sample of 138 client records, we identified 14 clients who should not have been approved for services. The five SEPs we visited identified an additional 12 clients, not included in our sample, who they believe should not have been approved for services by CFMC. In all 26 cases the clients were either highly functional or the physician's referral

specifically stated that the client did not need long-term care. During Fiscal Year 2000 these clients received nearly $109,000 in HCBS services and an additional $164,000 in other Medicaid State Plan benefits. We believe that the high rate of inappropriate approvals and resulting costs is related to the fragmentation of the assessment and eligibility determination processes.

Separating the processes of assessment and eligibility determination also results in higher administrative costs. During Fiscal Year 2000 the Department paid SEPs about $2.6 million (about one-fifth of total SEP payments) for client assessments and CFMC nearly $500,000 for determining eligibility. CFMC's review of the ULTC-100 does not add any new information to the assessments performed by the SEPs. As a result, the additional step of having CFMC determine eligibility either through data entering or doing a desk review of the paperwork already prepared by the SEPs is unnecessary. In addition to being costly, a two-step approach for eligibility determination increases the time a client will have to wait to receive services. We believe that the functions of assessment and eligibility determination could easily be combined for a more cost-effective and time-efficient system. The Department is currently in the process of exploring other options for moving several of CFMC's current duties to the SEPs, including allowing SEPs the authority to make eligibility determinations.

Recommendation No. 56:

The Department of Health Care Policy and Financing should evaluate the costs and benefits of combining assessment and eligibility determination, and establishing an independent third-party review of these processes.

Department of Health Care Policy and Financing Response:

Agree. The Department is in the middle of a large redesign implementation that will combine the SEP assessments with SEP determinations of admission or denial to long-term care programs. CFMC will stop work on eligibility determination in March of 2002. The Department anticipates hiring a balance of state contractor to provide oversight of the process, to monitor consistency with SEPs, and to conduct long-term care reviews that SEPs are unable to assume.

Oversight of the SEPs

The Home Health and HCBS programs involve a complicated web of interagency involvement. The Department of Health Care Policy and Financing is the lead agency and contracts with other agencies to oversee and provide coordination for HCBS and home health services. Specifically, the Health Facilities Division (the Division) is contracted to oversee and investigate service provider quality-of-care issues; the Department of Human Services (DHS) is contracted to review the activities of the 25 SEP agencies; and the 25 SEPs are contracted to provide assessment, service planning, and case management services to HCBS program participants. We found several instances where oversight and communication among all agencies involved should be improved.

The Department of Human Services (DHS) monitors the SEP contractors under a cooperative (interagency) agreement with the Department of Health Care Policy and Financing. DHS's oversight responsibilities include training, technical assistance, monitoring, and making recommendations to the Department of Health Care Policy and Financing regarding provider certification, and financial audits for SEP agencies. Our review concentrated on the oversight components of DHS's review including DHS's monitoring, certification, and financial audits of the SEP agencies. We found room for improvement in several areas.

Financial Compliance Reviews

DHS is responsible for conducting on-site financial compliance reviews (FCRs) for each SEP agency. The factors determining the frequency of the FCRs are mutually agreed upon by DHS and HCPF. The review is limited to an examination of the program expenditures and the reimbursement of these costs reported by the SEP system. We identified the following problems with the FCRs:

- **Financial compliance reviews performed by DHS are not timely, consistent, or cost-effective.** The most recent Financial Compliance Reviews conducted at four out of the five SEPs we visited were five years old, conducted in Fiscal Year 1996. Another SEP had their review in Fiscal Year 1999 for the three-year period covering 1997, 1998, and 1999. Additionally, one of the largest SEPs has not had a review since 1996. In total, for the five SEPs we visited, DHS recovered about $400,000 as a result of the compliance reviews. DHS explained that they try to conduct these audits every three to four years, but only one of the five had a review in that time

frame. Since the recoveries resulting from these reviews are significant, the reviews should be conducted annually.

- **SEPs are not reverting the unspent monies without a review.** SEPs are required to revert any funds that they received but did not spend during the Fiscal Year. However, for the five SEPs in our sample area, DHS recovered about $260,000 in funds that the SEPs did not spend and that were not reverted prior to DHS's review. Although there is some confusion between HCPF and DHS staff as to whether SEPs are reverting funds when compliance reviews are not conducted, our review confirmed that the SEPs are not reverting the funds for years in which they do not receive a financial compliance review. HCPF should include penalties and lost interest in the SEP contracts that ensure SEPs comply with requirements to revert unspent funds.

With HCBS program costs increasing greatly each year, it is imperative that the oversight procedures in place concentrate their efforts on reviewing issues that directly relate to client care and cost control. As a result, we believe that the Department of Human Services should improve the oversight of the SEPs. It is possible that financial compliance reviews could be included as an agreed-upon audit procedure during the counties' annual financial audits. If this were done, DHS could review the results during its desk review of the financial audits. Recoveries from the annual compliance reviews would offset some or all of the costs of the more frequent reviews.

Recommendation No. 57:

The Department of Health Care Policy and Financing should include enforcement actions in the SEP contracts that penalize the SEP for not reverting funds in accordance with Department policy.

Department of Health Care Policy and Financing Response:

Agree. The Department will explore requiring the SEPs to, periodically during the contract year, complete and submit a credit balance report. The report will be desk reviewed by Department staff. The Department will consider penalties for not reverting unexpended funds as part of its review of its SEP payment methodology. Enhanced financial compliance reviews will be necessary to

accurately identify unexpended funds. This will be incorporated in SEP contracts for Fiscal Year 2003.

Department of Higher Education

Introduction

The Department of Higher Education includes all public higher education institutions in the State, as well as the Auraria Higher Education Center, the Colorado Commission on Higher Education, the Colorado Council on the Arts, the Colorado Student Loan Division, the Colorado Student Obligation Bond Authority, the Colorado Historical Society, and the Division of Private Occupational Schools. Please refer to page 49 in the Financial Statement Findings section for additional background information.

Board of Regents of the University of Colorado - University of Colorado

The University of Colorado was established on November 7, 1861, by an Act of the Territorial Government. Upon the admission of Colorado into the Union in 1876, the University was declared an institution of the State of Colorado, and the Board of Regents was established under the State Constitution as its governing authority.

The University consists of a central administration and four campuses: Boulder, Denver, Colorado Springs, and Health Sciences Center. These four campuses comprise 16 schools and colleges.

The following comments were prepared by the public accounting firm of KPMG LLP, who performed audit work at the University of Colorado.

Subrecipient Monitoring at the University of Colorado at Boulder Should Be Expanded

The University of Colorado receives substantial federal awards at each of its campuses. Some of these funds are passed on to other universities, local municipalities, nonprofit organizations, and private companies. Under Office of Management and Budget (OMB) Circular A-133, the University, as a pass-through entity of federal awards, is responsible for:

- Identifying to the subrecipient the federal award information and applicable compliance requirements.

- Monitoring the subrecipient's activities to provide reasonable assurance that the subrecipient administers federal awards in compliance with federal requirements.

- Ensuring required audits are performed and requiring the subrecipient to take prompt corrective action on any audit findings.

- Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable federal regulations.

Factors such as the size of awards, percentage of the total program's funds awarded to subrecipients, and the complexity of the compliance requirements may influence the extent of monitoring procedures.

Monitoring activities may take various forms, such as reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, arranging for agreed-upon procedures engagements for certain aspects of subrecipient activities, such as eligibility determinations, reviewing the subrecipient's single audit or program-specific audit results, and evaluating audit findings and the subrecipient's corrective action plan. The University of Colorado at Boulder (UCB) utilizes receipt of single audit reports as their monitoring activity.

We noted that UCB's policy states that for subcontracts over $25,000, the pass-through entity must supply the UCB with a letter stating its compliance with OMB Circular A-133 and/or supply it with the audit report. Any reports received with findings related to the University's specific subawards or Research and Development cluster control findings must be followed up on to ensure the corrective action plan is put in place and the findings are resolved. We tested 13 subawards and noted that 2 entities had single audit reports with findings related to the Research and Development cluster. There was no documentation of the review of the OMB Circular A-133 reports to determine if the findings would impact or were related to the specific subawards the University had granted to these subcontractors.

We recommend the University ensure there is a documented review of each subrecipient audit report. This review could be a single sheet of paper or documentation of the work performed in a spreadsheet (currently in use at the University of Colorado Health Sciences Center). This documentation should be completed when each audit report is received and reviewed. The documentation should include whether the subcontractor was in compliance

with the OMB Circular A-133 requirements as well as any findings related to the University's specific subaward and/or the Research and Development Cluster. Discussions with the subcontractor or principal investigator relating to the status of findings and the corrective action plan should be included.

Recommendation No. 58:

The University of Colorado at Boulder should ensure that review of audit reports of the subrecipient monitoring activity addresses proper review and resolution, if any, of findings noted in the reports.

University of Colorado Response:

Agree. University of Colorado at Boulder's Office of Contracts and Grants will implement a process no later than December 31, 2001, to document its review of each subrecipient's audit report and resolution, if any, of findings in the reports.

State Board of Agriculture

The State Board of Agriculture has control and supervision of three distinct institutions: Colorado State University, a land-grant university; Fort Lewis College, a liberal arts college; and the University of Southern Colorado, a regional university with a polytechnic emphasis.

The Board administers the State Board of Agriculture Fund located in the State Treasury. The Board is authorized to fix tuition, pay expenses, and hire officials. The chief academic and administrative officers are the chancellor of the Colorado State University System and the president of each institution.

University of Southern Colorado

The University of Southern Colorado was incorporated in 1935. On July 1, 1975, the State Legislature granted the institution university status. Three years later, the Colorado State Board of Agriculture assumed governance of the University. The University of Southern Colorado is accredited at the bachelor's and master's levels, with special emphasis on polytechnic education.

The following comments were prepared by the public accounting firm of Clifton Gunderson LLP, who performed audit work at the University of Southern Colorado.

Federal Perkins Loan Program

Federal Perkins Loans are available to certain students meeting eligibility requirements established by the United States Department of Education. The loan program is partially funded by the U.S. Department of Education. The U.S. Department of Education requires certain procedures to be followed by all institutions accepting federal Perkins Loan Program dollars such as keeping certain documentation in individual files for each borrower. If these procedures are not followed, the University risks losing these federal funds to support student attendance.

Our audit procedures included testing 10 borrowers who went into repayment during the year, 10 borrowers who had their loans deferred or canceled, and 10 borrowers who went into default. We noted the following:

- For 1 out of 10 borrowers who went into repayment during the year, a required addendum to the promissory note was not included with the signed promissory note as required for all promissory notes made on or after August 1, 2000. The addendum reflects the provisions resulting from the 1998 Higher Education Amendments.

- For 10 out of 10 borrowers who went into repayment during the year, the University did follow required procedures to contact the borrower by letter during the nine-month grace period, but the University did not send the letters timely (first contact after 90 days, second contact after 150 days, and third contact 240 days after the grace period begins). The letters remind the borrower that they are responsible for repaying the loan, the amount of principal and interest due, and the due date and amount of the first payment.

- For 4 out of 10 borrowers who had their loans deferred or canceled, the University did not maintain adequate documentation in the student's file supporting the reason for a deferment of loan payments.

- For 1 out of 10 borrowers who went into default, overdue notices were not reaching the borrower because the borrower could not be located. Under 34 CFR 674.44, the school must take the following steps to locate the borrower if communications are returned undelivered (other than unclaimed mail): (1) review the records of all appropriate school offices, and (2) review printed or Web-based

telephone directories or check with information operators in the areas of the borrower's last known address. If these methods are unsuccessful, either school personnel or a commercial skip-trace firm must be used to locate the borrower. If school personnel are used, documented efforts must be comparable to commercial skip-tracing firms. If the school is still unable to locate the borrower after taking these steps, the school must continue to make reasonable attempts at least twice a year until the account is assigned to the U.S. Department of Education or the account is written off. The University was not consistent in following the steps above to locate a borrower in default.

Appropriate documentation should exist to demonstrate compliance with U.S. Department of Education requirements in order to ensure future participation in the federal Perkins Loan Program and to assist in future collection efforts to avoid default by borrowers.

The University currently sends exit counseling information to borrowers by mail and includes a copy of the mailed information in the student's file as verification of sending the information. Under 34 CFR 674.42(b), the University is required to conduct exit counseling with borrowers either in person, by audiovisual presentation, or by interactive electronic means shortly before the student graduates or drops below half-time enrollment. If individual interviews are not possible, group interviews are acceptable. If the borrower withdraws from school without the school's prior knowledge or fails to complete an exit counseling session, the school must provide exit counseling through either interactive electronic means or by mailing counseling material to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from school or failed to complete exit counseling. Of the 20 borrowers tested for proof of exit counseling, only 2 had returned signed information back to the University as requested in the mailed packet of exit counseling information. Exit counseling conducted in a manner noted above as required would assist the University in receiving signed information back from students.

We understand the University is considering outsourcing the database administration and collection function for federal Perkins loans to a third party or upgrading the current database system. The University's current database for its federal Perkins loans is becoming obsolete and the University has had significant difficulties in maintaining the system. While we understand that there may be additional costs associated with outsourcing as opposed to upgrading the current system (which may not be available from the vendor), we believe the University is at risk of losing its federal Perkins loan funding from the U.S. Department of Education due to the issues noted above and similar issues noted in previous years. Outsourcing the database administration and collection function to a third party would assist the University in eliminating these issues.

Recommendation No. 59:

The University of Southern Colorado should:

a. Implement procedures to ensure that the required addendum to the promissory notes is provided to all students and included with the promissory note in the borrower's federal Perkins loan file.

b. Implement procedures to ensure that contact with borrowers during grace periods is performed on a timely basis.

c. Implement procedures to ensure that adequate documentation is obtained from students to support deferment of payments or canceled loans.

d. Implement procedures to ensure that contact and attempted contact with borrowers in default is performed as required by the U.S. Department of Education.

e. Strengthen efforts to conduct exit counseling with borrowers either in person, by audiovisual presentation, or by interactive electronic means shortly before the student graduates or drops below half-time enrollment as required by the U.S. Department of Education.

f. Ensure that individuals responsible for due diligence related to the federal Perkins Loan Program are properly trained and maintain current knowledge of U.S. Department of Education requirements.

g. Consider outsourcing the database administration and collection function for federal Perkins loans to a third party.

University of Southern Colorado Response:

Agree. The University understands the importance of complying with the federal regulations that support the federal Perkins Loan Program. Significant improvements in the management of the federal Perkins Loan Program were made during the 2001 fiscal year, and further improvements are planned:

a. The required addendum is now being included with all promissory notes.

b, c, d, f. To be addressed via staff training for those individuals currently responsible for Perkins Loans Program management and outsourcing loan collection activities.

e. A process to comply with exit counseling requirements will be developed.

g. The University is currently negotiating a contract for loan servicing of our federal Perkins Loan Program and hopes to have this process completed by January of 2002.

Return of Title IV Funds

When a recipient of Title IV grant or loan assistance withdraws from school during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student as of the date of the school's determination that the student withdrew, the difference must be returned to the Title IV programs as specified by the U.S. Department of Education and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement.

Our audit procedures included testing 10 students who withdrew from school during the year and did not receive a return of Title IV funds (to test if they should have received a return of Title IV funds and did not) and 10 students who withdrew from school during the year and did receive a return of Title IV funds (to test if the return of Title IV funds was calculated and administered as required). We noted the following:

- For 1 out of 10 students who withdrew from school during the year and did not receive a return of Title IV funds, a return of Title IV funds should have been calculated because the student's withdrawal date was prior to the cutoff for making returns of Title IV funds. The calculated return of Title IV funds related to the student should have been $1,527 and was completed subsequent to year-end.

- For 2 out of 10 students who withdrew from school during the year and did receive a return of Title IV funds, the amount of return of Title IV funds was calculated incorrectly due to having used the wrong withdrawal date in the

calculation. The calculated return of Title IV funds for the two students should have been reduced by $35.

- For 1 out of 10 students who withdrew from school during the year and did receive a return of Title IV funds, the amount of return of Title IV funds was calculated incorrectly due to the wrong amount of tuition charged to the student that was used in the calculation. The calculated return of Title IV funds for the student should have been increased by $197.

- For 1 out of 10 students who withdrew from school during the year and did receive a return of Title IV funds, the University calculated the return properly but did not return Title IV monies for Federal Family Education Loans to the lender. The amount of Title IV funds not returned on behalf of the student was $1,428.

The net known questioned costs for the items noted above is $3,117.

Recommendation No. 60:

The University of Southern Colorado should implement procedures to ensure that returns of Title IV funds are calculated for all applicable students, calculated accurately, and returned to Title IV programs on a timely basis as required. The University should consider having a staff person familiar with returns of Title IV funds review the calculations made by other staff.

University of Southern Colorado Response:

Agree. While the University currently has a process that addresses the return of Title IV funds, we recognize the need to strengthen this process. USC will incorporate both technology (automated withdrawal reports) and processing (in-person calculation at the time of withdrawal) changes to strengthen our Title IV fund management. With regard to the questioned costs, USC has taken the steps to correct all student loans and has returned the $3,117.

Trustees of the University of Northern Colorado

The Board of Trustees is the governing body of the University of Northern Colorado and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms (effective for terms beginning July 1, 1987); one faculty member elected by the faculty; and one student member elected by the student body.

University of Northern Colorado

The University of Northern Colorado was established as a teachers college, with an official creation date of April 1, 1889. Throughout the years the school underwent many name changes, but the Act changing the name to the University of Northern Colorado became law May 1, 1970, thus making official the university-level work which it has offered since 1929. The University seeks to provide all students with a broad general education as well as preparation for selected professions.

The following comment was prepared by the public accounting firm of Anderson & Whitney, PC, who performed audit work at the University of Northern Colorado.

Change Perkins Loan Grace Period

The University has $9,328,710 in outstanding Perkins loans to approximately 5,700 current and former students.

During review of the federal Perkins Loan Program (CFDA 84.038), we tested the calculation of the grace period for borrowers that withdrew from the University. The Perkins loan program allows a nine-month grace period before interest begins to accrue and repayment begins on the loan. Approximately 50 borrowers withdrew or dropped to less than half-time status during the year.

According to federal regulations, the grace period should begin the day following withdrawal from the University or the student having less than half-time enrollment. During testing we found that the grace period for students who withdrew or dropped to less than half-time enrollment did not begin until the month following the end of the semester. This allowed students who withdrew additional time before interest accrued and repayment began. Thus, the University realized slightly less interest income and had slightly less in the Perkins Loan Fund for future loans.

Recommendation No. 61:

The University of Northern Colorado should change the beginning of the grace period for Perkins loan borrowers who withdraw from the University or drop to less than half-time enrollment.

University of Northern Colorado Response:

Agree. The University is in the process of modifying the grace period algorithms in the student loan system. (Implemented, October 2001).

Trustees of the Colorado School of Mines

The Board of Trustees is the governing body of the Colorado School of Mines and is composed of seven members appointed by the Governor, with consent of the Senate, for four-year terms, and one nonvoting student member elected by the student body.

Colorado School of Mines

The Colorado School of Mines was founded on February 9, 1874. The primary emphasis of the Colorado School of Mines is engineering, science education, and research. The authority under which the School operates is Article 40 of Title 23, C.R.S.

The following comments were prepared by the public accounting firm of BKD, LLP, who performed audit work at the Colorado School of Mines.

Receipt and Use of Federal Funds

The Colorado School of Mines participates in numerous federal grant programs throughout the year. These grants are largely for research and development programs within the University and for student financial aid. Research and development and student financial aid were tested as major programs under the OMB Circular A-133 for the year ended June 30, 2001. During the year, the University had expenditures under these federal grants of $16.1 million. Our testing noted instances of noncompliance with the requirements of federal grants or OMB Circular A-133.

Improve Subrecipient Monitoring

In the fiscal year ending June 30, 2001, the University reported on its Schedule of Federal Assistance funds of $2,215,030 passed through to subrecipients in eight programs.

The requirements set forth in the OMB Circular A-133 provide that pass-through entities (in this case the University) obtain reasonable assurance that federal award information and compliance requirements are identified to subrecipients, subrecipient activities are monitored, subrecipient audit findings are resolved, and the impact of any subrecipient noncompliance on the pass-through entity is evaluated. Also, the pass-through entity should perform procedures to provide reasonable assurance that the subrecipient obtains required audits and takes appropriate corrective action on audit findings. During our testing of research and development grants, we found that the University did not adequately document information about its subrecipient monitoring. This issue was also noted in the prior year audit.

The University designates a principal investigator, usually a university professor. This investigator is responsible for approving all expenditures submitted by subrecipients and for supervision of the subrecipient. While proper supervision may be occurring, the University did not have documentation to support the monitoring process. Without the documentation, it is not possible to determine if all federal requirements had been met.

The University should maintain a database that lists all subrecipients. The database should document that the subrecipients have received an OMB Circular A-133 audit and are aware of the guidelines of this regulation. University personnel should then document their review of the audit and respond to any reported findings and questioned costs. If the University does not receive an OMB Circular A-133 audit from the subrecipient, a certification letter should be sent to the subrecipient. The subtitles on the certification letter should include the following: (1) audit not complete, (2) audit complete/no findings, (3) audit complete/related findings, or (4) not subject to audit. The database should also track any other communication or monitoring of the subrecipient by the principal investigator. If a certification letter or OMB Circular A-133 audit is not received, the subrecipient should be considered not in compliance. If a subrecipient is not in compliance, the principal investigator should be notified. The principal investigator should inform the subrecipients that payments will be withheld until they are in compliance with the regulations.

This recommendation affects the following grants: 58-0111-0-006, 2001-35107-10052, F49620-98-1-0483, DE-FC07-00CH11021, U60/CCU816929-01, R 826651- 01-0, NCCW-0096, U60/CCU816929-02.

Recommendation No. 62:

The School of Mines should develop subrecipient monitoring documentation policies and procedures to help ensure that subrecipient files are properly maintained and provide documentation for the monitoring that has occurred.

School of Mines Response:

Agree. Within the past year the University has undertaken several steps to strengthen its subrecipient monitoring. A checklist was developed and is currently in use to help determine whether a vendor or subrecipient relationship exists with a subcontractor. If a subrecipient relationship exists, the subcontractor is requested by letter to certify whether A-133 audit findings exist and provide their responses. The University will develop and maintain a database to document our subrecipient monitoring activities. Principal investigators will also be requested to complete some form of supervision checklist to verify their monitoring of each subrecipient.

Improve Documentation of Counseling Sessions of Students Who Are First-Time Borrowers or Leave School

The University has 1,161 students who received approximately $6,432,700 in loans under the Federal Family Education Loan (FFEL) program. Under the FFEL program, the University is required to conduct counseling sessions for students who are borrowing funds for the first time and students who graduate, withdraw, or drop out of school. In our testing, 3 of the 30 students tested lacked documentation of the counseling session. This issue was also noted in the prior year audit.

Recommendation No. 63:

The School of Mines should develop policies and procedures to help ensure counseling sessions are performed and documented for students borrowing for the first time and students leaving school.

School of Mines Response:

Agree. The University altered counseling session procedures and documentation, during the past fiscal year, to incorporate both paper and electronic formats. The number of FFEL program policy exceptions was reduced by more than 70 percent. To ensure continued improvement in the performance and documentation of counseling sessions, the entire Financial Aid Office staff, including all work-study students, will receive additional training. A checklist will also be employed to make certain that appropriate information on exit counseling is provided to students who are withdrawing.

Department of Human Services

Introduction

The Department of Human Services (DHS) is solely responsible, by statute, for administering, managing, and overseeing the delivery of human services throughout the State. Please refer to page 53 in the Financial Statement Findings section for additional background information.

Implement On-Site Monitoring of County TANF Activities

In 1996 Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), established federal welfare reform requirements and created the Temporary Assistance for Needy Families (TANF) program (CFDA 93.558). In July 1997 the Department of Human Services implemented TANF in Colorado as the "Colorado Works" program.

In Fiscal Year 2001 the Department expended over $197.6 million in federal financial assistance and state general funds for the operation of the TANF program. TANF was one of the largest federal grants administered in Colorado in Fiscal Year 2001, ranking sixth overall in terms of expenditure levels. The TANF program is overseen by the Department's Office of Self-Sufficiency and administered locally by the county departments of social services. Each county is responsible for maintaining and following its own Department-approved county plan outlining TANF policies and procedures.

The Department is ultimately responsible to the U.S. Department of Health and Human Services for ensuring that the State as a whole properly administers the TANF program and meets federal requirements. Because of the level of responsibility vested with the counties, the Department must monitor county activities in order to meet its responsibilities.

The Department Did Not Complete Scheduled On-Site County Reviews

As part of our Fiscal Year 2001 audit, we reviewed the Department's supervision and administration of the TANF/Colorado Works program. We found that the Department is not adequately monitoring county TANF activities. Specifically, the Department discontinued on-site monitoring efforts previously in place. While department staff initially scheduled four on-site county reviews of the TANF program for Fiscal Year 2001, they visited only two counties during the fiscal year and did not complete final reports to the counties or address identified problems with county staff.

The lack of follow-up is especially troubling due to the number and nature of the problems identified through the Department's reviews. For example, DHS staff noted in the Pueblo review that 31 of the 48 cases selected (65 percent) had discrepancies between the case file and the Colorado Automated Client Tracking Information System (CACTIS) or did not have an Individual Responsibility Contract (IRC) in the file. CACTIS is utilized by the counties to track the status of an individual's work activities. If data from the case file are not entered into CACTIS correctly, then the system lacks adequate information to accurately track federal work requirements. The IRC is a contract between the client and the agency that addresses each party's responsibility. It is required by statute to be in place within 30 days from the date the client is approved for the program and outlines the individual's plan to achieve self-sufficiency. This information is critical for reporting purposes to the federal government.

Department Has Not Reviewed County TANF Fraud and Abuse Standards

We also found that the Department's monitoring of county controls over possible fraud and abuse within the TANF program is lacking. We noted that the Department sent an agency letter to each county in July 2000 requiring them to establish and maintain standards and procedures to safeguard against program fraud and abuse. Counties were to submit the standards and procedures to the Department in order that DHS staff could review and monitor them for compliance with the State Plan. However, the Department did not specify a due date for submission of the standards and procedures. We found that a year after sending the letter the Department had not received or reviewed any of the requested information from the counties. Further, although the Department indicated in its letter that it would be developing formal review and tracking processes and establishing a monitoring schedule, the Department has not developed and documented review or tracking processes or created a monitoring schedule for reviews of fraud procedures and cases.

The lack of established procedures and monitoring for fraud and abuse is a serious concern. Under the Colorado Works program, counties have been given the authority and responsibility for handling their own fraud cases, and the Department has only limited information on these cases. In addition, county personnel have considerable discretion in the types of payments that can be made to beneficiaries under the program. Without an effective fraud and abuse prevention program in place at the county level, the Department cannot ensure that counties have the necessary policies and procedures in place to monitor the activities of program personnel with regard to the appropriate use of TANF funds.

Monitoring Problems Were Identified in 1998 Audit

Problems with the Department's monitoring of the TANF program have been noted in past audits. During our Fiscal Year 1998 audit, we found that the Department had not developed and implemented an on-site review process for overseeing the counties' implementation and administration of TANF. We recommended at that time that the Department develop and implement a formalized plan for on-site monitoring for TANF. The Department agreed with our recommendation and created draft monitoring procedures and performed two complete county on-site visits during Fiscal Year 2000. As noted above, however, the Department suspended its on-site monitoring process during Fiscal Year 2001. The Department determined the monitoring model it had developed required too much time to complete and to follow up with counties regarding identified problems. Therefore, the Department is currently reassessing its on-site monitoring process and plans to implement a new plan for on-site county reviews.

On-site monitoring is a critical tool routinely used by DHS and other state agencies to ensure that state and federal requirements are met, particularly for large federal programs. Within DHS, program staff for the Food Stamps program conduct on-site monitoring to determine counties' compliance in areas such as eligibility and benefit payment determination. All counties are subject to review at least once every three years. Similarly, DHS staff for the Adoption Assistance and the Foster Care programs perform on-site monitoring of county activities on a regular basis.

Better Monitoring Could Help Ensure Requirements Are Met

Adequately monitoring county TANF activities is especially important because the State as a whole will be held accountable for meeting federal requirements such as work participation rates; in turn, the State's federal funding is affected by how successfully

federal requirements are met. By reestablishing on-site monitoring, the Department is also more likely to become aware of problems in areas including eligibility determination and benefit payments. For example, through on-site case file reviews, the Department can ensure that an individual's information is correctly entered into the Department's eligibility determination system and that benefit payments are appropriate. In addition, the Department can better determine problem areas and provide appropriate technical assistance. In terms of fraud and abuse activities, the Department's oversight role is critical to ensure TANF funds are used only for allowable purposes. Without an adequate review process over counties' controls in this area, there is a risk that fraud could occur and not be detected.

The Department and the counties have worked hard to develop an informal process in which the counties can communicate with the Department when they need assistance. The Department should supplement this with a formal, on-site county review process for overall program requirements and for fraud and abuse activities to ensure state and federal laws and regulations are met.

Recommendation No. 64:

The Department of Human Services should develop, implement, and maintain a formalized process for on-site monitoring of county activities for the Temporary Assistance for Needy Families (TANF) program to ensure that federal and state requirements are met. This process should include:

a. An established time frame for conducting county reviews to ensure all counties are reviewed within a specified period of time.

b. Specific steps for performing follow-up on problems identified and resolving them in a timely manner.

Department of Human Services Response:

Agree. The Department will reestablish a process for on-site monitoring using the following strategies: the Colorado Works Division will consult with other program areas, e.g. Child Welfare, concerning their use of risk-based monitoring for the purpose of the development of risk criteria that would trigger priority first-year review (or re-review) of counties needing more immediate attention. The Department will also develop a screening tool and modify the current monitoring instrument to assist in targeting the timing and scope of its statewide reviews. On-

site (for large- and medium-sized counties) or case file reviews (for smaller size counties) will be conducted so every county will be reviewed at least once in every four-year period. This approach, we believe, is consistent with our new initiative of Performance Management using critical performance indicators through extensive data reporting and analysis, policy guidance, and county-specific customer-focused technical assistance.

The Department will follow up on problems identified during county reviews by issuing reports to the counties within 60 days of the review and ensuring corrective plans are in place within 60 days after the report has been issued.

Implementation Date: April 1, 2002, and ongoing

Recommendation No. 65:

The Department of Human Services should ensure that adequate controls over fraud and abuse in the TANF program are in place at the counties by:

a. Requiring counties to submit standards and procedures to safeguard against program fraud and abuse within a specified time period.

b. Reviewing these standards and procedures for compliance to the State Plan and providing feedback to the counties as needed.

c. Developing a formal process that includes a monitoring schedule for reviews of county fraud procedures and cases.

d. Following up on problems identified during county reviews as appropriate.

Department of Human Services Response:

a. Agree. The Department will follow through with its previous Agency Letter and establish an ad hoc work group of county representatives to assist the Department in the establishment of standards and procedures to ensure against program fraud and abuse. A subsequent Agency Letter will be provided giving guidance to counties concerning minimal standards and procedures to ensure against program fraud and abuse. Counties will then have 30 days to comply with submittal of county-specific measures.

Implementation Date: April 15, 2002

b. Agree. The Department will review county standards and procedures within 30 days of receipt of such procedure from the county.

   Implementation Date: June 15, 2002

c. Agree. The Department will incorporate this monitoring schedule within its overall on-site monitoring schedule of federal and state requirements.
   Implementation Date: June 15, 2002, and ongoing

d. Agree. The Department will follow up within 30 days of the review by working with the county to ensure proper implementation of standards and procedures.

   Implementation Date: May 15, 2002, and ongoing

Cash Management for Federal Programs Still Problematic

In Fiscal Year 2001 the Department of Human Services expended $609 million in federal funds for the administration and individual benefit payments of 69 federal programs. The State operates on a reimbursement basis with the federal government. This requires that the State use general funds to make expenditures for federal programs and then request reimbursement from the federal government for the appropriate share. State Fiscal Rules and federal regulations require that the Department request reimbursement so that transactions are "interest neutral" for both the federal government and the State, meaning that neither realizes an unfair financial advantage from use of the other entity's funds. According to the State's formal agreement with the federal government, this means that the Department should request reimbursement three business days after state funds are expended for 14 of the Department's largest programs. These programs are covered under the federal Cash Management Improvement Act (CMIA) and include Temporary Assistance to Needy Families (TANF), the Food Stamp Program, Foster Care, and the Child Care Development Fund, among others.

Since Fiscal Year 1995, audits have identified ongoing problems with the Department's cash management related to federal programs. Our Fiscal Year 2001 audit again found similar problems: DHS does not draw federal funds in a timely manner after state funds are expended. This means that the State, in effect, loses interest on general funds that are

used to front expenditures for federal programs prior to the receipt of federal reimbursement.

Federal Receivable Accounts Show Large Balances

We reviewed the accounts receivable balances for the Department's 14 federal programs covered under CMIA requirements as of March 31, April 30, May 31, and June 30, 2001, and calculated the turnaround ratios these balances represented. The turnaround ratio is a standard analytical tool that is used to measure an entity's ability to collect receivables in a timely manner. In this case, we used the turnaround ratio to measure the number of months of average federal revenue in the accounts receivable balance. In other words, the turnaround ratio is the average time it takes the State to collect from the federal government once the state expenditure has occurred. If the Department met the three-business-day draw requirement, this would result in a turnaround ratio of about 0.14 months. We noted problems with all of the Department's 14 programs, and we found problems at the end of all four months reviewed. Five of these programs and their turnaround ratios for the last two months of Fiscal Year 2001 are shown in the table on the next page. For these five programs the Department's turnaround ratios ranged from about nine days to over five months, with the exception of the June 30, 2001, balance for the Foster Care program.

Department of Human Services
Turnaround Ratios for Federal Receivables for Selected Federal Programs
Fiscal Year 2001

Federal Grant	Accounts Receivable Balance		Months of Revenue in Accounts Receivable (Note: Three business days is 0.14 months.)[1]	
	May 31	June 30	May 31	June 30
Temporary Assistance for Needy Families (TANF)	$7,303,222	$8,706,458	0.83	0.99
Social Services Block Grant (Title XX)	$7,722,157	$19,101,617	2.02	5.01
Foster Care (Title IV-E)	$1,721,286	($2,220,388)	0.56	-0.72
Vocational Rehabilitation	$993,428	$2,399,733	0.42	1.02
Child Care Development Fund	$11,463,918	$19,283,601	1.88	3.16

Source: Office of the State Auditor analysis of Department of Human Services data.
[1] Under state and federal requirements, the Department of Human Services should draw federal funds three business days after the related state expenditure is made.

This table illustrates that for four of the five programs the Department is not drawing federal funds in a timely manner. In the case of the Foster Care program, the Department drew federal funds in advance of making state expenditures, which is a violation of federal regulations.

Problems Noted With Federal Drawdown Process

In addition to the problems with the federal accounts receivable balances, we noted the following:

- Staff entered a federal reimbursement rate in the State's accounting system for the Vocational Rehabilitation program that was too high. Because they did not identify and correct the error for a month, this resulted in the Department overdrawing

$243,010 in federal funds. The Department reduced its subsequent federal draw requests to offset the overdraw.

- Because staff established information incorrectly in the State's accounting system, large amounts of expenditures for several programs were not automatically transferred to the federal draw account. As a result, department cash management staff were not aware that these federal funds needed to be drawn and did not request timely reimbursement for those expenditures. We reviewed one transaction that required manual intervention to move approximately $10 million from the federal receivable to the federal draw account.

- Staff entered incorrect coding information into COFRS for certain Food Stamp administration expenditures. As a result, the Department drew $910,000 against the wrong letter of credit, which required numerous adjustments to compensate for the overdraw.

Ensure Cash Draws Are Made Timely

Good management of state and federal funds is a critical function for the State from both a legal compliance and business perspective. The Department plays a significant role in the State's funds management because it receives a large portion of the total federal funds provided to the State. In Fiscal Year 2001, for example, the Department received about 16.9 percent of the nearly $3.6 billion in federal funds the State received.

In order to both meet federal CMIA requirements and serve the best interest of the State, we recommend the Department improve its cash management process by improving its oversight of cash management and federal draw procedures.

Recommendation No. 66:

The Department of Human Services should ensure federal funds are drawn in a timely manner for all federal programs. As part of this, the Department should:

a. Provide effective training and oversight to accounting staff responsible for cash management processes.

b. Ensure information entered into the State's accounting system for cash management is accurate and in accordance with federal drawdown regulations.

Department of Human Services Response:

a. Agree. The Department will schedule and conduct training for all program accounting staff, the cash management accountant, and the cash management accountant's supervisor. In addition, the training will include the oversight procedures and follow-up to problem areas. The Cash Management Program will be included as a part of the monthly/quarterly SCO Diagnostic Report review.

b. Agree. The Department will initiate a comprehensive review with the Department of Treasury to maximize the federal funds draw patterns under the Cash Management Improvement Act (CMIA). The Department will assess the cost/benefit impact of any procedural process changes necessary to achieve CMIA goals.

   Implementation Date: March 31, 2002.

Improve Inventory Process for the Food Distribution Program

The United States Department of Agriculture (USDA) obtains commodities such as peanut butter, chicken, beef, frozen juice, and cheese through price support programs, surpluses within the marketplace, and direct purchases from national markets. The USDA donates these commodities to Food Distribution Programs throughout the United States. In Colorado, the Food Distribution Program within the Department's Office of Self-Sufficiency is responsible for the receipt and distribution of goods under eight federal donated food grants.

As part of our audit, we reviewed the Department's controls over four of the largest federal donated food programs: Food Distribution (CFDA 10.550), National School Lunch Program (CFDA 10.555), Child and Adult Care Food Program (CFDA 10.558), and Summer Food Service Program for Children (CFDA 10.559). During Fiscal Year 2001, DHS distributed $13 million in donated foods under these programs to schools, child and adult day care centers, and other qualifying entities.

Monthly Reconciliation Process Needs Improvement

The Department currently contracts with two commercial distributors for the receipt, storage, and distribution of commodities for its donated food programs. These contracts require that the distributors send daily and monthly reports to the Department's Food Distribution staff. From these reports, Department staff monthly reconcile inventory amounts contained in the contractors' records with Food Distribution Program records to ensure all commodities are appropriately tracked.

As part of our audit, we reviewed the Department's monthly inventory reconciliations for April, May, and June 2001. We found that monthly reconciliations contained significant discrepancies that we were unable to trace through to resolution. For example, the June 2001 reconciliation for one distributor reported warehouse shortages for 15,267 commodities with a value of $262,000 and overages for 15,033 commodities with a value of $239,000. The May 2001 reconciliation for the same distributor reported warehouse overages for 15,781 commodities with a value of $192,500 and shortages for 7,249 commodities with a value of $122,000. Department staff reported that these discrepancies were subsequently resolved; however, staff were unable to provide supporting documentation indicating how these resolutions occurred. As a result, we were unable to confirm that the discrepancies were handled appropriately.

Department staff noted that discrepancies commonly occur for reasons such as timing issues, warehouse staff coding and system entry errors, incomplete warehouse documentation submitted by distributors to the Department, and warehouse shipment errors. Due to the large number of discrepancies and the time and effort required to investigate and resolve them, department staff indicated that reconciling the monthly inventory records can be a lengthy process, ranging from two days to over a month.
Many of the problems mentioned above could be rectified with better inventory policies and procedures. We found that the Department is not providing sufficient guidance and technical assistance to its contracted distributors. While the contract gives distributors general guidelines to follow, the Department has not established and documented inventory procedures for warehouse staff or conducted training sessions for warehouse personnel on correct procedures.

It is essential for the Department to have effective and efficient inventory controls over donated foods to demonstrate accountability for these commodities to the federal government and to ensure goods are not subject to misappropriation. Additionally, implementing better procedures for tracking commodities at the warehouses should lessen

the number of inventory discrepancies, as well as the time required to investigate and resolve them.

Recommendation No. 67:

The Department of Human Services should improve its inventory controls for the Food Distribution Program by:

a. Resolving identified discrepancies and maintaining documentation to support reconciled inventory reports.

b. Developing and documenting formal procedures for tracking commodities at the warehouses, and providing training and technical assistance to distributors.

Department of Human Services Response:

a. Agree. The program staff will document all inventory discrepancies with our two contracted distributors. The program staff will retain documentation detailing exactly how the discrepancy was resolved. This documentation will support the reconciled inventory reports. A copy of the reconciliation and documentation will be supplied to the two contracted distributors each month.

b. Agree. Overage and shortage discrepancies between physical inventory and book inventory shall be reconciled monthly. The contract requires that distributors submit daily their receiver shipment batch files, invoices and credit memos of USDA commodity shipments and monthly their inventory status reports. The contract also allows for liquidated damages when a distributor fails to submit required reports and files. Food Distribution staff will continue to provide technical assistance with distributors on a monthly basis when discrepancies occur and will inform them of discrepancies that they need to resolve. We will begin instituting liquidated damages when discrepancies are not resolved on a timely basis by our distributors. A letter will be sent to both distributors reiterating deadlines and damages.

Implementation Date: November 1, 2001

Segregation of Duties Should Be Applied Within Food Distribution Program

As noted above, the Food Distribution Program within the Department's Office of Self-Sufficiency is responsible for the receipt and distribution of goods under eight federal donated food grants. A staff of six is employed to carry out these responsibilities. We noted during our review of the Department's controls over four of the larger federal donated food programs listed in the previous comment that the Department lacks adequate segregation of duties among Food Distribution staff to ensure state assets are properly safeguarded. Specifically, out of the seven expenditures tested for the Food Distribution Program, we found that in six instances both the purchase of and authorization to pay for these goods and services were made by the same person. The expenditures were for computer consulting services, software, and hardware related to a computer project for the Food Distribution Program. The staff person who authorized the purchase and the payment for the expenditures was overseeing this project. The estimated cost of the project is $176,000, which will be paid by federal and state funds.

Control activities over safeguarding of assets include policies and procedures to prevent unauthorized acquisition, use, or disposition of state assets. When the same individual can authorize both the purchase and payment for goods and services, this presents a risk that improper expenditures could occur. Although our audit did not identify questionable purchases, we believe that the Department should take action to establish appropriate segregation of duties within the Food Distribution Program in order to ensure such instances do not take place.

Recommendation No. 68:

The Department of Human Services should segregate duties within the Food Distribution Program by ensuring that the same individual is not authorized to purchase goods and services and approve invoices for payment.

Department of Human Services Response:

Agree. Food Distribution staff will ensure that the same individual that authorizes the purchase of goods and services is not the same individual that approves the invoices for payment.

Implementation Date: November 1, 2001

Reinstate On-Site Monitoring of Vocational Rehabilitation Field Offices

In Fiscal Year 2001 the Department of Human Services expended over $36 million in total for the operation of the Vocational Rehabilitation Program (CFDA #84.126), which is overseen by the Division of Vocational Rehabilitation. The purpose of this program is to assess, plan, develop, and provide vocational rehabilitation services for individuals with disabilities so they may prepare for employment.

Vocational Rehabilitation services are provided by counselors through the 25 field offices located throughout Colorado. Prior to Fiscal Year 2001 the Department relied on two levels of quality assurance to monitor field office staff activities. The first level consisted of supervisory reviews by staff at the field offices, while the second level consisted of routine on-site quality control reviews of field offices' program activities by Vocational Rehabilitation quality assurance specialists and regional supervisors. Through this monitoring the Department determined compliance with state and federal regulations regarding clients' eligibility, allowability of expenditures, file documentation, Individualized Plan for Employment (IPE) development and appropriateness, and case closures.

We found during our audit that the Department did not perform any on-site reviews through its second level of quality assurance during Fiscal Year 2001. Department staff indicated that as a result of case documentation problems found through a federal Rehabilitation Services Administration (RSA) review of the Department's Vocational Rehabilitation program, they discontinued the on-site reviews at the beginning of the fiscal year to reconsider their monitoring efforts.

In January 2001 the Department informally instituted a more comprehensive supervisory review process over counselors' service or activity assessments at the field office level. The focus of the reviews is to provide proactive coaching and consultation to counselors during the development of a case rather than reviewing for compliance after the case is closed. However, we found that there are no official reporting methods in place to ensure that these reviews are taking place and are effective.

On-Site Monitoring Would Provide Better Assessment of Program Compliance

On-site monitoring is an effective tool for identifying problems occurring statewide and determining areas for increased training. Further, as noted above, various field office staff

administer the Vocational Rehabilitation program on a decentralized basis statewide. By reestablishing its complete on-site monitoring function through reviews performed by quality assurance specialists and regional supervisors, the Department would gain more independent assessments of documentation deficiencies and federal and state compliance than field office supervisor reviews provide. The Department should reinstate its formal case file review process and establish a formal reporting process for field office supervisors related to their reviews to gain assurance that the program is operating effectively and appropriately.

Recommendation No. 69:

The Department of Human Services should improve controls over the Vocational Rehabilitation program to ensure compliance with federal and state regulations by:

a. Reinstating on-site quality assurance reviews of Vocational Rehabilitation field office activities.

b. Documenting and implementing supervisory review procedures to be followed by field office staff, including required reporting.

Department of Human Services Response:

a. Agree. The Division of Vocational Rehabilitation has reinstituted its second-level quality assurance review process whereby a team of managers/QA specialists review and report on compliance of field office vocational rehabilitation service records with state and federal regulations.

b. Agree. Written review and reporting procedures for its first-level quality assurance review process, used by field office supervisors, have been developed.

Implementation Date: July 1, 2001

Improve Fiscal Controls Over Vocational Rehabilitation Reports

As noted in the previous comment, in Fiscal Year 2001 the Colorado Department of Human Services expended over $36 million in state and federal funds for the Vocational

Rehabilitation Program (CFDA #84.126). As part of our audit, we reviewed the Department's controls over financial and performance reporting for the program.

Problems Were Noted With Quarterly and Annual Reports

The Department must file a quarterly financial status report (SF-269) with the federal Rehabilitative Services Administration (RSA). The report contains federal expenditures, state expenditures, and remaining grant award balances for the individual grant program. Also, the Department must annually submit a program cost report (RSA-2) at the end of every federal fiscal year. The report contains the total amount of expenditures made to provide Vocational Rehabilitation services, the total number of individuals with disabilities receiving services and the amount of expenditures on their behalf, and funds remaining from prior fiscal year grant awards. During our Fiscal Year 2001 audit, we noted problems with the Department's reporting processes for these two reports.

For example, we found that supporting documentation for numbers reported on the reports is lacking. Division accounting staff did not maintain documentation showing the methodology used to split total accounts payable of $4.8 million between the state and federal share on the December 31, 2000, financial status report. Therefore, we were unable to determine if the state and federal share amounts reported by the Department were accurate. In addition, the Department could not provide supporting documentation for selected amounts totaling $20.1 million reported on the federal Fiscal Year 2000 program cost report including the number of individuals served and related expenditures by service category, and previous fiscal year program income carried over to the next fiscal year. Program and accounting staff indicated that the original Vocational Rehabilitation system report that was used to prepare the program cost report could not be located, nor could it be reproduced.

We also noted that initial versions of submitted reports frequently contain errors and are then revised and resubmitted after the original due date. We found that the Department submitted revised reports for both the quarter-ending December 31, 2000, financial status report and the federal Fiscal Year 2000 program cost report after the original report due dates. Further, we noted that the revised quarterly financial status report contained a $1,000 mathematical error. In addition, we noted that as a result of a federal RSA review of the Division in Fiscal Year 2000, the Division was required to submit revised financial status reports for Fiscal Years 1997, 1998, and 1999, and revised program cost reports for federal Fiscal Years 1997 and 1998 due to errors including inaccurate reporting of the nonfederal share of net outlays and funds carried over from a previous fiscal year. While we recognize that the Department corrects and resubmits federal reports on a regular basis

due to final information obtained after initial due dates, the frequent submitting of reports containing errors indicates that the Department lacks effective controls over Vocational Rehabilitation reporting to enable it to file correct reports upon initial submission and within required time frames.

Federal Review Placed Vocational Rehabilitation on Corrective Action for Federal Reporting

As stated above, federal RSA staff conducted an annual review of the Vocational Rehabilitation Program during Fiscal Year 2000. As a result of the federal review, the Department was placed on corrective action for a lack of adequate fiscal controls to provide accurate and timely reports. The corrective action required Vocational Rehabilitation to establish effective fiscal controls and financial and accounting procedures that will result in accurate reports in compliance with federal regulations. The Department agreed it would improve the accuracy and timeliness of its fiscal reports as of August 2001.

Better Fiscal Controls Could Help Ensure Accurate and Timely Financial Reporting

Problems with inaccurate reporting and insufficient supporting documentation need to be addressed by the Department. Federal regulations require that the State maintain effective fiscal controls and accounting procedures to ensure reports are accurate and submitted timely, and demonstrate accountability for how state and federal funds are used.

Recommendation No. 70:

The Department of Human Services should strengthen its fiscal controls and accounting procedures over reporting for the Vocational Rehabilitation Program by:

a. Maintaining adequate documentation to support amounts reported on the quarterly financial status reports and annual program cost reports.

b. Reviewing reports prior to submission to ensure accurate information is submitted to the federal government.

c. Documenting specific procedures for the preparation of the financial status and program cost reports.

Department of Human Services Response:

Agree. The Department will develop a desk procedure manual for each staff person in the Program Accounting Section of the Division of Accounting. The Desk Procedure Manual will include, but not be limited to, the preparation of the financial status and program cost reports ensuring that adequate supporting documentation is maintained. Included in this procedure will be the requirement for review and approval by the immediate supervisor.

Implementation Date: March 31, 2002

County Financial Management System

The County Financial Management System (CFMS), which was implemented in July 1999, serves as the Department's data repository to accumulate benefit and benefit-related expenditure data. CFMS is used to account for approximately $750 million annually in these benefit and benefit-related expenditures. The CFMS general ledger houses all fiscal and financial data for all public assistance programs administered within the Department. Information from the CFMS general ledger is ultimately downloaded to the Colorado Financial Reporting System (COFRS) for state and federal reporting.

The following comments were prepared by the public accounting firm of KPMG LLP, who performed audit work at the Department of Human Services. The comments were contained in the *Colorado Department of Human Services, County Financial Management System Performance Audit*, Report No.1275, dated June 2000.

Policies and Procedures

Policies and procedures are critical in establishing an infrastructure for a sound internal control environment. In the absence of formally documented policies and procedures, clear guidance on acceptable practices is not in place to evaluate current activities. Procedure manuals should contain sufficient information to enable personnel to understand, control, and operate CFMS.

Our procedures included obtaining DHS's documented policies and procedures related to the input, processing, and output of data from CFMS, and policies and procedures related to application change management and security administration over CFMS. We compared the documented policies and procedures with the current practices utilized by

personnel to determine if the actual procedures utilized are consistent with those documented. In addition, we tested several items related to CFMS transactions, application change management, and security administration to determine compliance with documented policies.

We noted the Department does not have formal policies and procedures in the following areas related to CFMS:

- **Authorization to access output.** One of the primary goals of CFMS is to make more information available to users in a more timely manner in the form of online inquiries and ad hoc reports. With the increase in the amount of information provided by CFMS comes the responsibility to develop policies and procedures to effectively manage the accessibility of this information. We noted policies and procedures related to output accessibility authorization for CFMS and the Client Fiscal Repository (CFR) have not been formally documented.

- **Reconciliation of CEDS (County Employee Data Store) / county payroll output.** Reconciliation of data between source documents/systems and reporting systems is a primary control used to ensure that all data have been processed completely and accurately. While policies and procedures exist related to reconciliation of output in all other transaction flows related to CFMS, DHS does not have policies and procedures related to the reconciliation of CEDS output.

In addition, we noted DHS has incomplete or limited policies and procedures in the following area related to CFMS:

- **Input completeness and accuracy for transactions input through the open interface (benefit transactions), CEDS transactions, and state journal entries.** The policies and procedures related to the input of transactions to CFMS do not address procedures to ensure the completeness and accuracy of the transaction input. Current policies and procedures do not describe the individuals responsible for the verification of completeness and accuracy, nor do they address the specific procedures and reports used to perform this function.

Finally, we noted DHS does not consistently follow policies and procedures in the following areas related to CFMS:

- **County input authorization.** Input authorization policies and procedures exist at the county level, but we noted they are not consistently followed. During the course of our procedures, we noted the two invoices selected for testwork at the

county level did not contain the appropriate authorization prior to input to CFMS as required by documented policies and procedures.

- **Input error correction for transactions input through the open interface (benefit transactions).** Input error correction policies and procedures are not followed on a consistent basis. During the course of our procedures, we noted journal vouchers were not processed to move three of the four transactions from the default error correction account to the correct general ledger account as required by documented policies and procedures.

- **Accuracy and completeness of output for transactions input through the open interface (benefit transactions).** Output accuracy and completeness policies and procedures for the open interface exist, but we noted they are not consistently followed. During the course of our procedures, we noted monthly reconciliation of the open interface transactions to the general ledger was not performed in a timely manner as required by documented policies and procedures. We noted that although the reconciliation has been completed through April 2000, the reconciliation process was just recently performed in aggregate for the period of July 1999 through April 2000. The transactions for that period represented approximately $357 million of benefit and benefit-related expenditures.

Recommendation No. 71:

The Department of Human Services should:

a. Develop and/or formalize policies and procedures for all CFMS functional areas; policies and procedures should contain sufficient information to enable personnel to understand, control, and operate CFMS.

b. Perform a comprehensive review of existing policies and procedures; where deemed inadequate, new formal policies and procedures should be developed and implemented.

c. Perform periodic reviews of policies and procedures to ensure they are current in light of prevailing business practices.

d. Establish a process to monitor compliance with policies and procedures.

Department of Human Services Response:

Agree. Formal, current comprehensive policies and procedures will be completed for all CFMS functional areas. In addition, a process will be established whereby compliance with policies and procedures is monitored on a periodic basis. A staff member will be assigned to this project in September with anticipated completion by December 31, 2000.

Change Management and Database Administration

DHS has contracted with DynCorp, a technology services company, to provide database administration support and related services, including maintenance of the operating system and any changes associated with the CFMS applications, database, and operating system. These services are collectively referred to as Database Administration and Application Change Management. The service contract between the Department and DynCorp commenced in November 1998. The contract has a provision for four one-year renewal options, potentially extending these services through December 2004.

DynCorp's responsibility related to database administration covers the physical design and management of the database. It also includes the evaluation, selection, and implementation of the Database Management System (DBMS). DBMS is software that controls the organization, storage, retrieval, security, and integrity of data in a database. It accepts requests from the application and instructs the operating system to transfer the appropriate data. DBMS lets information systems be changed more easily as the organization's requirements change. New categories of data can be added to the database without disruption to the existing system. The major features of a DBMS include:

1) *Data Security* – The DBMS can prevent unauthorized users from viewing or updating the database.

2) *Data Integrity* – The DBMS can ensure that no more than one user can update the same record at the same time, and ensures that the database does not keep duplicate records.

3) *Interactive Query* – Most DBMS provide query languages and report writers that let users interactively interrogate the database and analyze its data. This important

feature provides management with the ability to grant users access to information, as needed.

4) *Data Independence* – With a DBMS, the details of the data structure are not stated in each application program. The program asks the DBMS for data by field name, but without a DBMS, a programmer must reserve space for the full structure of the record in the program. Any change in data structure would require changing all application programs.

Another primary area of responsibility of DynCorp is administration of the change management process for the applications, operating system, and database. Change management, in general, encompasses the process of identifying, reviewing, approving, categorizing, prioritizing, and executing changes to the CFMS environment. The execution of approved change requests should be done in a manner that effectively prevents or significantly reduces the risk that unauthorized or unintentional changes are made to the CFMS environment. This is particularly critical for DHS, an organization responsible for the timely disbursement of a high volume of welfare and related Human Services commitments. Best practices dictate that the change management process is administered through the use of dedicated version control software.

Included in our procedures were the review and testing of application change management and database administration, two of the areas administered by DynCorp. Adequate controls surrounding application change management reduce the risk of unintentional or unapproved modifications of systems and data, potentially causing a system to be unavailable for its intended purpose. Adequate database administration provides the efficient and effective performance of the associated user applications and operating system.

Regarding application change management and database administration, we noted findings in the following areas:

- Database Access
- Application Change Management
- Database Administration Policies and Procedures
- UNIX Administration
- Use of Audit Capabilities Surrounding the Oracle Database

Complete descriptions of the findings in these areas, our recommendations, and DHS's responses are detailed below.

Database Access

We noted the following related to unauthorized database access:

- DynCorp programmers/developers have access to the CFMS production environment. Because programmers/developers can effectively change the way an application processes data, best practices dictate that programmers/developers have access only to a test environment, not the production environment where data integrity can be compromised.

- Two DHS employees have database-level access that was not supported by an approved access setup form.

- Database passwords are not changed on a routine basis. Best practices dictate that database passwords be changed at least every 30 days.

- Three UNIX user IDs contain passwords that had not been changed since CFMS went into production in July 1999. Best practices dictate that UNIX passwords be changed at least every 30 days.

The database contains information that is deemed critical or sensitive in nature, including master files of vendors, benefit recipient data, and payroll records. Due to the sensitive nature of the information, access to the database should be closely controlled and monitored. Inadequate security control increases the risk of users with access and capabilities not compatible with their job responsibilities, inappropriate access to information resources, compromised data integrity, and unauthorized modification of data or programs.

Recommendation No. 72:

The Department of Human Services should require DynCorp to review the current database access structure to ensure that appropriate segregation of duties exists in order to exclude the possibility for a single individual to subvert a critical process. In addition, we recommend the Department establish procedures that require appropriate authorization of logical access requests to sensitive or critical information. We further recommend, as part of a formalized database administration security policy, that the Department change database passwords periodically to provide additional access control. These control procedures help reduce the risk that users are granted unauthorized access or access that is incompatible or inappropriate for their job responsibilities.

Department of Human Services Response*:*

Agree. DHS will establish a security plan that ensures adequate segregation of duties in order to exclude the possibility for a single individual to subvert a critical process. Procedures will be established that require password changes every 90 days. The security plan will be developed by October 31, 2000, and implemented by December 31, 2000.

Application Change Management

We noted the following related to application change management:

- The current outsourcing arrangement between DHS and DynCorp does not specify responsibility for application change management, although DynCorp is performing the application change management function.

- Of 15 application change requests selected for testing, 7 of the 15 did not have documentation, and another 7 of the 15 had incomplete documentation. Required documentation as stated in DHS policies and procedures includes change request approval, evidence of successful testing, approved request to migrate change to production, and evidence of successful migration to production.

- DHS's application change management policies and procedures indicate that version control software is used for the tracking of application and related changes resulting from approved change requests. Currently DynCorp is not using version control software.

Change management performed at the application, database, and operating system level should be tightly monitored and controlled and should be definitively and specifically assigned. Appropriate change management policies and procedures help reduce the risk of unauthorized or unintentional modification of systems and data, helping to ensure continuity of operations as well as data integrity and accuracy. An effective application change management process helps to ensure that all changes are intentional, authorized, and controlled. A major component of an effective application change management process is version control software, which is designed to track, monitor, and control configuration baseline integrity and establish an infrastructure for programmed access authorization controls over the change management system.

Recommendation No. 73:

The Department of Human Services should consider a modification of its service-level agreement with DynCorp to include responsibilities regarding application change management. The responsibility and adherence to stated policies should be definitively and specifically assigned in the agreement. We recommend the Department address this issue before the next contract extension.

Department of Human Services Response:

Agree. The very aggressive project implementation schedule which was required did not allow for a pilot stage. As a result, during the several month period subsequent to implementation, numerous discoveries were made which resulted in a frenetic pace of analysis, development, testing and placing new reports and edits into the production system. While formal documentation of changes has been lacking, the control over the system has been strengthened. Change management software has been procured and a formal change management system will be in place within approximately six months. However, centralized approval for change management was established during January/February 2000, and no production change is allowed without written approval from the project manager. Discussion with DynCorp regarding the administration of the system has already taken place and this will be a topic for contract clarification at the December 31st renewal deadline. Ultimate authority over change management will reside with CFMS project management and enforcement of the methodology will be the responsibility of DynCorp staff.

Recommendation No. 74:

Additionally, the Department of Human Services should require DynCorp to strengthen adherence to its application change management policies and procedures to reduce the risk of unauthorized or unintended changes to the CFMS application, database, or operating system.

Department of Human Services Response:

Agree. This recommendation follows naturally and is addressed in our response to recommendation No. 73.

Database Administration Policies and Procedures

We noted the Department does not have policies and procedures governing database administration and security. Policies and procedures are critical in establishing an infrastructure of control. In the absence of formally documented policies and procedures, clear guidance on acceptable practices for which to evaluate current activities has not been established.

The ongoing presence and function of a formally defined process of database administration and related change management, with clear assignment of these responsibilities, ensures the continuing operation of CFMS and ensures that all system changes are intentional and authorized. Defined and assigned responsibilities reduce the risk of unintentional system modification and risk of unscheduled system unavailability.

Recommendation No. 75:

The Department of Human Services should work with DynCorp to develop and/or formalize policies and procedures for all functional areas relevant to the administration of the CFMS database. Procedure manuals should contain sufficient information to enable personnel to understand, control, and operate CFMS.

Department of Human Services Response*:*

Agree. DHS is in the process of developing departmental standards for database administration at the present time. Once those standards are finalized, database administration of CFMS will conform to them. In the interim, prudent practice coupled with invocation of automated scheduling software (under way) is in place. These standards will be completed and adopted by June 30, 2001.

UNIX Administration

We noted the Department does not have a designated CFMS UNIX administrator position, and has not since the inception of CFMS. UNIX is the operating system used to control CFMS workstations and servers. The UNIX administrator is responsible for overseeing all functions related to UNIX. The role of the UNIX administrator is paramount to helping ensure the effective control and efficiency of the CFMS operating system.

UNIX is a multi-user, multi-tasking operating system that is widely used as a control program in workstations and servers. It is generally known for a variety of versions, as compared to other operating systems. The UNIX operating system is a critical component to the effective operation of CFMS. The UNIX administrator oversees and maintains the operating system, installs patches, monitors system performance, analyzes trends that can significantly affect system performance, and provides feedback to continued effective operation. Properly defined and executed UNIX system administration reduces the risk of inadequate tracking and maintenance of CFMS. Additionally, it reduces the risk of unscheduled system unavailability.

Recommendation No. 76:

The Department of Human Services should designate a UNIX administration position and fill the position appropriately, either in-house or through the outsourcing arrangement with DynCorp. It is likely this position would be outsourced to DynCorp based on the nature of the services provided by DynCorp. We recommend the Department designate a UNIX administration role and, if appropriate, include the position in the service-level agreement between DHS and DynCorp. The service-level agreement should specify the role and responsibilities of the UNIX administrator and should include appropriate funding of the position in the fees paid to DynCorp.

Department of Human Services Response:

Agree. The Department requested funding for a full-time UNIX administrator as of Fiscal Year 2001 decision item. The funding was approved but at a drastically reduced level so as to allow only a few hours of UNIX administration per month. As of September 1, 2000, the Department has used the available funding and leveraged existing departmental resources to perform the duties critical to this function. The Department will continue to request funding for a full-time UNIX administrator for future fiscal years.

Use of Audit Capabilities Surrounding the Oracle Database

We noted DHS is not currently utilizing Oracle audit functionality, AuditTrail®. Sound security policies and procedures should include a formal and executed plan to monitor database access. In the absence of appropriate monitoring, unauthorized or unintentional changes to the database may go undetected. Since AuditTrail® is currently installed, in

order to facilitate the audit functionality, the Department need only modify the current database settings.

Recommendation No. 77:

The Department of Human Services should consider utilizing AuditTrail®, an Oracle functionality that provides a tracking mechanism for changes made directly to the CFMS database. Changes made directly to the CFMS database are not subject to application-level audit trails that capture change information for routine transaction flows. Additional functionality, such as that provided by AuditTrail®, is necessary to capture complete information regarding database changes.

The audit functionality can be used selectively for defined tables, or sets of information. Database tables that hold critical data or which should be selectively or infrequently modified should be considered for audit tracking. Because the use of this function will impact system performance, management should use this function on a selective basis.

Department of Human Services Response:

Agree. Generally, the audit function maintains a transactional level record of all database activity. As a result, there can be considerable overhead in terms of processor time and/or disk storage space which can degrade end user performance. The Department has requested that an analysis of the potential performance cost and disk overhead be performed and that this be done in relation to the projected system load in comparison to original capacity requirement estimates. The CFMS executive management team will be presented with the result and will make a policy determination related to the full or partial utilization in comparison to the potential risks of not utilizing the audit feature. The cost-benefit analysis will be completed by October 31, 2000.

Application User Access Security

DHS has designated a single security administrator through which all CFMS application access requests are to be processed. DHS submits application access requests through the DHS Help Desk. The Application Information Access form includes a listing of the required access responsibilities as well as a signature from that individual's supervisor or manager, indicating approval of the requested access responsibilities. The form has pre-listed the more commonly used access responsibilities, while higher-access responsibilities

that are less commonly granted must be manually noted on the form. Employee job changes, terminations, and related modifications are also to be administered through the Help Desk, using the same procedure.

Security at any level of a computer system has many facets. The application level of a system is of critical importance as the majority of users and data input is typically done at this level. Facets of security include the following:

1. Secrecy and confidentiality: Data should not be disclosed to anyone not authorized to access it.

2. Accuracy, integrity and authenticity: Accuracy and integrity mean data cannot be maliciously or accidentally corrupted or modified. Authenticity is a variant on this concept and provides a way to verify the origin of the data.

3. Availability and recoverability: Systems keep working and data can be recovered efficiently and completely, with no loss of accuracy or integrity, in case of data loss.

The Department executes application-level security via assignment of user rights that are part of a defined Oracle access known as a "responsibility." Setting up a new user requires (1) defining an individual user, and (2) assigning an access responsibility to that user. DHS assigns defined responsibilities to application privileges that define the functional capabilities that the user may execute; for example, invoice input, journal input, or journal approval and posting.

CFMS data are accessed and modified primarily through the related applications, as opposed to accessing the database directly. Strong administration of user access reduces the risk of unauthorized access as well as the risk of access granted to a user that is inconsistent or improper for that user's specific job responsibilities.

Our procedures included obtaining available documentation related to application user access security policies and procedures and testing a sample of application users to determine if DHS granted access that is consistent with documented policies.

Within the area of user access security, we noted the following:

- Eight of twenty-five users did not have appropriate authorization for the responsibilities they were granted.

- One super user and one system administrator were among the users noted above who did not have appropriate authorization for the responsibilities they were

granted. Super users and system administrators have enhanced access to the system, allowing them to perform any and all operations on the computer. Super user and system administrator access should be granted selectively, and extra precaution should be used to ensure that access is appropriate.

- One of three CEDS (county payroll) users selected did not have approval for CEDS access on their access setup forms.

- Two of twenty-three system administrators had not accessed CFMS in over 120 days. Best practices dictate that access not used for 120 days be reviewed and access be revoked as necessary.

- Three generic IDs with published passwords allowing access to CFMS applications. Best practices dictate that generic IDs should not be used.

Unauthorized or inappropriate access to CFMS applications increases the risk that data are accessed, viewed, or modified in a manner that is unintentional or unauthorized. Such access can result in concerns regarding the accuracy, integrity, and authenticity of the underlying financial data. In addition, systems may be rendered inoperable and unavailable as a result of unauthorized or unintentional access to systems and data.

Recommendation No. 78:

In order to help reduce the risk of unauthorized access, as well as the risk of access granted to a user that is inconsistent, inadequate, or improper for that user's specific job responsibilities, and to maintain adequate accountability for CFMS access, the Department of Human Services should:

a. Strengthen adherence to user access setup policies and procedures.
b. Eliminate all generic user IDs with published password.
c. Review user access periodically to determine appropriateness and to verify that generic IDs are not in existence.

Department of Human Services Response:

Agree. A security plan which addresses all items in the recommendation will be developed by October 31, 2000, and implemented by December 31, 2000.

Segregation of Duties

One of the basic principles of internal controls is segregation of duties. The principle of segregation of duties refers to the idea that conflicting functions within a workplace should be performed by separate individuals. Separate individuals should perform the initiation, approval, custody, and record-keeping functions of a given transaction. In this, segregation of duties attempts to prevent the interaction of key positions that could potentially have a detrimental effect on the organization. People within the organization (insider threats) are the largest category of risk to the integrity of an organization. The principles of segregation are designed to prevent fraud or abuse unless collusion occurs.

On the basis of the performance of our procedures, we noted the Department and counties do not have adequate segregation of duties. We noted several positions related to CFMS input, processing, and output that had recently become vacant or had remained unfilled for several months. It is our understanding that in order to maintain certain processes, the Department and counties used existing personnel to perform functions normally assigned to the vacant positions. The specific duties that were or became vacant during the period covered by our procedures and the related findings are as follows:

- **DHS Cost Accountant.** Responsible for input of CFMS cost allocation and share calculation entries.

  Cost allocation and share calculation entries are statistical entries that transfer or divide accumulated costs to the appropriate general ledger accounts and among the federal, state, and county shares. Normally the cost accountant prepares and enters the transactions, and the manager reviews, approves, and posts the transactions. We noted that the manager of local government accounting input, reviewed, and posted the cost allocation and share calculation entries. An individual at DHS separate from the individual entering these transactions did not review the entries prior to the running of mass allocations and posting to the general ledger.

- **DHS Budget Accountant.** Responsible for input of CFMS budget entries.

  Normally the budget accountant prepares and enters the transactions, and the manager reviews, approves, and posts the transactions. We noted that the manager of local government accounting input, reviewed, and posted the budget entries. An individual at DHS separate from the individual entering these transactions did not review the entries prior to the posting of these entries to the general ledger.

- **DHS Electronic Benefit Transfer (EBT) Accountant.** Responsible for EBT administration and legacy code translation correction.

  The program accountant that processes the journals to correct errors caused by incorrect translations is now also correcting the translation in the absence of an EBT Accountant. An individual performing a separate review would help to ensure that translations are occurring and corrected in a timely manner.

- **County Controller.** Responsible for review and approval of finance department transactions.

  The county controller normally reviews and approves expenditures on the voucher information report to ensure that expenditures are appropriate. In one of the counties where we performed procedures, we noted the county controller position was vacant from April 2000 to June 2000. During the vacancy the individuals that entered the invoices for payment performed this review.

Recommendation No. 79:

The Department of Human Services should perform a periodic review of all open positions within the Department with CFMS responsibilities to ensure all critical duties are performed in a timely manner while maintaining an appropriate segregation of duties. In addition, all positions should have a designated substitute to ensure that critical duties are performed as necessary during an employee absence. Designated substitute or backup personnel should be employees who do not perform conflicting functions.

As it relates to open positions at the county level, although county management is responsible for maintaining an effective internal control environment within the county, the Department is responsible for promoting the effective administration of the programs it supports. These responsibilities extend to the use of CFMS for the input, processing, and output of data as well as compliance with user access security over CFMS. We recommend the Department make the county aware of the instances noted at the county where segregation of duties was compromised and help ensure that the situation has been adequately resolved.

Department of Human Services Response:

Agree. Responsibility for the County Controller resides with the County Director. We will share the breach of segregation of duties with the County Director. We are aware that the County Controller position has been filled. The DHS positions listed: DHS Cost Accountant, DHS Budget Accountant, and DHS Electronic Benefit Transfer Accountant have been filled. Field Audits will include testing to check for segregation of duties on future audits. The DHS security plan will encompass segregation of duties by segregating the post and approve function. However, counties with fewer than five employees may request a waiver from the separation of duties standards by implementing alternative internal control procedures. The alternative control procedures must be outlined in a waiver request that is submitted and approved by the DHS Division of Accounting. This information will be shared with the County Directors by September 30, 2000.

Home and Community Based Services and Home Health Services Overview

As an alternative to nursing facility care, Medicaid-eligible individuals who meet the functional assessment for needing nursing facility level of care can choose to receive supportive services in their home or an alternative living environment outside of a nursing facility. These supportive services are provided to individuals through the Home and Community Based Services (HCBS) and the Home Health programs. Please refer to page 159 for additional background information.

During Fiscal Year 2001 the Office of the State Auditor conducted a performance audit of Home and Community Based Services and Home Health Services. The audit comments below were contained in the *Home and Community Based Services and Home Health Services Performance Audit*, Report No. 1033, dated June 2001.

Oversight of the SEPs

The Home Health and HCBS programs involve a complicated web of interagency involvement. The Department of Health Care Policy and Financing is the lead agency and contracts with other agencies to oversee and provide coordination for HCBS and home health services. Specifically, the Health Facilities Division (the Division) is contracted to oversee and investigate service provider quality of care issues; DHS is contracted to

review the activities of the 25 Single Entry Point agencies (SEPs); and the 25 SEPs are contracted to provide assessment, service planning, and case management services to HCBS program participants. We found several instances where oversight and communication among all agencies involved should be improved.

DHS monitors the SEP contractors under a cooperative (interagency) agreement with the Department of Health Care Policy and Financing. DHS's oversight responsibilities include training, technical assistance, monitoring, and making recommendations to the Department of Health Care Policy and Financing regarding provider certification and financial audits for SEP agencies. Our review concentrated on the oversight components of DHS's review including DHS's monitoring, certification, and financial audits of the SEP agencies. We found room for improvement in several areas.

Financial Compliance Reviews

DHS is responsible for conducting on-site financial compliance reviews (FCRs) for each SEP agency. The factors determining the frequency of the FCRs are mutually agreed upon by DHS and the Department of Health Care Policy and Financing. The review is limited to an examination of the program expenditures and the reimbursement of these costs reported by the SEP system. We identified the following problems with the FCRs:

- **Financial compliance reviews performed by DHS are not timely, consistent, or cost-effective.** The most recent Financial Compliance Reviews conducted at four out of the five SEPs we visited were five years old, conducted in Fiscal Year 1996. Another SEP had their review in Fiscal Year 1999 for the three-year period covering 1997, 1998, and 1999. Additionally, one of the largest SEPs has not had a review since 1996. In total, for the five SEPs we visited, DHS recovered about $400,000 as a result of the compliance reviews. DHS explained that they try to conduct these audits every three to four years, but only one of the five had had a review in that time frame. Since the recoveries resulting from these reviews are significant, the reviews should be conducted annually.

- **SEPs are not reverting the unspent monies without a review.** SEPs are required to revert any funds that they received but did not spend during the Fiscal Year. However, for the five SEPs in our sample area, DHS recovered about $260,000 in funds that the SEPs did not spend and that were not reverted prior to DHS's review. Although there is some confusion between Department of Health Care Policy and Financing and DHS staff as to whether SEPs are reverting funds when compliance reviews are not conducted, our review confirmed that the SEPs are not reverting the funds for years in which they do not receive a financial

compliance review. The Department of Health Care Policy and Financing should include penalties and lost interest in the SEP contracts that ensure SEPs comply with requirements to revert unspent funds.

With HCBS program costs increasing greatly each year, it is imperative that the oversight procedures in place concentrate their efforts on reviewing issues that directly relate to client care and cost control. As a result, we believe that the Department of Human Services should improve the oversight of the SEPs. It is possible that financial compliance reviews could be included as an agreed-upon audit procedure during the counties' annual financial audits. If this were done, DHS could review the results during its desk review of the financial audits. Recoveries from the annual compliance reviews would offset some or all of the costs of the more frequent reviews.

Recommendation No. 80:

The Department of Human Services should work with the Department of Health Care Policy and Financing to identify the most cost-effective methods for having financial compliance reviews completed more frequently. Some options are to (1) include the reviews in the annual financial audits of SEPs. This will likely result in Health Care Policy and Financing providing additional funds for the annual financial audits; or (2) require reviews to be completed each year or on a more frequent basis than is currently being done.

Department of Human Services Response:

Agree. The Department of Human Services will be happy to work with the Department of Health Care Policy and Financing to identify the most cost-effective methods for having financial compliance reviews completed more frequently.

Department of Labor and Employment

Introduction

The Department of Labor and Employment is responsible for promoting and supporting the public economic well-being by providing services to employers and job seekers, and by enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection. Please refer to page 61 in the Financial Statement Findings section for additional background information.

During Fiscal Year 2001 the Office of the State Auditor conducted a performance audit of the Welfare-to-Work program. The audit comments below were contained in the *Welfare-to-Work, Department of Labor and Employment Performance Audit,* Report No. 1375, dated July 2001.

Colorado's Welfare-to-Work Program

The Welfare-to-Work (WtW) grants program was established by Congress to provide additional resources to supplement the welfare reform funds included in the Temporary Assistance for Needy Families (TANF) block grant. The Department of Labor and Employment administers and oversees the State's Welfare-to-Work formula grants. Colorado's WtW program is "a collaborative effort involving the Department of Labor and Employment and the Department of Human Services (DHS), the 63 county departments of human services, and the 18 workforce regions and subregions." In Colorado, workforce development boards are responsible for overseeing the various employment programs operated at the regional workforce centers. There are nine workforce investment regions in the State. Each of these regions has a board that oversees its workforce development activities, including Welfare-to-Work. Colorado delivers most of its WtW programs through these workforce regions.

In Colorado, Welfare-to-Work is one of several programs that provide employment services to the "hard-to-employ." Many of the programs can provide the same services to the "hard-to-employ" population. As a result, coordination of services provided to this population is crucial in ensuring that the State, workforce regions, and counties are

effectively leveraging federal and state funds as well as preventing the duplication of services to clients.

Coordination Between Programs Has Been Difficult in Some Regions

Federal regulations require that WtW activities be effectively coordinated with TANF and other programs. The Department wrote in its State Unified Plan that it "will encourage the local workforce regions to coordinate and integrate their programs and services, but the manner and extent to which this occurs remains a local prerogative." Regional WtW programs may need to coordinate with several different Colorado programs that also provide employment services to low-income individuals, including TANF, the Workforce Investment Act (WIA) programs, Wagner-Peyser, and Employment First.

To prevent duplication and maximize the use of various funding sources, regions that co-enroll clients in WtW and other programs must establish a system for coordinating activities among these programs. It is particularly important that regions coordinate job retention and support services provided to clients. This is because federal regulations only allow grantees to use WtW funds for job retention and support services when these services are not available through any other funding source. Coordination between the various employment and assistance programs is essential in ensuring that WtW funds are being used properly.

We found that coordination between WtW and other programs varies from region to region, primarily because of local decisions. Specifically, we found that WtW staff in some regions, such as Mesa and Pueblo, work closely with other related programs. In these regions, WtW staff regularly meet with staff from TANF, Child Support Enforcement, Vocational Rehabilitation, and Workforce Investment Act (WIA) agencies. Often, WtW staff are housed in the same facility as TANF and WIA. However, other regions we visited did not have as close of a relationship with these other programs. For example:

- There have been problems with the coordination between TANF and WtW programs in the Pikes Peak and Adams regions. According to TANF staff in these regions, the work programs they have in place sufficiently meet the needs of the clients. As a result, these staff believe there is little need for WtW.

- The Arapahoe/Douglas Region has not developed a working relationship with the county child support enforcement agency because the local county commissioners have chosen not to serve noncustodial parents in WtW.

Coordination is particularly important when clients are co-enrolled in multiple programs. WtW clients may be co-enrolled in other programs, such as TANF, WIA, and Vocational Rehabilitation. By co-enrolling clients in multiple programs, grantees have the ability to provide a wider range of services to clients. In addition, co-enrolling is particularly beneficial in assisting TANF clients to transition off of public assistance and into long-term employment and self-sufficiency. Colorado WtW staff told us that because many of the TANF clients enrolled in WtW have been receiving public assistance for many years, co-enrolling these clients in both programs gradually eases them off of public assistance and provides necessary supports to ensure better success in WtW.

During the audit we reviewed the various methods used by regions to coordinate WtW services with other employment and assistance programs. Overall, we found that the best coordination efforts between the various employment and assistance programs were in the Mesa, Pueblo, and Weld regions. We identified some effective practices in coordinating these services, preventing duplication, and leveraging multiple sources of funding. These include:

- **Housing Welfare-to-Work in the same location as TANF and other employment and assistance programs.** We found that working relationships between WtW and TANF were often better when staff from these two programs were co-located.

- **Meeting with staff from other programs on a regular basis.** Ongoing communication between WtW and other programs is essential in coordinating the delivery of services and preventing duplication. WtW staff from some of the regions we visited, such as Mesa and Pueblo, regularly meet with staff from other programs to discuss services provided to clients. Staff in Pueblo meet on a weekly basis.

- **Cross-training case managers on the various employment and assistance programs in the region.** A better understanding of the various programs and services available helps case managers better maximize the use of funds on their clients. Case managers in the Weld and Pueblo regions are trained for the various programs available to clients. In these regions case managers assigned to Welfare-to-Work can also provide services from other programs, such as WIA and Vocational Rehabilitation, to their clients directly. In Pueblo one case manager coordinates all TANF and WtW services provided to clients. This approach is used to ensure duplication of services does not occur.

- **Providing case managers access to the automated databases used by employment and assistance programs in the region.** Case managers in some of the regions we visited have access to various automated databases containing client information. For instance, case managers in Weld can obtain client information for TANF and WIA programs. This access allows case managers to determine if a service has been provided to a client and helps to prevent duplication of services.

Local coordination with other programs is a key component of a successful WtW program. As mentioned earlier, federal regulations require effective coordination between WtW and other employment programs. As a result, it is important for the Department to ensure that regions are complying with this requirement. (CFDA No. 17.253)

Recommendation No. 81:

The Department of Labor and Employment should improve coordination efforts between Welfare-to-Work and TANF and other employment programs in the State by:

a. Identifying the workforce regions that are struggling to coordinate Welfare-to-Work activities with TANF and/or other employment programs. The Department should work with TANF and/or other applicable employment programs to determine the reasons for the poor coordination of services.

b. Providing technical assistance to workforce regions that addresses the coordination problems.

c. Ensuring that coordination efforts result in minimizing duplication of services and leveraging of multiple funding sources.

d. Including reviews of coordination efforts in its annual monitoring visits to workforce regions.

e. Formalizing its relationships with its partner state agencies by establishing memorandums of understanding for Welfare-to-Work activities.

Department of Labor and Employment Response:

Agree. Most of the recommended activities are already in place; several were implemented as an integral part of the WtW program's inception.

a. The Department has been and will continue to work with our state partners in TANF and Child Support Enforcement to encourage local coordination to identify training needs and provide technical assistance. For example, the Department of Human Services assisted with the development of the State's WtW plan in 1998. Department of Labor and Employment and Department of Human Services Self Sufficiency Programs have participated in joint teleconferences with the county departments of human services and local workforce regions to discuss program coordination and ways in which the local programs could work together, co-enroll clients, etc. (e.g., October 12, 2000). Department of Labor and Employment, Department of Human Services Self Sufficiency and Department of Human Services Child Support Enforcement have presented joint workshops and participated on panels at each other's conferences and annual meetings (2000 and 2001 Colorado Works Conferences, 2000 and 2001 CSE Conferences, 2000 Fatherhood Initiative Conference, 2000 Rocky Mountain Workforce Association Conference). Child Support Enforcement and the Department issued a joint letter to the county child support enforcement agencies regarding the WtW program and how it could assist in their child support collection efforts (November 1, 1999). The Department of Human Services and the Department of Labor and Employment have jointly visited workforce regions to help facilitate local discussions on program coordination. The Department also worked with the Division of Housing's implementation of its HUD WtW program in 1999.

b. The Department has provided ongoing technical assistance regarding program coordination since the program's inception. For example, the Department began holding periodic meetings with the local WtW coordinators to discuss issues and share ideas in 1998, and has expanded attendance at these meetings to include any interested state and local partners and community-based organizations. During on-site training last year on the new eligibility, regions were encouraged to invite their local partners. The Department of Labor and Employment and the Department of Human Services have presented several workshops at the annual Colorado Works and Rocky Mountain Workforce Development

Association conferences on ways to coordinate programs and services. Local workforce regions have asked the Department to facilitate meetings with their partners to discuss local coordination efforts.

c. See b. above

d. The Department already monitors the nine workforce regions annually. It will include local coordination activities as part of all future reviews.

e. The Department will establish Memorandums of Understanding (MOUs) with each of its state WtW partners by December 31, 2001.

Delays in the Delivery of Paychecks Cause Problems for Clients

During our visit to the Pueblo Subregion, we identified problems with the delivery of paychecks to clients in subsidized employment. Several regions throughout the State place WtW clients in subsidized employment. The wages of these clients are either partially or fully paid with WtW funds. One of the regions that places the most clients in subsidized employment is Pueblo. Pueblo is also one of four service delivery areas within the Rural Region where staff from the Department administer the WtW program. The financial duties for these areas have been assigned to one staff member in the department headquarters in Denver. This individual is responsible for processing paychecks for clients in subsidized employment.

During our visit to the Pueblo Subregion, we obtained a memorandum from a WtW case manager to the Director of the Pueblo Workforce Center. This memo, dated December 15, 2000, stated:

> Many of my clients, who are enrolled in the WtW program, do not receive their paychecks on a regular schedule. I get calls from them sometimes as late as the Thursday following the mailing of their checks informing me they have not received their checks. Often times the lateness of the checks generates additional late fee costs and stress for my clients. [This] also takes much of my work time following up with each situation. One of the most common goals for many of my WtW clients is for them to learn how to budget and manage their money. This late paycheck situation is not conducive to their achieving this goal.

We reviewed three letters that this case manager attached to her memorandum. In all three letters, clients stated that they had received paychecks late. Two clients stated that the late paycheck affected their timely payment of bills. Department staff have followed up on these cases and do not believe they represent widespread problems.

Clients in WtW have limited financial resources. A late paycheck can affect their lives. In fact, we identified some of the hardships that clients face when not receiving their paychecks on a timely or regular schedule. Specifically:

- **Late paychecks can affect clients' housing.** During our visit to the Pueblo Subregion, we identified four clients who paid their rent late because of delays in receiving their paychecks. All of these clients were charged late fees by their landlords.

- **TANF clients in the Pueblo Subregion can temporarily lose their cash assistance if they receive their paychecks late.** We identified four cases in the Pueblo Subregion where clients who were co-enrolled in WtW and TANF temporarily lost their cash assistance due to receiving their paychecks late. Specifically, these clients were supposed to receive a paycheck during one month, but did not receive it until the next month. This resulted in these clients' receiving three paychecks in one month rather than the normal two paychecks. TANF cash benefits are calculated on monthly earnings. The TANF system will automatically cancel a client's cash assistance if the client's monthly earnings are above the allowable amount to be eligible. According to Department staff, there may be some confusion in Pueblo as to when income earned by TANF recipients should be counted. Department of Human Services staff state that it should be counted on the date the income becomes legally available to the recipient (i.e., the date on the check). However, it appears TANF case managers in Pueblo are calculating earned income on the date it is received by the recipient.

- **Food Stamp assistance can be interrupted when clients receive their paychecks late.** Similar to TANF cash assistance, Food Stamps benefits are calculated based on monthly earnings. Clients enrolled in WtW and receiving Food Stamps can face the same consequences as TANF clients when receiving their paychecks late. Staff from the Pueblo Subregion reported that some WtW clients temporarily and unnecessarily lost their food stamp benefits due to delays in receiving their paychecks one month and receiving too many paychecks the next month.

The Department Needs to Solve Payroll Delivery Problems

We found that the payroll delays were primarily caused by the methods used to deliver these paychecks to clients. Specifically, staff in Denver and Pueblo reported that they have experienced a number of problems with sending and receiving mail. The staff members stated that mail containing the payroll information sometimes does not arrive in Denver for as long as two weeks after it was sent from Pueblo. Staff in the Denver office and Pueblo Subregion have primarily used the regular U.S. mail to send payroll documents. On a few occasions, staff from the Pueblo Subregion have used Federal Express to send the payroll information to Denver. However, staff from Denver state that these packages sometimes do not arrive at the Denver office for several days to a week after they were sent. Further, paychecks sent from the Denver office to clients are sometimes delayed in the mail system.

Some of the alternative solutions to the problems with delivering paychecks to clients in the Pueblo Subregion include:

- Using alternative mail systems to deliver payroll documents.
- Sending paychecks to clients electronically.
- Clarifying how TANF staff in Pueblo determine when earned income is counted (i.e., when the check is issued or when it is received by the client).

The current procedures used by the Department to deliver paychecks to clients in Pueblo are not working optimally. The Department immediately needs to identify and implement solutions to these payroll issues. (CFDA No. 17.253)

Recommendation No. 82:

The Department of Labor and Employment should identify and implement solutions to ensure the timely delivery of payroll documents to Welfare-to-Work clients. These solutions may include:

- Using an alternative mail system, such as an express mail courier, to deliver payroll documents to Pueblo staff and directly to the staff in the Denver office.

- Considering using an electronic system to deliver payroll documents to clients who have obtained bank accounts. The Department should assist regions in identifying ways to establish bank accounts for clients.

- Working with TANF staff in Pueblo to clarify how earned income should be calculated for TANF benefits.

Department of Labor and Employment Response:

Partially agree. The Department requested specific documentation regarding this issue and what constitutes "lateness," and was provided the names of four clients. In the absence of specific information, the Department conducted an in-depth review of these four cases, including an analysis of their timesheets and pay records. All but two paychecks were paid within one week following the end of the pay period. Both of the late payments had extenuating circumstances: One involved a client who was terminated from her position and waited two weeks to return to the worksite to get the employer's signature because she was "embarrassed" to go back. The other late payment was due to a staff oversight; however, the case manager took immediate action, the client received her paycheck within two days of the discovery, and the case manager offered to take care of the rent and any late charges, although this assistance was refused.

The Department provides special accommodations to ensure that clients receive payment as quickly as possible, and it has procedures in place to pay rent and late fees when payment is late, although clients do not always accept this offer of assistance. The Department is concerned about the issue of late payments, but needs to analyze it further because there are a number of contributing factors involved, and no easy solution. The Department has taken steps to minimize the impact on clients while it studies the issue:

- Special accommodations have been in place since the advent of subsidized employment so that clients do not have to wait until the end of the next pay period to receive their paycheck. The Department accepts faxed paperwork and processes payroll requests when they are received.

- The Department is investigating the feasibility of developing an electronic transmission system for payroll processing. However, many WtW clients do not have bank accounts, so it is also looking for ways to assist clients in obtaining and managing bank accounts.

- The Department is considering the possibility of creating an impressed cash fund and use of a courier service to deliver time sheets to Denver.

- The Department is currently required to use the GSS mail system, which has resulted in mailing delays. The Department has requested a waiver to allow direct mailing for checks so they can be sent as soon as they are issued.

- The issue of client responsibility must also be taken into consideration. One of the purposes of WtW is to expose clients to workplace expectations, such as the importance of meeting deadlines and submitting time sheets both accurately and in a timely manner, and in learning how to manage their personal finances. The Department will encourage local workforce regions to address these issues in their job readiness training, and to provide personal financial management and budgeting as a post-employment activity.

- The main purpose of welfare reform is to reduce the number of individuals who receive public assistance; WtW was created to provide a network of post-employment supports to assist clients with the transition from welfare to self-sufficiency. Local staff will be encouraged to meet with county human services staff to discuss program requirements and the impact that subsidized employment can have on eligibility for TANF and Food Stamps, ensure that clients fully understand the potential impact that earnings can have on benefits, and develop strategies to minimize adverse impacts on clients.

Ongoing Monitoring Helps Ensure Quality Programs and Compliance With Regulations

Federal regulations and state policies require the Department and workforce regions to conduct ongoing monitoring of the WtW programs. Overall, we found that the Department and workforce regions could improve their monitoring of the WtW programs in the State. Additionally, the Department has not ensured that the regions implement recommendations from monitoring reviews.

The Department conducted on-site reviews of WtW programs in all nine workforce regions. The Department's on-site reviews primarily focused on regional compliance with spending, eligibility, and allowable services requirements. Following each review, the

Department prepared a brief report summarizing the results and making recommendations for improvements. In addition, the WtW Coordinator conducted desk reviews of the financial records of the nine workforce regions on an ongoing basis to ensure compliance with the federal administrative limits and 70-30 spending requirements.

Although the Department has conducted on-site monitoring reviews of some WtW programs in the State, it has not done enough to ensure that WtW programs are in compliance with federal and state requirements. Specifically, we found that:

- **The Department has not conducted on-site monitoring reviews of all of the WtW programs in the State.** The on-site review of the Rural Region included visits to five of the ten subregions. As a result, some of this Region's programs were not monitored. For example, the Department has not conducted programmatic, compliance, or financial reviews of the WtW program in the Pueblo Subregion. As previously discussed, we identified problems with how the program in this Subregion is being administered, particularly with the methods used to deliver paychecks to clients in subsidized employment. Department management were unaware of these problems. If Department staff had monitored Pueblo's program, the problems could have been discovered earlier. It is important for the Department to conduct on-site reviews of subregions within the Rural Region because these subregions are administered differently. Additionally, the purpose of monitoring reviews is to ensure compliance with requirements as well as to improve the quality of the services provided by the programs.

  Department staff stated they plan to monitor all WtW every two to three years. However, the Department has not incorporated this plan into its policies.

- **The Department has not ensured that regions implement recommendations from state or federal reviews.** During our visits we found evidence that some of the deficiencies noted in the Department's or in USDOL's monitoring reports have not been corrected. According to Department staff, none of the deficiencies noted during the reviews resulted in corrective actions. Staff explained that if there is a corrective action, a plan is developed detailing how the region will correct the problem. Department staff stated that they will conduct a follow-up site visit to ensure that the problem has been corrected. If Department staff provide recommendations to improve how the program is administered and there are no corrective actions involved, then staff will not follow up on the recommendations until the next scheduled on-site visit to the region.

To ensure all programmatic, compliance, and financial problems are corrected, the Department needs to follow up with regions on the implementation status of the recommendations made by USDOL and itself. At a minimum, Department staff should obtain supporting documentation from the regions within six months of the review that shows that recommendations have been implemented.

- **The Department has not conducted any on-site monitoring reviews of financial records maintained by workforce regions on their WtW programs.** As mentioned earlier, the WtW Coordinator conducts desk reviews of the WtW financial data for the regions. The financial information used for these desk reviews are self-reported from the regions. As of our audit, Department staff had not verified that the reported financial information is accurate. We identified some instances during the audit where financial information was reported incorrectly or was questionable. As mentioned earlier, WtW has strict spending requirements. USDOL can require grantees to reimburse them for expenditures that are not allowable. As a result, it is important for the Department to ensure that expenditures reported by regions are accurate. Department staff stated that they plan to conduct on-site reviews beginning in July 2001.

- **Workforce regions have not conducted on-site monitoring of their WtW subrecipients.** Two of the regions we visited—Arapahoe/Douglas and Denver—contract out their WtW programs to community-based organizations. However, neither of these regions have conducted on-site monitoring reviews of their subrecipients. Monitoring of WtW programs in the Arapahoe/Douglas Region primarily consists of desk reviews and/or supervisory reviews of client files. Staff from the Denver Region had not conducted any on-site or desk reviews of their WtW contractors. As of our review, the Denver Region had 9 current WtW contracts and was in the process of developing 16 additional WtW contracts. Staff stated that they plan to conduct these reviews in the near future. As mentioned earlier, the U.S. Department of Labor recently conducted a review of the WtW program in the Denver Region. In its report USDOL criticized the Denver Region for not monitoring its contractors and recommended that the Denver Region "develop a corrective action plan" detailing how this region would strengthen its monitoring procedures.

- **The Department is not ensuring that workforce regions are implementing the monitoring policies and activities described in these regions' WtW plans.** As part of the application process for WtW formula funds, the Department required regions to submit "local plans" describing how they would implement their programs, including a description of how they would monitor their programs. The

Denver Region, for instance, stated in its local plan that monitoring of its subrecipients would include the following: (1) appropriate financial and program activity reports submitted regularly to the contract representative; (2) periodic site visits to include a review of allowable activities as well as a review of randomly selected case records to be sure that activities are being provided to eligible WtW clients; and (3) periodic site or desk reviews of contractor eligibility, program, and finances. As stated above, the Denver Region is not conducting on-site or desk reviews of its contractors' activities. However, we found that the Department did not include any recommendations addressing this issue in its review conducted in the spring of 2000.

- **Workforce regions have not submitted required annual reports to the Department that summarize monitoring activities related to WtW subrecipients.** Contracts between the Department and all the regions, except for the Rural, require regions to submit annual reports on their WtW programs to the Department by September 30 of each year. As part of this report, regions are supposed to include a summary of the monitoring activities related to their subrecipients, any corrective actions taken, and the results of these corrective actions. The Arapahoe/Douglas and Denver Regions have not submitted these reports to the Department as required.

Ongoing monitoring of WtW programs is important for several reasons. Specifically, federal eligibility and spending requirements for WtW are strict. Regular monitoring helps identify compliance issues and correct them before major problems develop. By not periodically monitoring these programs, the State risks not complying with these requirements and possibly being required to reimburse the federal government for unallowable expenditures. In addition, monitoring serves as a quality assurance tool. Ongoing monitoring assists regions in identifying and correcting any problems affecting the delivery of high-quality services to clients.

It is important for the Department to ensure the regular and complete monitoring of WtW programs. In addition, department management needs to ensure that all required reports are submitted to and reviewed by staff, and ensure that all recommendations by the U.S. Department of Labor and the Department related to Colorado's WtW formula grants are implemented. (CFDA No. 17.253)

Recommendation No. 83:

The Department of Labor and Employment should improve how the State's WtW programs are monitored by:

a. Revising its monitoring policies to include the frequency of on-site reviews of all WtW programs in the State.

b. Conducting on-site financial reviews of all WtW programs in the State at least every two years.

c. Ensuring that all workforce regions are monitoring their subrecipients at least annually.

d. Ensuring that all recommendations made by the U.S. Department of Labor and the Department related to Colorado's WtW formula grants are implemented.

Department of Labor and Employment Response:

Agree. Colorado is in compliance with the federal regulations governing monitoring and oversight, and its monitoring activities are consistent with federal policy. USDOL views the State as nine separate regions, and requires the Department to monitor the approved administrative entities (i.e., the nine workforce regions) on a periodic basis for compliance with applicable laws and regulations. The Department was required to develop a state monitoring plan, which was subsequently approved by USDOL in 1999, and to determine its own monitoring activities (e.g., frequency, who will be monitored, and when they will be monitored, etc.).

As a general rule, the first time the Department monitors a new program, the visit is of a technical assistance nature to ensure that the region understands the program. In the case of WtW, the initial monitoring focused upon eligibility and allowable activities, and paralleled the scope and nature of the USDOL reviews. None of the problems noted during these monitoring visits involved compliance issues (e.g., consistent errors in determining eligibility), and were addressed through recommendations and technical assistance. Follow-up on noncompliance issues is conducted during the next regularly scheduled review, and implementation of recommendations is strictly voluntary. Compliance issues, however, would

require the development of a corrective action plan, with deadlines for implementation, and a follow-up site visit to verify implementation.

a. All nine workforce regions and special projects are reviewed on-site on an annual basis; the Rural Consortium review consists of a sample of the ten subregions. In addition, the Rural Consortium conducts internal reviews of all of its subregions. The Department will revise its monitoring policy to include a monitoring plan that addresses how it monitors the Rural Consortium and provide more specifics as to the monitoring process and its frequency.

b. Financial desk reviews are conducted on an ongoing basis. The Department will conduct on-site financial reviews every two years; on-site financial reviews are generally conducted as part of overall financial monitoring. The last regularly financial review was conducted two years ago as part of Job Training Partnership Act (JTPA) monitoring activities. In addition, each of the nine regions is subject to an independent financial audit under the Single Audit requirement. Each region is required to monitor its subcontractors.

c. The Department requires in its unified contracts that each workforce region will monitor its subrecipients at least annually. The monitoring policy will be revised to provide more specifics in this area.

d. Workforce regions are required, as a condition of its unified contract with the Department, to follow up on any recommendations, and to comply with all policy guidance issued by the Department. The Department ensures that any recommendations it makes to a workforce region as a result of monitoring activity are followed up during technical assistance reviews and the next regularly scheduled review; however, it should be noted that if the issue does not involve a compliance issue, acceptance and implementation of these recommendations is voluntary and open to negotiation. The Department will revise its monitoring policy to provide more specifics regarding the follow up of recommendations that do not require corrective action.

Regions Should Improve Documentation Maintained in Client Files

As part of their contract with the Department, regions are required to maintain records on each client's involvement in WtW. These records, at a minimum, must contain information on dates of entry, eligibility, participation, and termination. In some of the regions we visited, we identified problems with information maintained on the WtW clients. We particularly found deficiencies with client files maintained by the Denver and Arapahoe/Douglas regions. In many cases it was difficult to determine the types of services provided and employment history for several clients in our sample because of limited documentation. Specifically:

- **Many client files maintained by the Denver Region contained little or no information on services provided to these clients and their employment activities.** The Denver Region maintains four different files on each client. These files are kept in several different locations, including community-based organizations located throughout the city. During the audit we reviewed all files for each client in our sample and still found it difficult to obtain complete information on clients' participation in the program. For instance:

  – Almost 50 percent of the files reviewed from the Denver Region did not contain the beginning wage information on the client's most current job.

  – Nearly 70 percent did not contain current wage information on the client's most recent job.

  – About 60 percent did not contain documentation on the duration of the client's most current job.

- **Missing information in the client files in the Arapahoe/Douglas Region made it difficult to identify the types of services provided to clients and determine the client's success in the program.** Assessments and case notes maintained in the files from this region were often vague. Without complete and descriptive case notes, it can be difficult to identify the services provided to the client and the client's success in the program. The Department recommended in April 2000 that Arapahoe/Douglas ensure that contractors improve client files. The Department's monitoring report stated that "the portions of the files completed by the contractors were of an inconsistent quality." On the basis of our review of client files in Arapahoe/Douglas, this recommendation has not been implemented.

The Department needs to develop methods that will assist the regions with collecting and maintaining data so that program outcomes and effectiveness can be evaluated and monitored. At a minimum, regions should maintain the following types of information on each client:

- The date the client entered the program.
- Criteria used to establish eligibility.
- Demographic information, such as age, gender, ethnicity, and family status.
- Co-enrollments in other programs, including descriptions on how the case manager ensures that duplication of services is not occurring.
- All services provided to clients, including a brief description of the service and the date the service was provided to the client.
- Employment information, including a listing of all jobs held by the client while in the program, positions held by the client in each job, duration in each job, beginning and most current wages, performance in the jobs, and reasons why the client left jobs, if applicable.
- Child support information for noncustodial parents, including the personal responsibility contract, the client's monthly child support obligation, the amount in arrears, and all payments made by the client while in the program.
- Case notes that describe major activities or events related to the client.
- The date and reason the client was terminated from the program.

(CFDA No. 17.253)

Recommendation No. 84:

The Department of Labor and Employment should ensure that workforce regions are maintaining complete and accurate records on Welfare-to-Work clients by:

a. Providing guidance to the regions on the types of information that should be maintained in the client files.

b. Monitoring client files at least annually to ensure all required information is in the files.

Department of Labor and Employment Response:

Agree. The Department is already conducting these activities, and has since the program's inception (e.g., PGL 99-04-WW1, Welfare-to-Work Applicant Procedures, issued February 3, 1999; PGL 00-29-WW1, Welfare-to-Work Eligibility, issued December 1, 2000 to replace PGL 99-13-WW1, issued July 1, 1999).

a. The Department has issued policy guidance letters that address the issue of documentation and establish minimum standards; these policies are updated on an as-needed basis. The automated system has built-in edit checks that highlight missing required data elements. The Department will convene a workgroup of state partners and local workforce regions to discuss data collection and documentation needs, and determine whether additional standards are required.

b. The annual on-site reviews include a review of client files and case notes.

Department of Military Affairs

Introduction

The Department of Military Affairs consists of the National Guard and the Civil Air Patrol. The Adjutant General is the administrative head of the Department and the Chief of Staff of the Colorado National Guard. The Department is responsible for providing day-to-day command and control, guidance, policies, and administrative and logistics support to the Divisions of the National Guard and Civil Air Patrol.

The following comments were prepared following audit work performed at the Department of Military Affairs by the Office of the State Auditor staff in cooperation with staff from the firm of Cottrell & Associates. Please refer to page 63 in the Financial Statement Findings section for additional background information.

Fiscal Responsibility Is Needed

The Department has had significant accounting issues over the past few years and there continue to be significant turnover of accounting staff, delays in processing vendor payments, obtaining federal approvals for reimbursement, and recording additions and deletions to fixed assets. We conclude that the Department needs to make improvements in its systems and controls to ensure that assets are safeguarded and that accounting for transactions is timely and accurate. Please refer to Recommendation No. 15 in the Financial Statement Findings section for additional details, our recommendation, and the Department's response.

Improve the Recording and Reporting of Transactions

A shortage of accounting staff created additional risk that transactions may have been recorded improperly on the State's accounting system. Vendor payments lagged during the year, exceeding the 45 days allowable under the law. The Department has not updated the State's accounting system for changes in its land, buildings, and construction in progress since Fiscal Year 1999. During Fiscal Years 2000 and 2001 the Department expended about $3.7 million in controlled maintenance, land purchases, and construction

costs on armories and other buildings but was unable to provide information on the amount of these costs that should be capitalized. Please refer to Recommendation No. 16 in the Financial Statement Findings section for additional details, our recommendation, and the Department's response.

Department of Public Health and Environment

Introduction

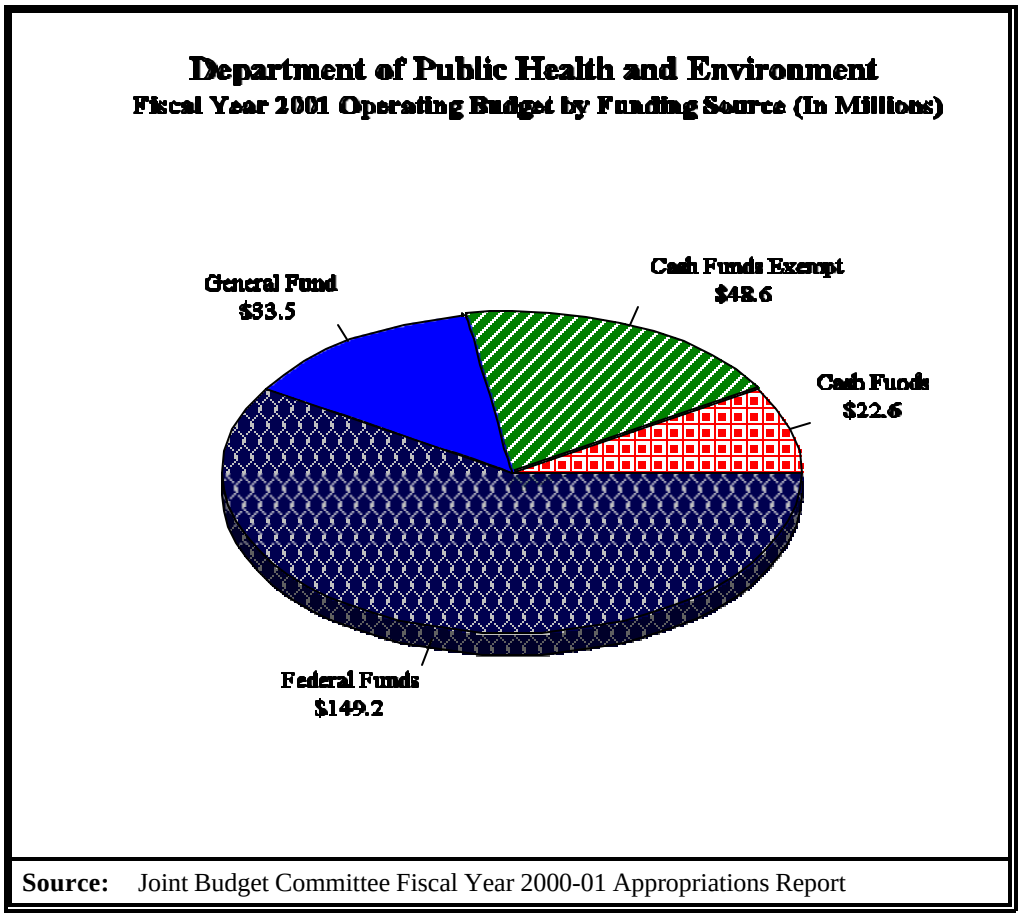
The Department of Public Health and Environment is responsible for improving and protecting the health of the people of Colorado, maintaining and protecting the quality of Colorado's environment, and assuring the availability of health and medical care services to individuals and families. The Department is composed of the following major organizational units:

- Administrative Divisions
  - Administration and Support
  - Center for Health and Environmental Information
  - Laboratory and Radiation Services
  - Local Health Services

- Environmental Divisions
  - Air Quality Control
  - Water Quality Control
  - Hazardous Materials and Waste Management
  - Consumer Protection

- Health Services Divisions
  - Disease Control and Epidemiology
  - Family and Community Health Services
  - Health Facilities
  - Emergency Medical Services and Prevention
  - Prevention and Intervention Services for Children and Youth

The Department was appropriated $253.9 million and 1,079.5 full-time equivalent staff (FTE) for Fiscal Year 2001. The following chart shows the operating budget by funding source during Fiscal Year 2001.



Source: Joint Budget Committee Fiscal Year 2000-01 Appropriations Report

Home and Community Based Services and Home Health Services Overview

As an alternative to nursing facility care, Medicaid-eligible individuals who meet the functional assessment for needing nursing facility level of care can choose to receive supportive services in their home or an alternative living environment outside of a nursing facility. These supportive services are provided to individuals through the Home and Community Based Services (HCBS) and the Home Health programs. Please refer to page 159 for additional background information.

Oversight of Home Care Providers

Clientele served by the HCBS and Home Health programs are typically elderly, disabled, frail, or in need of nursing facility placement and, therefore, are considered a vulnerable population. Services provided by the Home Health and HCBS programs are provided to clients in their homes and communities, and thus, provider staff often have unsupervised contact with vulnerable persons. The Home Health program offers skilled care, such as insertion of catheters and collection of blood samples, to clients. In contrast, HCBS programs provide unskilled care, such as housekeeping and meal preparation, to clients.

The Health Facilities Division (the Division) within the Department of Public Health and Environment monitors the quality of care provided by Home Health (skilled) and Home and Community Based Services (HCBS unskilled) providers by performing unannounced inspections, or surveys, to ensure providers' compliance with participation requirements. The federal Health Care Financing Administration (HCFA) has established quality of care and administrative standards that home health (skilled) providers must meet in order to become "certified" to receive Medicaid or Medicare reimbursement for services provided. According to federal rules, home health providers are required to be surveyed every 12 to 36 months based on their performance (e.g., number of complaints received, results of the prior survey, changes in management).

The Department of Health Care Policy and Financing (HCPF) established standards that HCBS (unskilled) providers must meet in order to become "certified" to participate in these programs. HCPF requires that the Division survey these providers every 9 to 15 months in order to ensure that standards are met.

Providers (both HCBS and Home Health) who do not comply with established standards are cited with deficiencies. There are 131 certified home health providers and a total of 440 HCBS service providers certified by the Division, including 126 personal care/homemaker providers, 42 HCBS adult day care providers, and 272 HCBS alternative care facility providers.

We reviewed the Division's oversight of quality of care provided by home health, personal care/homemaker, and adult day care providers. We did not review the Division's certification activities as they relate to certifying alternative care facility providers. We noted issues with oversight for both the Home Health and HCBS programs and, as a result, have concerns about whether certified providers are meeting standards and the impact of this on the quality of care being provided to program participants.

During Fiscal Year 2001 the Office of the State Auditor conducted a performance audit of Home and Community Based Services and Home Health Services. The audit comments below were contained in the *Home and Community Based Services and Home Health Services*, Report No. 1033, dated June 2001.

Survey Process Needs to Be Improved

As part of our audit, we reviewed a sample of 30 Health Facilities Division surveys (on-site inspections) of home health providers conducted during Fiscal Years 1999 through 2001. We also reviewed a sample of 23 HCBS surveys conducted during Fiscal Years 2000 and 2001. We identified the following problems:

- **Surveyors failed to consistently and adequately cite deficiencies.** During our review we noted that surveyors inconsistently cited a deficiency related to inadequate supervision of home health aides for eight providers. In three reviews the deficient practice was noted as occurring in 33 to 83 percent of the sample, and deficiencies were cited at the least severe deficiency level. However, the same deficiency was cited in five other reviews (for a similar percentage of the survey sample), and surveyors cited more severe deficiencies. We also found that in four of our HCBS sample items, surveyors marked items "not met" but did not cite a deficiency. In these four cases sample documentation indicated deficient practices for between 18 and 80 percent of the records reviewed, yet deficiencies were not cited. According to Division surveyors, providers may offer explanations or additional documentation, indicating substantial compliance with standards. However, we did not find evidence of this during our review. Deficiency citing is key to ensuring providers correct quality of care issues; therefore, it is critical that surveyors identify potential deficiencies and cite them appropriately.

- **Surveyors failed to adequately document inspection results.** During our review of survey documentation we found that required documents were frequently missing or incomplete. For example, we found that the Division could not locate several important survey documents and surveyors did not complete all required documentation, including forms that assist surveyors in determining the appropriateness of the provider's care and services, records supporting that surveyors conducted review of personnel and client records, and the plan of correction and forms used to indicate whether plans of correction are adequate. Without adequate documentation the risk is increased that deficient practices are not identified.

Due to the problems we noted with surveyors' reviews of home health providers' personnel records, we performed our own review of personnel records to ensure that staff have appropriate licensure or certification. In our review of six providers' personnel records we found two expired physical therapists' licenses and one expired speech therapist certification. In addition, one provider was unable to produce personnel records for a licensed practical nurse or for any of the provider's therapists. Although we were able to verify current licensure and certification through other means, Medicare standards require that personnel records include current documentation of licensure and certifications.

- **Surveyors failed to select adequate sample sizes.** For nine of our home health and four of our HCBS samples surveyors failed to select the federally and Division-required number of clients to include for record reviews, home visits, and interviews. For these surveys surveyors selected up to four items fewer than the policies required. Without adequate sample sizes, the risk is increased that surveyors will not identify a quality of care issue.

We compared the average number of hours spent on surveys in Colorado and the number of surveys conducted without deficiencies cited with regional data for home health surveys. (Because HCBS surveys are not currently a federal requirement, statistics on HCBS surveys are not available.) We found that Colorado surveyors spend about a fourth less time, on average, on surveys than other states regionally. Additionally, over the past three years, an average of 66 percent of home health surveys conducted in Colorado did not contain any cited deficiencies. This exceeds the average of other states regionally by 20 percent. When this information is viewed along with the data already presented, questions are raised about the effectiveness of Colorado's survey process in identifying providers' noncompliance with standards. Therefore, this also raises concerns about the quality of care offered by home health providers. Additionally, the types of problems found with HCBS surveys indicate that the HCBS review process also needs improvement.

Increased Supervision and Improved Evaluations Are Needed

The survey process is the Division's main method for identifying quality of care issues with home health and HCBS providers. Therefore, it is essential that surveyors follow procedures completely and maintain adequate documentation to support conclusions and ensure that deficient practices are identified and corrected. The Division can improve its survey process as explained below.

Increased supervision. Although program management performs a quality assurance review of deficiency lists prepared by surveyors, this does not include a review of supporting documentation to ensure that appropriate checklists and other types of required paperwork were completed, or that adequate sample sizes were used. Performing a more thorough review of survey materials would help reduce the occurrence of the problems noted earlier.

Revised performance evaluations. The Division uses a general performance evaluation process for its surveyors. We recommend reevaluating this process and establishing specific performance measures regarding completeness, adequacy, and appropriateness of survey procedures performed. Adding these types of factors to evaluations may encourage surveyors to improve the quality of their work.

Recommendation No. 85:

The Health Facilities Division should improve the home health and HCBS survey process by:

a. Requiring supervisors to review survey documents in entirety on a random basis to ensure completeness, adequacy, and appropriateness of the procedures performed.

b. Ensuring that surveyor performance evaluations include performance measures that address the completeness, appropriateness, and adequacy of surveys completed.

c. Improving record-keeping to ensure that all necessary documentation supporting survey procedures and conclusions is maintained.

Health Facilities Division Response:

Agree. The Health Facilities Division will make improvements to the home health and HCBS survey process as follows:

a. The supervisor's performance plan for Fiscal Year 2002 includes performance measures regarding supervision of home health and HCBS surveyors while they are in the field conducting the surveys and review of completed survey packets.

b. The surveyors' performance plans for Fiscal Year 2002 include performance measures regarding the completeness, appropriateness, and adequacy of the surveys they complete.

c. The Division has taken a multi-pronged approach to implementing this part of the recommendation. (1) Earlier this year, the Health Facilities Division sought and received approval to hire a full-time records manager, and is in the process of hiring an individual for this position. Once hired, this person will implement policies and procedures for collecting and maintaining documentation related to the survey process. We anticipate this to be complete by December 31, 2001. (2) As an interim measure, the Division is currently using temporary staff to review completeness of survey packets prior to their filing. (3) The Division has revised some of the forms used to collect the survey data to ensure it is clear to surveyors and reviewers which data is mandatory and which is optional.

Improve Risk-Based Scheduling of Surveys

Home health and HCBS survey scheduling requirements are shown in the following table.

Survey Scheduling Requirements		
	Home Health (Skilled)	**HCBS (Unskilled)**
Survey Frequency	12 to 36 months	9 to 15 months
Federally or State Required	Federal and State	State
Risk-Based	Yes	No
Required Follow-Up Survey for Severe Deficiencies	Yes, 4 to 6 months after deficiency was corrected	No

Source: OSA analysis of information provided by the Health Facilities Division.

During our audit we found that the Division needs to improve its survey scheduling. Specifically, we found:

- **Home health (skilled) providers were not consistently surveyed within required time frames.** According to HCFA regulations, home health surveys must be conducted on a risk-based schedule. However, we found that the Division failed to survey 26 of 127 (20 percent) home health providers within

federally required time frames. Three of these providers had more severe deficiencies that made them high-risk and, therefore, should have been reviewed within six months of correcting their deficiencies. As of the end of our fieldwork, surveys for these providers were approximately one to three months late. Health Facilities Division staff indicated that criteria for the four- to six-month survey requirement for providers with more severe deficiencies were not built into the Division's survey cycle assignment and tracking system, thus, the system does not identify these providers.

We also found that other home health (skilled) providers were reviewed more frequently than necessary. Although surveyors may use their judgment and assign a provider to a more frequent survey cycle, reasons for assigning specific cycles are not documented, and regular review of the appropriateness of cycles is not performed. Health Facilities Division staff indicated that there does not appear to be any reason precluding these providers from being on a less frequent cycle. This is important because the Division reports that it is understaffed; therefore, resources could have been used more effectively toward surveying higher-risk providers.

- **Risk-based monitoring of HCBS providers is not conducted.** Currently the Department of Health Care Policy and Financing requires the Division to survey HCBS (unskilled) providers every 9 to 15 months. However, we found that additional efficiency could be achieved by conducting HCBS surveys using a risk-based approach. As indicated in the table, home health (skilled) providers are surveyed on a risk-based cycle and both Home Health and HCBS programs have a similar risk to clients, since services are provided in clients' homes. Therefore, it is not effective or efficient to perform more frequent surveys of HCBS providers than home health providers. In addition, we found that for the most recent surveys of 167 HCBS providers 62 (37 percent) were not conducted within 15 months of the previous survey. The Division cannot meet the 9- to 15-month time frame for surveying these providers. As part of a risk-based cycle, providers with complaints or past noncompliance issues should be surveyed more frequently, and the Division should perform desk reviews of policies and procedures and staff licensure, certification, and training for providers in years that an on-site survey is not conducted.

Timely Resurveying of New HCBS Providers Is Necessary

During a routine survey of HCBS providers, surveyors look for adequacy of policies and procedures and review client and staff personnel records. However, in some cases new

HCBS providers do not have clients or staff at the time of the survey. In these situations the surveyors recommend certification based on review of the providers' policies and procedures. Providers are then instructed to contact the surveyor when they have staff and clients, and then the surveyor will revisit the provider to review these records. Providers, however, do not always call the surveyor once they have hired staff and are serving clients. Therefore, a full survey of the provider may not be conducted until 15 months or more after the initial certification. This is a concern because deficient practices related to client records and staff qualifications may not be detected and corrected timely.

Recommendation No. 86:

The Health Facilities Division should ensure that providers are surveyed timely and efficiently by:

a. Adding a four- to six-month cycle to the survey scheduling and tracking database for home health providers with more severe deficiencies.

b. Requiring surveyors to document reasons for assigning survey cycles.

c. Performing regular reviews of assigned cycles for appropriateness.

d. Resurveying new HCBS providers after the providers admit clients to ensure that all standards are met.

Health Facilities Division Response:

Agree. The Health Facilities Division agrees with the recommendation and is in the process of implementing it as follows:

a. The task of changing the survey scheduling system to allow four- to six-month survey cycles for home health surveys has already been assigned to the Division's information systems and support team. They currently anticipate having such changes made no later than December 31, 2001.

b, c. The Division has developed and implemented a new form on which the surveyor must explain the rationale behind the particular survey cycle selected. The completion of this form and assignment of the provider to the appropriate survey cycle will be ensured through the supervisor's review of

survey packet completion as discussed in our response to Recommendation No. 85.

d. The Division is in the process of implementing a change in procedure for surveying new HCBS Personal Care/Homemaker providers. Prior to admission of clients, the surveyors will perform an off-site paper review of the provider for the purpose of initial certification and will perform an on-site review of the provider once they have admitted clients. Due to having different program requirements, the HCBS Adult Day Care initial certification process will continue to include an on-site visit. A follow-up on-site survey for Adult Day Care providers will also be conducted once the provider admits clients. We anticipate the changes to be implemented no later than October 31, 2001.

Adequate Documentation Supporting Deficiency Deletions Is Not Maintained

Under the Division's processes, deficiencies may be changed or deleted through a quality assurance or informal review. Quality assurance reviews of deficiency lists are performed by program management to ensure that sufficient evidence exists to support the deficiencies and that appropriate deficiencies were cited. Informal review is a process available to providers if they dispute a deficiency citing. A committee reviews evidence about the deficiency and makes a recommendation to Division management regarding whether enough evidence exists to support the deficiency or if the deficiency should be deleted. Health Facilities Division management has the final approval before a deficiency is deleted. This process is federally required for nursing facilities but not for home health providers. However, in an effort to standardize procedures, the Division makes this process available to all providers that it surveys.

We found that adequate documentation was not maintained to support changes or deletions to deficiency lists for two home health providers.

- **A federal survey form included four deficiencies that were not included on the provider's final deficiency list or reported to HCFA.** Health Facilities Division staff could not explain why these deficiencies were not included in the final provider survey records. As a result, the provider did not respond to the deficiencies with a plan of correction. The deficiencies were for standards on

administrator functions, registered nurse supervision of services provided, personnel contract elements, and licensed practical nurse services.

- **A deficiency, originally upheld by the Informal Review Committee, was later deleted.** The Health Facilities Division provided us with documentation indicating that the informal review committee originally agreed with the deficiency cited and that it should not be deleted. However, according to Health Facilities Division staff, a second review was conducted by Division management that resulted in the deletion of the same deficiency. This deficiency was for a standard related to the existence and appropriateness of personnel polices and current licensure and qualifications of provider staff. The Division was unable to provide us with documentation that described why management felt the deficiency should be deleted after the Informal Review Committee supported the deficiency.

Deficiency citing is essential to correcting quality of care issues. Without adequate documentation for deleting deficiencies, the risk is increased that inappropriate changes are made. Our concern with changes to deficiency lists is heightened due to staff turnover and because Health Facilities Division staff indicate that previous management would sometimes delete deficiencies without recommendation from the informal review committee. These practices could put the State at risk for being in violation of federal requirements to report home health deficiencies properly. Therefore, the Division needs to ensure that adequate documentation is maintained when any changes to deficiency lists are made.

Recommendation No. 87:

The Health Facilities Division should ensure that adequate documentation is maintained when changes are made to providers' deficiency lists. This documentation should include who is making the decision and the basis for making changes.

Health Facilities Division Response:

Agree. The Health Facilities Division is developing a policy for retention of documentation related to changes in deficiency lists to ensure such documentation is consistently maintained. This policy should be finalized no later than December 31, 2001.

Clarify Whether Scope and Severity Coding Is Appropriate for Home Health Deficiencies

Currently all deficiencies noted by home health surveyors are coded as to scope and severity. Scope and severity codes are assigned to deficiencies based on two factors: the potential for harm (ranging from potential for minimal harm to actual or potential for death or serious injury) and the prevalence of the deficiency (ranging from isolated to widespread). For example, the "A" level scope and severity code means that the deficient practice had potential for minimal harm and was isolated in occurrence. In contrast, an "L" level code means that the deficiency caused or had potential to cause death or serious injury and was widespread in occurrence. This coding is federally-required for deficiencies cited against nursing facilities, and in order to standardize policies and procedures, the Division implemented the use of scope and severity coding for all providers that it surveys. However, federal home health rules do not dictate the use of scope and severity, and on the basis of discussions with HCFA staff, this coding should not be used for home health deficiencies.

The Division's use of scope and severity is a problem because providers with an "A" scope and severity level deficiency are not required to respond to the deficiency with a plan of correction and the deficiency is not reported to HCFA. We found that Division surveyors cited "A" level deficiencies 31 times in 131 providers' most recent surveys. These deficiencies related to inadequate supervision of aides, drug regimen review, and clinical record content. None of these deficient practices were addressed by a plan of correction or reported to HCFA.

Recommendation No. 88:

The Health Facilities Division should work with the federal Health Care Financing Administration to clarify whether scope and severity coding is appropriate for home health deficiencies.

Health Facilities Division Response:

Agree. As the auditors mention, HCFA does not require and does not appear to agree with the use of scope and severity coding for home health deficiencies.

Therefore, beginning in May 2001, the Health Facilities Division discontinued reporting scope and severity related to home health deficiencies. This change eliminated the designation of an "A" level deficiency, thus requiring home health agencies to provide the Division with a plan of correction for all deficiencies cited. We will follow up with HCFA to ensure that this course of action will meet their needs no later than October 31, 2001.

Office of the State Treasurer

Introduction

The Office of the State Treasurer is established by the State Constitution. The Treasurer is an elected official who serves a four-year term. Please refer to page 119 in the Financial Statement Findings section for additional background information.

Cash Management Improvement Act

The Cash Management Improvement Act (CMIA) regulates the transfer of funds between federal and state agencies for federal grants. The CMIA regulations require the State to match the time between incurring expenditures of federal funds and requesting and receiving reimbursement. States are required to enter into a Treasury- State Agreement (Agreement) with the U. S. Treasury. This Agreement specifies the procedures that the State will follow to carry out transfers of funds.

The State has just completed the second year of the current Agreement. The Agreement lasts five years (until Fiscal Year 2004) and may be modified by either party. In Fiscal Year 2001 there were 30 federal programs covered by CMIA at the Departments of Education, Health Care Policy and Financing, Human Services, Labor and Employment, Local Affairs, Public Health and Environment, and Transportation. These programs had expenditures of more than $2 billion in Fiscal Year 2001.

Each year an annual report must be submitted to the Financial Management Service (FMS) of the U. S. Treasury by December 31. This report details any interest liability that is owed by the State or federal government.

Maintain Documentation to Support Direct Cost Claim

The State is allowed to submit a direct cost claim to the federal Financial Management Service (FMS) to recover its direct costs for time spent by Treasurer's Office personnel coordinating the State's CMIA efforts. The amount of this claim is netted against any

interest liability owed by the State to the federal government. Federal cost principles require that a direct cost claim be adequately documented and available.

During our audit we found that the Treasurer's Office is not maintaining documentation to support the State's direct cost claim of $13,316. The instructions provided by the FMS for completing the claim require adherence to the cost principles of federal OMB Circular A-87. These principles require that records should be kept to support costs charged to the federal government.

Without adequate supporting documentation, the State's direct cost claim is not auditable and is not in compliance with OMB Circular A-87. If the claim is not properly supported by adequate documentation, it may be disallowed by the FMS. If the claim is disallowed, the State would not be able to net the amount against any interest liability owed to the federal government and would have to pay the full amount. Therefore, the Treasurer's Office should keep records of the time spent implementing CMIA in order to support the State's direct cost claim.

Recommendation No. 89:

The Treasurer's Office should comply with CMIA regulations by maintaining proper documentation to support the State's direct cost claim.

Treasurer's Office Response:

Agree. Treasury will ensure that proper documentation is maintained to support the State's direct cost claim.

Department of Transportation

Introduction

The Colorado Department of Transportation is responsible for programs that impact all modes of transportation. The following comments were prepared by the public accounting firm of Arthur Andersen LLP, who performed audit work at the Department of Transportation. Please refer to page 127 in the Financial Statement Findings section for additional background information.

Perform Federally Required Employee Interviews on a Timely Basis

Department of Transportation Form #280 is both an Equal Employment Opportunity (EEO) and labor compliance form. The federal Davis-Bacon Act requires that all laborers and mechanics employed by contractors and subcontractors that work on federally funded construction contracts in excess of $2,000 must be paid prevailing wage rates as established for the locality of the project. The form is used when interviewing employees of prime contractors and subcontractors in order to verify employees are aware of the EEO requirements and are receiving the correct wages for the classification in which they are working.

Contractor and subcontractor employee payroll interviews and the Form #280 are not being completed in a timely manner. We performed 10 separate site visits and encountered issues with delayed completion of Form #280 to various extents at 6 of these sites. Lack of resources in the field has resulted in delays in the completion of these interviews. Failure to perform timely Form #280 interviews may result in the Department not being in compliance with Office of Management and Budget (OMB) Circular A-133, as required for all nonfederal entities receiving federal awards.

This is a problem that was first addressed in our Fiscal Year 1999 audit. The Department trained project engineers in the purpose and requirements of the Form #280 and required its regional Equal Employment Opportunity (EEO) representatives to take an active role in monitoring the quantity, quality, and timeliness of forms completion. The Department

should take further action and implement monthly monitoring procedures to ensure that it is in compliance with these federal requirements. (CFDA No. 20.205)

Recommendation No. 90:

The Department of Transportation should implement procedures that require field engineers to provide written communication to region supervisors of the number of interviews performed, as well as anticipated future interviews.

Department of Transportation Response:

Agree. The Department is currently reviewing the payroll certification process to better define the number of interviews required and to establish a reporting system. Implement June 30, 2002.

Implement Monitoring Procedures for Contractor Payments

We performed testing of payment procedures of 37 different pay items at 10 sites. We noted three errors related to contractor payment process and entry of information into the pay system. Two of the errors resulted in underpayments to certain contractors of about $500. The third error was detected prior to payment; however, if the transaction would have been processed, it would have resulted in an overpayment of about $12,500. These errors primarily resulted from human error in the calculation of amounts due and the subsequent entry of such amounts into the pay system. The Department's guidelines require that payments to construction contractors be based on invoices and that all calculations be reviewed and authorized by field engineers. All payments should be adequately reviewed to prevent errors in amounts paid. Field staff needs to prioritize monitoring and review of entries to the pay system and payments to contractors.

Errors in payments made on construction contracts may result in over- or under-payment to contractors. In addition, significant errors could result in the Department being in violation of federal compliance requirements. Independent review of invoices and calculations on which payments are made would detect any potential misstatements resulting from errors in the calculation and entry of amounts due to contractors. (CFDA No. 20.205)

Recommendation No. 91:

The Department of Transportation should design, document, and implement procedures providing for the formal monitoring and review of entries to the pay system and payments made to contractors on a monthly basis.

Department of Transportation Response:

Agree. Payment procedures are established to ensure timely and accurate payment of contractors. Field staff will be instructed to follow these procedures in processing contractor invoices. Implement December 31, 2001.

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

- Material weaknesses identified? _____yes___X___no
- Reportable conditions identified that are not considered to be material weaknesses? ___X___yes_____none reported

Noncompliance material to financial statements noted? _____yes___X___no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____yes___X___no
- Reportable conditions identified that are not considered to be material weaknesses ___X___yes_____none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___X___yes_____no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.871	Section 8 Housing Choice Vouchers
15.226	Payment in Lieu of Taxes (PILT)
20.205	Highway Planning and Construction
84.010	Title 1 Grants to Local Educational Agencies
84.048	Vocational Education: Basic Grants to States
84.126	Rehabilitation Services: Vocational Rehabilitation Grants to States
84.340	Class Size Reduction
93.558	Temporary Assistance for Needy Families (TANF)
93.575	Child Care and Development Block Grant
93.596	Child Care and Mandatory Matching Funds of the Child Care and Development Fund
93.767	State Children's Insurance Program (CHIP)
93.917	HIV Care Formula Grant
10.551, .561	Food Stamp Cluster
10.555, .558, .559, .553	Child Nutrition Cluster
17.258	Workforce Investment Act (WIA) Adult Program
17.259	Workforce Investment Act (WIA) Youth Activities
17.260	Workforce Investment Act (WIA) Dislocated Workers
93.775, .777, .778	Medicaid Cluster
Various	Research and Development Cluster
Various	Student Financial Aid Cluster

Dollar threshold used to distinguish between type A and B programs:	$9.7 million
Auditee qualified as low-risk auditee?	X yes ____ no

Disposition of Prior Year Audit Recommendations

The following audit recommendations are summarized from the Statewide Audit for Fiscal Years 1996 through 2000 and include only the recommendations not implemented in those fiscal years. The Statewide Audit includes both financial audit and single audit recommendations.

Report and Rec. No.	Recommendation	Disposition
	Department of Agriculture	
2000 Single Audit Rec. No. 1	Ensure all employees receive a timely annual performance evaluation.	Implemented.
2000 Single Audit Rec. No. 2	Verify that withholding documentation is accurate and complete.	Not implemented. See current year Recommendation No. 1.
	Department of Corrections	
2000 Single Audit Rec. No. 3	Record a liability for incurred but not reported claims using an acceptable and consistent mathematical model, and obtain an understanding of the recent increases in health care costs.	Implemented.
	Department of Education	
2000 Single Audit Rec. No. 4	Monitor the recording of expenditures at year-end to ensure they are recorded in the proper period.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Health Care Policy and Financing	
2000 Single Audit Rec. No. 5	Complete cost allocation plans for Fiscal Years 2000 and 2001, and periodically allocate indirect costs between Medicaid and the Children's Basic Health Program.	Implemented.
2000 Single Audit Rec. No. 34	Ensure payments are made only for allowable costs under the Medicaid program.	Partially implemented. See current year Recommendation No. 38.
2000 Single Audit Rec. No. 35	Ensure adequate controls are in place over automated systems for the Medicaid program.	Partially implemented. See current year Recommendation No. 39.
2000 Single Audit Rec. No. 36	Work with the Department of Human Services to ensure all Single Entry Points are maintaining adequate files for Medicaid-eligible beneficiaries, and ensure claims are not paid for ineligible individuals.	Partially implemented. See current year Recommendation No. 40.
2000 Single Audit Rec. No. 37	Ensure that expenditures are made only to eligible providers, and require documentation of a current provider agreement and applicable provider licenses and registrations.	Partially implemented. See current year Recommendation No. 41.
2000 Single Audit Rec. No. 38	Ensure all necessary information is maintained and requirements met regarding complaints under the Medicaid Managed Care Program and the Program of All-Inclusive Care for the Elderly.	Implemented.
2000 Single Audit Rec. No. 39	Improve documentation of fraud and program integrity cases.	Partially implemented. See current year Recommendation No. 42.

Report and Rec. No.	Recommendation	Disposition
2000 Single Audit Rec. No. 40	Review regulations for determining the type of cost audits to be performed at long-term care facilities, evaluate the risk assessment methodology, assess the appropriateness of thresholds, and propose changes in regulations.	Implemented.
1999 Single Audit Rec. No. 6	Recognize and work to meet federal limits for non-benefit activity costs under the Children's Health Insurance Program.	Deferred. We will continue our follow-up in Fiscal Year 2002.
1999 Single Audit Rec. No. 24	Improve controls over provider eligibility.	Deferred. We will continue our follow-up in Fiscal Year 2002.
1999 Single Audit Rec. No. 29	Ensure that all nursing facilities receive in-depth reviews of billing practices and personal needs funds on a systematic basis.	Partially implemented. The General Assembly approved contingency-based contracting. The Department is still developing contractual language for this process, and contracts are anticipated to be completed in February 2002. We will continue our follow-up in Fiscal Year 2002.

Report and Rec. No.	Recommendation	Disposition
1999 Single Audit Rec. No. 30	Undertake a comprehensive review of high-risk programs that result in inappropriate payments, and modify policies and procedures to prevent payment of inappropriate claims.	Partially implemented. The Fraud and Abuse Task Force has reviewed and prioritized high-risk programs. The Department implemented new policies and procedures related to payments of inappropriate claims in April 2001. The Program Integrity Unit has developed two contingency-based Requests for Proposals (RFPs). The first RFP is for review of credit balances; this contract has been awarded and will be in place January 2002. The second RFP is for postpayment reviews; this contract is expected to be awarded and in place by April 2002. We will continue our follow-up in Fiscal Year 2002.
1999 Single Audit Rec. No. 31	Review and revise regulations, statutes, application materials, and provider agreements to reduce fraud and abuse.	Partially implemented. See current year Recommendations No. 38 and No. 41.
1999 Single Audit Rec. No. 32	Work with the Medicaid Fraud Control Unit to propose legislation that establishes anti-kickback and civil false claims statutes, and anti-unbundling regulations.	Implemented.
1999 Single Audit Rec. No. 35	Ensure that case files for the Children's Health Insurance Program clearly document the eligibility status for each child.	Implemented.

Report and Rec. No.	Recommendation	Disposition
1997 Single Audit Rec. No. 2	Improve management of accounts receivable by ensuring reconciliations are complete and performed in a timely manner and by further automating the reconciliation process.	Partially implemented. See current year Recommendation No. 3.
	Children's Basic Health Plan	
2000 Single Audit Rec. No. 41	The Children's Basic Health Plan Policy Board and the Department of Health Care Policy and Financing should identify options for reducing administrative layers and costs for the Children's Basic Health Plan and submit recommended changes to the General Assembly as needed.	Partially implemented. The Department is not proposing any changes at this time. It anticipates that administrative costs per child will decrease as the enrollment increases. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 42	The Children's Basic Health Plan Policy Board should revise the eligibility rule.	Implemented.
2000 Single Audit Rec. No. 43	Ensure enforcement of state and federal requirements to provide documentation of alien registration numbers.	Implemented.
2000 Single Audit Rec. No. 44	Ensure capitation payments for the Children's Basic Health Plan are accurate.	Implemented.
2000 Single Audit Rec. No. 45	Work with the Department of Human Services to identify on a monthly basis instances in which children are simultaneously enrolled in the Children's Basic Health Plan and in the Medicaid program.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2000 Single Audit Rec. No. 46	Ensure there are adequate controls over premium administration.	Implemented.
2000 Single Audit Rec. No. 47	Ensure that the new information system premium administration is adequate to meet program requirements and addresses problems with the present system.	Implemented.
2000 Single Audit Rec. No. 48	Develop and implement a mechanism to ensure the administrative contractor complies with federal requirements.	Implemented.
2000 Single Audit Rec. No. 49	Ensure applications referred between the Children's Basic Health Plan and Medicaid program are processed timely.	Implemented.
2000 Single Audit Rec. No. 50	Ensure consistent and accurate eligibility data are reflected online at Anthem and Child Health Advocates.	Not implemented. Electronic eligibility exchange between Anthem and Child Health Advocates will be complete on November 1, 2001. We will continue our follow-up in Fiscal Year 2002.

Department of Higher Education

University of Colorado - Colorado Springs

2000 Single Audit Rec. No. 6	Strengthen processes over fixed assets.	Partially implemented. The UCCS began efforts to better track fixed assets. We will continue our follow-up in Fiscal Year 2002.

Report and Rec. No.	Recommendation	Disposition
	University of Colorado - Boulder	
2000 Single Audit Rec. No. 51	Strengthen processes to ensure allowable costs are charged to grants within the Center for Spoken Language Research.	Implemented.
2000 Single Audit Rec. No. 52	Ensure proper authorization is obtained prior to disposition of federally funded equipment.	Implemented.
	University of Southern Colorado	
2000 Single Audit Rec. No. 53	Should (a) Ensure that all documentation required by the Department of Education is included in the borrower's federal Perkins loan file, and (b) perform a detailed review of the federal Perkins Loan Program database (Greentree).	Part a: Partially implemented. See current year Recommendation No. 59. Part b: Implemented.
	Metropolitan State College of Denver	
2000 Single Audit Rec. No. 7	Improve procedures over monitoring grant expenditures.	Implemented.
	Western State College	
2000 Single Audit Rec. No. 8	Implement a procedure whereby the amount disbursed for federal and Colorado work-study in the payroll system is reconciled monthly with the financial aid system.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Colorado School of Mines	
2000 Single Audit Rec. No. 54	Improve subrecipient monitoring.	Partially implemented. See current year Recommendation No. 62.
2000 Single Audit Rec. No. 55	Establish and document a consistent policy for determining satisfactory academic progress.	Implemented.
2000 Single Audit Rec. No. 56	Improve the documentation process for notification to lenders, and for counseling of students who are first-time borrowers and students leaving school.	Partially implemented. See current year Recommendation No. 63.
2000 Single Audit Rec. No. 57	Improve documentation of student aid files.	Implemented.
	Colorado Historical Society	
2000 Single Audit Rec. No. 9	Require that (a) all museums submit cash register tapes with revenue remittances, (b) museums explain and void sales made in error, and (c) cash overages and underages be tracked.	Part a: Not implemented. See current year Recommendation No. 10. Parts b and c: Implemented.
2000 Single Audit Rec. No. 10	Strengthen management controls over the processing of payment voucher transactions to prevent duplicate payments to vendors, and review all 2000 expenses for duplicate payments.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Colorado Student Loan Division	
1999 Single Audit Rec. No. 36	Work with the State Treasurer's Office to resolve problems with the outstanding check reports.	Implemented.
1999 Single Audit Rec. No. 37	Continue to exercise due diligence to obtain information from the lenders on loans closed by the lender.	Partially implemented. The Division took steps to identify and resolve loans where no reporting has occurred by assigning their Compliance, Training, and Investigation Division to focus on unreported loans while performing lender audits in Fiscal Year 2001. However, we found that there are still differences between the lender's records and CSLP's records. Full implementation is planned for Fiscal Year 2002. We will continue our follow-up in Fiscal Year 2002.
	Department of Human Services	
2000 Single Audit Rec. No. 11	Revise the Purchasing Card Manual, and conduct routine staff training on the proper use of purchasing cards.	Implemented.
2000 Single Audit Rec. No. 12	Improve the audit process for the purchasing card program by (a) performing monthly reviews of transactions or cardholders, (b) documenting audit procedures, and (c) enforcing disciplinary action when necessary.	Parts a and b: Implemented. Part c: Deferred. We will continue our follow-up in Fiscal Year 2002.

Report and Rec. No.	Recommendation	Disposition
2000 Single Audit Rec. No. 13	Ensure payroll expenditures are accurate.	Deferred. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 14	Require documentation of supervisory approval on all time sheets for those employees eligible for overtime and shift pay.	Deferred. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 15	Ensure that the Disability Determination Services Division makes payments to vendors in a timely manner.	Implemented.
2000 Single Audit Rec. No. 16	Eliminate duplicate payment and service provision systems for mental health services at the Regional Centers.	Deferred. The Department indicates it has implemented the recommendation. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 58	Enforce state and federal requirements for the Food Stamp program.	Implemented.
2000 Single Audit Rec. No. 59	Update the Electronic Benefits Transfer policies to specify a time frame for cards returned due to damage or malfunction.	Implemented.
2000 Single Audit Rec. No. 60	Perform reviews of annual independent audit reports for all subrecipients as required under the federal Single Audit Act, and follow up on problems identified, as necessary.	Implemented.
1998 Financial Audit Rec. No. 12	Improve controls over fixed assets by improving oversight and communication.	Partially implemented. See current year Recommendation No. 12.

Report and Rec. No.	Recommendation	Disposition
1998 Single Audit Rec. No. 14	Improve the fiscal management system for federal programs.	Partially implemented. See current year Recommendation No. 66.
1997 Single Audit Rec. No. 9	The Division of Vocational Rehabilitation should (a) examine the types of services it purchases and develop a process for competitively bidding those services and (b) work with the Division of Purchasing to ensure that its new procedures comply in all respects with purchasing requirements.	Partially implemented. Concerns remain regarding amounts paid to one provider. We will continue our follow-up in Fiscal Year 2002.
	Division of Child Support Enforcement	
2000 Single Audit Rec. No. 61	Ensure appropriate actions are taken on child support cases.	Deferred. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 62	Continue to work with the counties that are not in compliance with state child support regulations, and impose sanctions on those counties that have ongoing problems with compliance and that do not make good faith efforts to improve.	Deferred. We will continue our follow-up in Fiscal Year 2002.
	Judicial Department	
2000 Single Audit Rec. No. 17	Establish and distribute to supervisory personnel a written policy that includes detailed descriptions for the treatment of contract employees and clarification between contractual employee arrangements and salaried employee positions.	Implemented.
1998 Financial Audit Rec. No. 18	Consolidate bank accounts and deposit with the State Treasury's pooled account to the greatest extent legally possible.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Office of the Public Defender	
2000 Single Audit Rec. No. 18	Separate the function of preparing the cash receipts log and recording the receipt on the State's accounting system, and designate a third person to account for all cash receipt numbers and review the amount recorded on the State's accounting system.	Implemented.
	Attorney Regulation Agencies Accounting Office	
2000 Single Audit Rec. No. 19	Segregate the duties of handling cash, preparing the deposit, and maintaining the general ledger.	Implemented.
	Department of Labor and Employment	
1999 Single Audit Rec. No. 12	Perform an annual reconciliation of federal revenue from the Department's grant accounting system to the State's accounting system.	Not implemented. See current year Recommendation No. 14.
	Department of Law	
2000 Single Audit Rec. No. 20	Implement review procedures for the Uniform Commercial Credit Code fee payments, and refund any excess to the lenders.	Implemented.
	Department of Military Affairs	
2000 Single Audit Rec. No. 21	Ensure that controls over accounting functions are operational so that all transactions are recorded properly at fiscal year-end.	Not implemented. See current year Recommendation No. 15.

Report and Rec. No.	Recommendation	Disposition
	Department of Natural Resources	
1996 Financial Audit Rec. No. 16	Strengthen management controls over the processing and review of payment voucher transactions to prevent vendor payment errors.	Not implemented. See current year Recommendation No. 18.
	Division of Wildlife	
2000 Single Audit Rec. No. 22	Improve controls over license inventory by (a) reducing excess license inventories and (b) tracking voided licenses separately.	Deferred. The Division has issued an RFP to implement an online Point of Sale licensing system and plans to have the system in operation by Fiscal Year 2003. We will continue our follow-up in Fiscal Year 2002.
	Oil and Gas Conservation Commission	
2000 Single Audit Rec. No. 23	Ensure that all deposits are in compliance with statutory and other legal requirements that require deposits be held in public depositories.	Not implemented. See current year Recommendation No. 17.

Report and Rec. No.	Recommendation	Disposition
	Division of Minerals and Geology	
2000 Single Audit Rec. No. 24	Ensure that all deposits are in compliance with statutory and other legal requirements that require deposits be held in public depositories.	Deferred. The Division has transferred the majority of its certificates of deposit to eligible public depositories. However, the Division reports that there is one certificate of deposit that still needs to be transferred. We will continue our follow-up in Fiscal Year 2002.
1999 Single Audit Rec. No. 13	Identify discrepancies between the State Treasury's records for mined land reclamation cash deposits and the State's accounting records.	Implemented.
	Department of Personnel and Administration	
1999 Single Audit Rec. No. 17	Classify revenue properly for TABOR purposes.	Implemented.
	Department of Public Health and Environment	
1999 Single Audit Rec. No. 20	Assemble a team with appropriate representatives to define the procedures for documenting application events, vendor responses, and communicating information. The team should follow up and report on findings of the Post Implementation Review.	Partially implemented. Procedures have been defined, but the review has not yet been completed. We will continue our follow-up in Fiscal Year 2002.

Report and Rec. No.	Recommendation	Disposition
1997 Financial Audit Rec. No. 23	Develop a comprehensive disaster recovery plan.	Implemented.
	Health Facilities Division	
2000 Single Audit Rec. No. 63	Increase focus on quality of care and deficiency citing through training, supervision, and teambuilding.	Partially implemented. The Department has taken follow-up action. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 64	Improve its oversight of employee conflicts of interest by requiring staff to complete and update their conflict-of-interest statements.	Partially implemented. The Department has taken follow-up action. We will continue our follow-up in Fiscal Year 2002.
	Department of Public Safety	
2000 Single Audit Rec. No. 25	Strengthen controls over the approval of credit card expenditures.	Implemented.
	Colorado State Patrol	
2000 Single Audit Rec. No. 26	Require its local offices to verify approvals of credit card transactions before input into the State's accounting system.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Division of Criminal Justice	
2000 Single Audit Rec. No. 27	Develop procedures for tracking time worked so that salary charges to federal programs are adequately supported, and prorate exception time among federal programs in the same proportion as regular salaries.	Partially implemented. The Division of Criminal Justice prorated exception time among federal programs. The Division is implementing a payroll system in April 2002 to better track its employees' actual time worked on federal programs. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 28	Develop a schedule so that audits of community corrections vendors are completed at least every three years.	Deferred. The Division of Criminal Justice developed a two-year schedule. Audits will be current by December 31, 2001. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 65	Ensure compliance with the Cash Management Improvement Act by making draws in accordance with the Agreement and including indirect costs proportionately in each drawdown.	Deferred. The Byrne Formula Grant was not subject to the Cash Management Improvement Act in Fiscal Year 2001. We will continue our follow-up in Fiscal Year 2002.
2000 Single Audit Rec. No. 66	Develop a schedule to satisfy the objectives stated in the Strategic Plan as well as in the internal policies.	Implemented.

Report and Rec. No.	Recommendation	Disposition
2000 Single Audit Rec. No. 67	Develop procedures to improve the accuracy of the federal Financial Status Reports.	Implemented.
	Department of Revenue	
2000 Single Audit Rec. No. 29	Evaluate the policies and procedures related to estimated tax payments and streamline the process.	Implemented.
2000 Single Audit Rec. No. 30	Ensure that earned income credits are accurate by (a) testing edits and (b) processing only complete returns or evaluating methods of ensuring that accurate credits are claimed should the taxpayer fail to submit the required schedule.	Part a: Implemented. Part b: Not implemented. See current year Recommendation No. 32.
2000 Single Audit Rec. No. 31	Develop written policies and procedures for processing and reviewing estate tax installment payments.	Implemented.
2000 Single Audit Rec. No. 32	The Department of Revenue's Tax Conferee Section should improve its tabulation process for recording revenue, payables, and receivables in the State's accounting system by (a) requiring that schedules prepared for determining receivable and payable tax accruals be reviewed by a supervisor and (b) linking detailed spreadsheets to minimize the risk of carrying over inaccurate amounts from the detailed schedule.	Part a: Partially implemented. While the schedules are now subject to supervisory review, we continue to find errors. We will continue our follow-up in Fiscal Year 2002. Part b: Implemented.

Report and Rec. No.	Recommendation	Disposition
2000 Single Audit Rec. No. 33	Improve its existing wage withholding accrual methodology so that it is consistently accruing taxes through June 30.	Deferred. There is no current year impact. The recommendation will be evaluated in light of GASB Statement No. 34 in Fiscal Year 2002.
	Department of State	
1999 Single Audit Rec. No. 21	Strengthen the controls over financial transactions by performing and documenting timely reconciliations for property and equipment.	Deferred. The Department attempted to reconcile its fixed assets in Fiscal Year 2001; however, it incorrectly recorded additions to fixed assets of about $103,000. We will continue our follow-up in Fiscal Year 2002.
	Office of the State Treasurer	
2000 Single Audit Rec. No. 68	Ensure that the State is in compliance with the Cash Management Improvement Act and that transfers of funds are made in a timely manner between federal and state agencies.	Implemented.
2000 Single Audit Rec. No. 69	Review the current U. S. Treasury - State Agreement to ensure that only programs subject to the Cash Management Improvement Act are included in the Agreement.	Implemented.

Report and Rec. No.	Recommendation	Disposition
	Department of Transportation	
1999 Single Audit Rec. No. 22	Transfer custody of the credit card reconciliation program to the Information Technology Division and maintain it in accordance with the Department's procedures.	Partially implemented. Programming efforts for this activity are in process. These efforts have been segregated into phases. Phase I is currently being tested and Phase II is scheduled for completion by June 30, 2002. We will continue our follow-up in Fiscal Year 2002.
1998 Single Audit Rec. No. 18	Train project engineers in the purpose and requirements of the Form #280 and require its regional Equal Employment Opportunity (EEO) representatives to take an active role in monitoring the quantity, quality, and timeliness of forms completion.	Implemented.

STATE OF COLORADO

JOANNE HILL, CPA
Acting State Auditor

OFFICE OF THE STATE AUDITOR
(303) 866-2051
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Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

October 25, 2001

Independent Auditor's Report

Members of the Legislative Audit Committee:

We have audited the general purpose financial statements of the State of Colorado, as of and for the year ended June 30, 2001. These general purpose financial statements are the responsibility of the State of Colorado's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were not able to obtain certain year-end accounting records supporting the financial activities of the Scholars Choice Fund and were not able to satisfy ourselves as to those financial activities through other auditing procedures. Year-end accounting records of the Scholars Choice Fund must be reconstructed due to losses suffered in the September 11, 2001 events. Financial activities of the Scholars Choice Fund represent two percent and nine percent of the assets and revenue, respectively, of the State's Fiduciary Funds.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to obtain year-end accounting records of the Scholars Choice Fund, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Colorado, as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated October 25, 2001, on our consideration of the State of Colorado's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements of the State of Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS AT JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:				
Cash and Pooled Cash	$ 614,383	$2,033,266	$ 3,555	$410,057
Taxes Receivable, net	886,493	76,006	-	-
Other Receivables, net	65,060	19,235	17	3,658
Due From Other Governments	242,224	101,065	341	4,303
Due From Other Funds	49,610	21,123	-	3,427
Inventories	14,374	6,901	-	-
Prepaids, Advances, and Deferred Charges	56,111	306	-	3,360
Investments	2,319	178,672	5,561	-
Property, Plant and Equipment, net	-	-	-	-
Other Long-Term Assets	7,669	179,392	-	187
Amount Available in Debt Service Fund	-	-	-	-
Amount To Be Provided For Retirement Of				
Long-Term Obligations: From State Sources		-	-	-
From Federal Revenues	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	$1,938,243	$2,615,966	$ 9,474	$424,992
LIABILITIES:				
Tax Refunds Payable	$ 378,320	$ 315	$ -	$ -
Accounts Payable and Accrued Liabilities	377,636	158,063	-	38,699
TABOR Refund Liability (See Note II-D)	927,201	-	-	-
Due To Other Governments	58,040	65,284	-	-
Due To Other Funds	34,584	68,391	-	2,666
Deferred Revenue	92,580	38,947	-	29
Deposits Held In Custody For Others	8,720	39	-	-
Other Current Liabilities	32,579	13,308	-	-
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Other Long-Term Liabilities	105	9	-	-
TOTAL LIABILITIES	1,909,765	344,356	-	41,394
FUND EQUITY AND OTHER CREDITS:				
Investment in Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balance/Equity:				
Reserved For:				
Encumbrances	6,960	984,993	-	138,804
Long-Term Assets and Long-Term Receivables	7,669	179,579	-	187
Statutorily Specified Amounts (See Note I-M)	458,679	-	-	5,578
Unreserved:				
Designated for Unrealized Investment Gains	13,111	25,927	-	6,415
Designated Other	-	1,081,111	9,474	229,436
Undesignated	(457,941)	-	-	3,178
TOTAL FUND EQUITY AND OTHER CREDITS	28,478	2,271,610	9,474	383,598
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	$1,938,243	$2,615,966	$ 9,474	$424,992

See accompanying notes to the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			MEMORANDUM ONLY	
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	**TOTAL PRIMARY GOVERNMENT**	**COMPONENT UNITS**
$ 128,262	$26,480	$1,251,344	$ -	$ -	$ 357,570	$ 4,824,917	$ 83,741
-	-	142,999	-	-	-	1,105,498	6,566
690,771	314	37,149	-	-	182,054	998,258	130,432
8,351	53	754	-	-	46,931	404,022	32,712
1,207	111	69,547	-	-	40,390	185,415	17,483
11,022	619	6	-	-	24,070	56,992	6,876
920	387	70	-	-	22,544	83,698	3,377
145,764	-	1,966,084	-	-	500,811	2,799,211	505,017
33,518	53,841	13,118	1,935,907	-	3,547,332	5,583,716	484,979
4,288	-	18,249	-	-	7,554	217,339	500,823
-	-	-	-	9,474	-	9,474	-
-	-	-	-	924,418	-	924,418	-
-	-	-	-	490,047	-	490,047	-
$ 1,024,103	$81,805	$3,499,320	$ 1,935,907	$ 1,423,939	$ 4,729,256	$ 17,683,005	$1,772,006
$ -	$ -	$ 568	$ -	$ -	$ -	$ 379,203	$ -
9,314	3,384	34,503	-	-	150,090	771,689	65,679
-	-	-	-	-	-	927,201	-
13,736	-	177,409	-	-	-	314,469	143,866
21,622	-	20,062	-	-	38,090	185,415	17,484
3,299	10,778	7,880	-	-	96,855	250,368	291
15	-	162,548	-	-	26,707	198,029	-
16,690	12,883	16,141	-	-	11,940	103,541	28,750
581	26,521	45	-	23,750	100,817	151,714	-
688,077	-	-	-	1,028,880	345,553	2,062,510	680,170
3,388	1,156	244	-	114,882	102,047	221,717	6,908
79,419	12	62,473	-	256,427	28,072	426,517	5,042
836,141	54,734	481,873	-	1,423,939	900,171	5,992,373	948,190
-	-	-	1,935,907	-	2,787,734	4,723,641	-
22,220	9,669	-	-	-	-	31,889	144,918
164,432	16,944	-	-	-	-	181,376	559,921
-	-	-	-	-	-	1,130,757	-
-	-	26,717	-	-	-	214,152	-
-	-	238,457	-	-	-	702,714	-
1,310	458	43,400	-	-	2,700	93,321	-
-	-	2,682,378	-	-	1,041,918	5,044,317	-
-	-	26,495	-	-	(3,267)	(431,535)	118,977
187,962	27,071	3,017,447	1,935,907	-	3,829,085	11,690,632	823,816
$ 1,024,103	$81,805	$3,499,320	$ 1,935,907	$ 1,423,939	$ 4,729,256	$ 17,683,005	$1,772,006

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2001 AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes (See Note II-D)	$5,386,411	$1,002,340	$ -	$ -
Licenses, Permits, and Fines	174,989	330,505	-	1,466
Charges for Goods and Services	98,656	10,973	-	73
Investment Income	107,000	127,564	302	45,433
Federal Grants and Contracts	2,451,417	326,655	-	16,275
Other	165,614	54,285	1	3,435
TOTAL REVENUES	8,384,087	1,852,322	303	66,682
EXPENDITURES:				
Current:				
General Government	213,555	7,170	-	-
Business, Community and Consumer Affairs	210,740	17,682	-	-
Education	100,602	7,784	-	-
Health and Rehabilitation	459,749	7,270	-	-
Justice	789,742	55,661	-	-
Natural Resources	64,553	72,653	-	-
Social Assistance	2,367,340	-	-	-
Transportation	828	1,067,849	-	-
Capital Outlay	23,676	29,441	-	131,664
Intergovernmental:				
Cities	50,068	121,932	-	2,839
Counties	981,668	166,908	-	333
School Districts	2,388,524	379	-	-
Special Districts	65,091	13,725	-	1,997
Federal	1,982	696	-	197
Other	37,163	4,985	-	985
Deferred Compensation Distributions	-	-	-	-
Debt Service	14,666	16	39,164	-
TOTAL EXPENDITURES	7,769,947	1,574,151	39,164	138,015
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	614,140	278,171	(38,861)	(71,333)
OTHER FINANCING SOURCES (USES):				
Operating Transfer-In	194,892	83,568	42,593	322,730
Operating Transfer-Out	(1,022,927)	(198,939)	-	(269,527)
Proceeds of Bond Issuance	-	539,234	-	-
Capital Lease Proceeds	1,102	44	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(826,933)	423,907	42,593	53,203
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(212,793)	702,078	3,732	(18,130)
FUND BALANCE, FISCAL YEAR BEGINNING	257,151	1,569,532	5,742	401,728
Prior Period Adjustment (See Note III-L)	(15,880)	-	-	-
FUND BALANCE, FISCAL YEAR END	$ 28,478	$2,271,610	$ 9,474	$383,598

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL	
EXPENDABLE TRUST	PRIMARY GOVERNMENT	COMPONENT UNITS
$ 185,982	$ 6,574,733	$ -
26,889	533,849	-
713	110,415	-
33,384	313,683	2,764
14,686	2,809,033	-
84,992	308,327	-
346,646	10,650,040	2,764
3,450	224,175	-
197,900	426,322	-
4,109	112,495	-
344	467,363	-
6,023	851,426	-
167	137,373	-
4	2,367,344	-
-	1,068,677	-
164	184,945	-
21,370	196,209	-
13,084	1,161,993	-
173	2,389,076	-
3,940	84,753	-
-	2,875	-
15,166	58,299	-
18,151	18,151	-
5	53,851	-
284,050	9,805,327	-
62,596	844,713	2,764
31,863	675,646	-
(70,629)	(1,562,022)	(2,663)
-	539,234	-
-	1,146	-
(38,766)	(345,996)	(2,663)
23,830	498,717	101
1,288,848	3,523,001	42,609
36,697	20,817	-
$ 1,349,375	$ 4,042,535	$ 42,710

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$1,809,053	
Income Taxes			4,183,329	
Other Taxes			231,263	
Federal Grants and Contracts			14	
Sales and Services			1,099	
Interest Earnings			79,967	
Other Revenues			38,136	
Transfers-In			332,470	
TOTAL REVENUES AND TRANSFERS-IN			6,675,331	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 10,087	$ 10,148	9,921	$ 227
Corrections	420,594	423,426	417,301	6,125
Education	2,150,369	2,146,527	2,143,468	3,059
Governor	19,977	19,989	19,754	235
Health Care Policy and Financing	995,389	1,022,266	1,028,689	(6,423)
Higher Education	747,445	747,964	746,963	1,001
Human Services	499,473	491,664	489,940	1,724
Judicial Branch	206,112	206,520	205,328	1,192
Law	9,601	9,479	8,997	482
Legislative Branch	28,978	29,595	27,355	2,240
Local Affairs	12,518	13,276	12,895	381
Military Affairs	4,091	4,026	4,090	(64)
Natural Resources	29,046	29,497	29,163	334
Personnel	15,375	15,733	14,930	803
Public Health and Environment	33,510	34,145	33,484	661
Public Safety	57,154	57,567	56,663	904
Regulatory Agencies	1,980	1,982	1,975	7
Revenue	177,456	181,319	175,111	6,208
Transportation	1	1	1	-
Treasury	31,077	31,144	31,141	3
Fiscal Year 1999-00 TABOR Refund (Notes II-A, II-D)	815,500	941,129	941,129	-
SUB-TOTAL OPERATING BUDGETS	6,265,733	6,417,397	6,398,298	19,099

(Continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 2001 (Continued)

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	1,847	6,401	1,930	4,471
Corrections	61,443	112,982	32,953	80,029
Education	678	7,952	3,031	4,921
Governor	-	4,691	1,964	2,727
Health Care Policy and Financing	805	9,330	1,545	7,785
Higher Education	199,397	351,125	173,189	177,936
Human Services	32,210	58,741	31,732	27,009
Judicial Branch	582	1,443	192	1,251
Law	54	89	45	44
Local Affairs	5,000	3,044	1,235	1,809
Military Affairs	1,079	2,650	720	1,930
Natural Resources	-	1,686	1,686	-
Personnel	39,484	68,263	31,196	37,067
Public Health and Environment	3,000	8,443	3,988	4,455
Public Safety	4,853	19,901	10,010	9,891
Revenue	(1,624)	3,130	3,064	66
Transportation	(7,496)	97,133	64,362	32,771
Budgets/Transfers Not Booked by Department	279,131	288,696	288,696	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	620,443	1,045,700	651,538	394,162
TOTAL EXPENDITURES AND TRANSFERS-OUT	$6,886,176	$7,463,097	7,049,836	$ 413,261
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			$ (374,505)	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS BUDGET AND ACTUAL - CASH FUNDED FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 738,328	
Income Taxes			164,266	
Other Taxes			442,369	
Tuition and Fees			547,164	
Sales and Services			838,615	
Interest Earnings			348,077	
Other Revenues			1,307,756	
Transfers-In			4,135,066	
TOTAL REVENUES AND TRANSFERS-IN			8,521,641	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 19,498	$ 19,527	18,825	$ 702
Corrections	54,225	54,176	45,953	8,223
Education	2,098,001	2,089,286	2,088,470	816
Governor	15,075	16,926	9,688	7,238
Health Care Policy and Financing	128,634	150,463	133,919	16,544
Higher Education	1,544,259	1,544,568	1,447,383	97,185
Human Services	690,869	256,250	245,798	10,452
Judicial Branch	52,501	50,268	42,023	8,245
Labor and Employment	254,506	254,982	250,643	4,339
Law	22,252	23,541	21,486	2,055
Legislative Branch	3,411	5,532	2,753	2,779
Local Affairs	133,035	135,581	77,605	57,976
Military Affairs	537	537	518	19
Natural Resources	256,583	255,699	167,930	87,769
Personnel	280,538	282,489	264,851	17,638
Public Health and Environment	72,830	75,108	57,369	17,739
Public Safety	81,845	83,508	81,066	2,442
Regulatory Agencies	66,464	68,495	66,368	2,127
Revenue	536,066	538,873	478,501	60,372
State	11,511	11,721	10,222	1,499
Transportation	513,956	92,516	75,312	17,204
Treasury	1,096,675	1,097,025	1,094,106	2,919
SUB-TOTAL OPERATING BUDGETS	7,933,271	7,107,071	6,680,789	426,282
Capital and Multi-Year Budgets:				
Departmental:				
Corrections	7,611	9,079	1,040	8,039
Education	-	209	-	209
Governor	2,200	2,156	999	1,157
Health Care Policy and Financing	-	94	23	71
Higher Education	91,822	60,537	24,317	36,220
Human Services	3,197	8,103	4,390	3,713
Labor and Employment	31,305	51,545	22,799	28,746
Law	166	333	170	163
Military Affairs	-	106	99	7
Natural Resources	131,032	171,952	59,272	112,680
Personnel	19,779	41,615	9,778	31,837
Public Health and Environment	500	17,486	2,278	15,208
Public Safety	(145)	1,012	1,012	-
Regulatory Agencies	-	1,901	-	1,901
Revenue	909	2,778	391	2,387
Transportation	1,666,150	1,670,144	803,712	866,432
Budgets/Transfers Not Booked by Department	746	746	746	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	1,955,272	2,039,796	931,026	1,108,770
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$9,888,543	$9,146,867	7,611,815	$1,535,052
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 909,826	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS BUDGET AND ACTUAL - FEDERALLY FUNDED FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			$2,890,550	
TOTAL REVENUES AND TRANSFERS-IN			2,890,550	
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ 1,098	$ 2,531	1,111	$ 1,420
Corrections	10,705	13,388	5,676	7,712
Education	265,669	365,010	244,787	120,223
Governor	14,444	22,986	15,871	7,115
Health Care Policy and Financing	1,083,607	1,161,292	1,144,926	16,366
Higher Education	5,464	67,957	59,342	8,615
Human Services	487,102	831,580	670,183	161,397
Judicial Branch	2,189	5,476	3,771	1,705
Labor and Employment	80,945	115,345	72,437	42,908
Law	778	909	793	116
Local Affairs	37,396	91,423	51,659	39,764
Military Affairs	113,277	9,566	5,400	4,166
Natural Resources	14,641	38,263	23,131	15,132
Personnel	52	76	68	8
Public Health and Environment	150,155	201,717	166,119	35,598
Public Safety	26,336	76,626	34,442	42,184
Regulatory Agencies	827	2,149	1,305	844
Revenue	866	2,906	1,553	1,353
Transportation	292,811	579,264	317,182	262,082
Treasury	-	65,295	65,204	91
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	2,588,362	3,653,759	2,884,960	768,799
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$2,588,362	$3,653,759	2,884,960	$ 768,799
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 5,590	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Licenses and Permits	$ 46	$ -
Charges for Goods and Services	426,504	196,066
Investment and Rental Income	65,083	8,993
Federal Grants and Contracts	64,788	-
Other	5,843	277
TOTAL OPERATING REVENUES	562,264	205,336
OPERATING EXPENSES:		
Salaries & Fringe Benefits	51,444	18,438
Operating and Travel	163,124	159,428
Cost of Goods Sold	35,159	4,588
Depreciation and Amortization	5,036	16,198
Intergovernmental Distributions	4,243	2
Prizes and Awards	215,084	2
Other	-	-
TOTAL OPERATING EXPENSES	474,090	198,656
OPERATING INCOME (LOSS)	88,174	6,680
NON-OPERATING REVENUES AND (EXPENSES):		
Taxes	-	-
Fines and Settlements	1	750
Interest and Rents	3,738	1,041
Grants and Donations	591	-
Intergovernmental Distributions	(39,642)	-
Federal Grants and Contracts	730	-
State Funds	-	-
Debt Service	(176)	(2,045)
Other	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(34,758)	(254)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	53,416	6,426
OPERATING TRANSFERS:		
Operating Transfer-In	264	5,037
Operating Transfer-Out	(41,722)	(3,010)
TOTAL OPERATING TRANSFERS	(41,458)	2,027
NET INCOME/CHANGE IN RETAINED EARNINGS	11,958	8,453
FUND EQUITY, FISCAL YEAR BEGINNING	96,894	18,618
Additions (Deductions) to Contributed Capital (See Note III-N)	341	-
Prior Period/Other Adjustments (See Note III-L)	78,769	-
FUND EQUITY, FISCAL YEAR END	$ 187,962	$27,071

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES	MEMORANDUM ONLY	
NONEXPENDABLE TRUST	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
$ -	$ 46	$ -
-	622,570	320,766
68,121	142,197	31,207
-	64,788	-
87	6,207	17,823
68,208	835,808	369,796
-	69,882	132,051
-	322,552	129,756
-	39,747	58,996
-	21,234	28,638
-	4,245	-
-	215,086	-
-	-	10,709
-	672,746	360,150
68,208	163,062	9,646
-	-	37,350
18,048	18,799	-
-	4,779	7,718
-	591	-
-	(39,642)	-
-	730	-
-	-	3,492
-	(2,221)	(6,032)
-	-	(246)
18,048	(16,964)	42,282
86,256	146,098	51,928
35,753	41,054	2,663
(20,111)	(64,843)	-
15,642	(23,789)	2,663
101,898	122,309	54,591
622,831	738,343	589,840
-	341	60,408
-	78,769	-
$724,729	$939,762	$704,839

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Fees for Service	$ 28,709	$ 144,302
Sales of Products	389,256	52,125
Grants and Contracts	59,605	-
Loan Repayments	146,548	-
Other Sources	7,394	1,186
Cash Payments to:		
Employees	(45,287)	(16,597)
Suppliers	(78,258)	(48,537)
Lottery Prizes and Sales Commissions	(244,020)	-
Health Claims and Premiums	-	(122,912)
Others for Student Loans and Loan Losses	(161,106)	-
Other Governments	(4,243)	(2)
Other	(12,057)	(448)
Component Unit Cash Flows from Operating Activities	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	86,541	9,117
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-In	264	5,038
Transfers-Out	(41,722)	(3,010)
Intergovernmental Distributions	(37,491)	-
NonCapital Debt Service	(67,450)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(146,399)	2,028
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	(2,317)	(501)
Proceeds from Sale of Capital Assets	10	1,808
Income from Property	1,038	7,016
Proceeds from Issuance of Capital Debt	-	-
Principal Paid on Capital Debt	(100)	-
Interest Payments	(191)	(117)
Capital Lease Payments	(151)	(15,459)
Taxes	-	-
Bond Defeasance and Refunding	-	-
Received from Borrowers	-	-
Disbursements to Borrowers	-	-
Capitalization Grants Received	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(1,711)	(7,253)

(Continued)

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL	
NONEXPENDABLE TRUST	PRIMARY GOVERNMENT	COMPONENT UNITS
$ -	$ 173,011	$ -
-	441,381	-
-	59,605	-
-	146,548	-
19,004	27,584	-
-	(61,884)	-
-	(126,795)	-
-	(244,020)	-
-	(122,912)	-
-	(161,106)	-
-	(4,245)	-
-	(12,505)	-
-	-	17,917
19,004	114,662	17,917
35,755	41,057	6,651
(24,234)	(68,966)	(496)
-	(37,491)	-
-	(67,450)	-
11,521	(132,850)	6,155
-	(2,818)	(88,450)
77	1,895	-
16,054	24,108	-
-	-	93,694
-	(100)	(34,500)
-	(308)	(14,964)
-	(15,610)	(1)
-	-	36,845
-	-	(38,124)
-	-	23,654
-	-	(102,994)
-	-	26,106
16,131	7,167	(98,734)

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	20,641	2,066
Proceeds from Sales of Investments	365,675	-
Purchases of Investments	(328,615)	-
Net (Increase)Decrease in Investments	-	-
NET CASH FROM INVESTING ACTIVITIES	57,701	2,066
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(3,868)	5,958
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	83,898	20,522
Prior Period Adjustment	48,232	-
CASH AND POOLED CASH, FISCAL YEAR END	128,262	26,480
RECONCILIATION TO THE COMBINED BALANCE SHEET		
Add: Expendable Trust Funds	-	-
Investment and Pension Trust Funds	-	-
Agency Funds	-	-
CASH AND POOLED CASH, FISCAL YEAR END	$ 128,262	$ 26,480
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 88,174	$ 6,680
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	5,035	16,198
Investment/Rental Income and Other Revenue in Operating Income	27,361	(8,995)
Fines, Donations, and Grants and Contracts in NonOperating	1,322	750
Loss on Disposal of Fixed Assets	678	-
Compensated Absences	202	25
Interest and Other Expense in Operating Income	405	118
Provision for Bad Debts	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	(37,372)	473
(Increase) Decrease in Inventories	1,532	(43)
(Increase) Decrease in Other Operating Assets	477	(142)
Increase (Decrease) in Accounts Payable	(788)	(4,374)
Increase (Decrease) in Other Operating Liabilities	(485)	(1,573)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 86,541	$ 9,117
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS (See Note III-B):		
Fixed Assets Transferred from General Fixed Asset Account Group	341	-
Unrealized Gain/(Loss) on Investments	(7,749)	-
Loss on Disposal of Fixed Assets	707	674
Assumption of Capital Lease Obligation	182	12,426

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL	
NONEXPENDABLE TRUST	PRIMARY GOVERNMENT	COMPONENT UNITS
24,628	47,335	8,365
79,390	445,065	375,504
(88,217)	(416,832)	(274,261)
-	-	(20,031)
15,801	75,568	89,577
62,457	64,547	14,915
30,847	135,267	62,225
-	48,232	-
93,304	248,046	77,140
911,072	911,072	6,601
14,809	14,809	-
232,159	232,159	-
$ 1,251,344	$ 1,406,086	$ 83,741
$ 68,208	$ 163,062	$ 9,646
-	21,233	28,638
(68,123)	(49,757)	(2,005)
18,048	20,120	-
-	678	-
-	227	-
-	523	10,135
-	-	13,645
3	(36,896)	(28,447)
-	1,489	(1,940)
75	410	(1,969)
(2)	(5,164)	(13,227)
795	(1,263)	3,441
$ 19,004	$ 114,662	$ 17,917
-	341	-
26,475	18,726	-
-	1,381	-
-	12,608	-

STATEMENT OF NET ASSETS
ALL PENSION AND INVESTMENT TRUST FUNDS
AT JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PRIMARY GOVERNMENT		COMPONENT UNITS
	INVESTMENT TRUST	PENSION TRUST	PENSION TRUST
	COLORADO COMPENSATION INSURANCE AUTHORITY	DEFINED CONTRIBUTION PLAN	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
ASSETS:			
Cash and Pooled Cash	$ 14,804	$ 5	$ -
Other Receivables, net	13,391	-	-
Investments	912,424	2,719	-
Externally Restricted Under Pension Plan	-	-	76,267
TOTAL ASSETS	940,619	2,724	76,267
LIABILITIES:			
TOTAL LIABILITIES	-	-	-
NET ASSETS:			
Held in Trust for Pension Plan Participants	-	2,719	76,267
Held in Trust for Investment Trust Participants	920,321	-	-
Designated for Unrealized Gains	20,298		
Unreserved Undesignated	-	5	-
TOTAL NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 940,619	$ 2,724	$ 76,267

See accompanying notes to the financial statements.

The Investment Trust and Pension Trust Fund balances of the Primary Government shown above are included in the Trust and Agency Fund Type balances shown on the *Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units.* The Pension Trust Fund balances of the University of Colorado Hospital Authority shown above are included in the Component Units column of the *Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units.*

STATEMENT OF CHANGES IN NET ASSETS
ALL PENSION AND INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PRIMARY GOVERNMENT		COMPONENT UNITS
	INVESTMENT TRUST	PENSION TRUST	PENSION TRUST
	COLORADO COMPENSATION INSURANCE AUTHORITY	DEFINED CONTRIBUTION PLAN	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
ADDITIONS:			
Additions By Participants	$ 401,380	$ 1,329	$ 5,925
Investment Income	90,566	(234)	1,862
TOTAL ADDITIONS	491,946	1,095	7,787
DEDUCTIONS:			
Deductions By Participants	332,677	173	1,706
Administrative Expense	-	-	452
Other Deductions	-	2	-
TOTAL DEDUCTIONS	332,677	175	2,158
NET INCREASE (DECREASE) IN ASSETS	159,269	920	5,629
NET ASSETS AVAILABLE			
Beginning of the Year	781,350	1,804	70,638
End of the Year	$ 940,619	$ 2,724	$ 76,267

See accompanying notes to the financial statements.

COMBINED BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
AT JUNE 30, 2001

(DOLLARS IN THOUSANDS)	CURRENT FUNDS			
	UNRESTRICTED	RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS
ASSETS:				
Cash and Pooled Cash	$187,916	$ 19,291	$ 4,646	$ 16,361
Accounts Receivable:				
Tuition, Fees, Charges for Services, net	59,412	30,233	59	-
Intergovernmental	446	45,545	222	-
Other	3,201	59	229	21
Subtotal Accounts Receivable	63,059	75,837	510	21
Loans and Notes Receivable, net	1,023	-	85,094	-
Due From Other Funds	29,751	5,655	-	150
Inventories	24,070	-	-	-
Other Current Assets	20,423	1,162	5	-
Investments	210,658	31,062	6,912	84,692
Plant Facilities:				
Land and Improvements	-	-	-	4,312
Buildings and Improvements, net	-	-	-	-
Leasehold Improvements, net	-	-	-	-
Construction in Progress	-	-	-	-
Equipment, net	-	-	-	-
Library Books	-	-	-	-
Other Fixed Assets	-	-	-	-
Subtotal Plant Facilities	-	-	-	4,312
Other Long-Term Assets	5,878	-	-	-
TOTAL ASSETS	$542,778	$133,007	$97,167	$ 105,536
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ 98,970	$ 29,139	$ 38	$ -
Due To Other Funds	8,160	8,473	-	7,415
Deferred Revenue	90,816	5,469	-	-
Other Current Liabilities	19,411	666	1,395	259
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	20	8	-	-
Accrued Compensated Absences	101,793	254	-	-
Other Long-Term Liabilities	27,683	-	50	-
TOTAL LIABILITIES	346,853	44,009	1,483	7,674
FUND BALANCE:				
Investment in Fixed Assets	-	-	-	-
Designated for Unrealized Investment Gains	1,835	694	-	-
Restricted	-	88,304	95,684	97,862
Unrestricted:				
Designated	197,357	-	-	-
Undesignated	(3,267)	-	-	-
TOTAL FUND BALANCE	195,925	88,998	95,684	97,862
TOTAL LIABILITIES AND FUND BALANCE	$542,778	$133,007	$97,167	$ 105,536

See accompanying notes to the financial statements.

PLANT FUNDS				MEMORANDUM ONLY
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS
$111,738	$ 6,234	$ -	$11,384	$ 357,570
698	1	-	1,870	92,273
623	8	-	87	46,931
93	61	-	-	3,664
1,414	70	-	1,957	142,868
-	-	-	-	86,117
4,825	-	-	9	40,390
-	-	-	-	24,070
892	19	-	43	22,544
152,838	9,010	-	5,639	500,811
-	-	224,858	-	229,170
-	-	2,120,841	-	2,120,841
-	-	5,010	-	5,010
362,989	-	1,270	-	364,259
-	-	518,989	-	518,989
-	-	307,216	-	307,216
394	-	1,453	-	1,847
363,383	-	3,179,637	-	3,547,332
199	-	1,477	-	7,554
$635,289	$15,333	$3,181,114	$19,032	$4,729,256
$ 13,294	$ 2,933	$ 4	$ 5,712	$ 150,090
5,416	147	8,345	134	38,090
309	-	99	162	96,855
17	111	3,764	13,024	38,647
2,019	213	98,585	-	100,817
61,825	1,140	282,560	-	345,553
-	-	-	-	102,047
21	295	23	-	28,072
82,901	4,839	393,380	19,032	900,171
-	-	2,787,734	-	2,787,734
55	116	-	-	2,700
552,333	10,378	-	-	844,561
-	-	-	-	197,357
-	-	-	-	(3,267)
552,388	10,494	2,787,734	-	3,829,085
$635,289	$15,333	$3,181,114	$19,032	$4,729,256

COMBINED STATEMENT OF CHANGES IN FUND BALANCE
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)	CURRENT FUNDS			
	UNRESTRICTED	RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS
REVENUES AND OTHER ADDITIONS:				
Tuition and Fees	$ 690,593	$ -	$ -	$ -
Federal Grants and Contracts	14,049	592,620	1,031	-
State and Local Grants and Contracts	586	43,852	-	-
Private Gifts, Grants, and Contracts	1,656	172,917	26	1,021
Indirect Cost Recoveries	112,764	-	-	-
Investment Income	32,607	8,008	407	(6,222)
Sales and Services of Educational Activities	111,769	78	-	-
Sales and Services of Auxiliaries and Hospitals	319,665	-	-	-
Gain (Loss) on Debt Extinguishment	-	-	-	-
Interest on Loans Receivable	-	-	2,069	-
Retirement of Indebtedness	-	-	-	-
Additions to Plant Facilities	-	-	-	-
Other Revenues and Additions	58,038	1,554	1,002	685
TOTAL REVENUES AND OTHER ADDITIONS	1,341,727	819,029	4,535	(4,516)
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General:				
Instructional	787,661	119,112	-	-
Research	45,634	390,437	-	-
Public Service	61,695	46,203	-	-
Academic Support	179,095	16,243	-	-
Student Services	135,091	13,723	-	-
Institutional Support	152,248	10,401	-	-
Operation of Plant	153,016	3,208	-	-
Scholarships and Fellowships	42,133	147,201	-	-
Subtotal Educational and General	1,556,573	746,528	-	-
Auxiliaries and Hospitals	314,645	8,633	-	-
Indirect Cost Charges	595	111,982	187	-
Loan Cancellation and Write-off	-	-	1,074	-
Expended for Plant Facilities	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Other Expenditures and Deductions	46	2	511	2,203
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,871,859	867,145	1,772	2,203
TRANSFERS BETWEEN FUNDS - ADDITIONS (DEDUCTIONS):				
Mandatory Transfers In (Out)	(47,229)	(2)	283	24
Nonmandatory Transfers In (Out)	(62,703)	(16,314)	(198)	1,627
Net Operating Transfers From State Funds	662,142	81,081	-	251
TOTAL EXPENDITURES, DEDUCTIONS AND TRANSFERS	1,319,649	802,380	1,687	301
NET INCREASE (DECREASE) IN FUND BALANCE	22,078	16,649	2,848	(4,817)
FUND BALANCE, JULY 1	173,847	72,349	92,836	102,679
Prior Period Adjustment (See Note III-L)	-	-	-	-
FUND BALANCE, JUNE 30	$ 195,925	$88,998	$95,684	$ 97,862

See accompanying notes to the financial statements.

PLANT FUNDS			MEMORANDUM ONLY
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS
$ -	$ -	$ -	$ 690,593
296	167	-	608,163
150	-	-	44,588
10,178	878	2,568	189,244
-	-	-	112,764
17,952	681	-	53,433
-	-	-	111,847
-	-	-	319,665
-	(221)	(1,051)	(1,272)
-	-	-	2,069
3,257	221	34,188	37,666
76	-	366,438	366,514
8,269	-	2,457	72,005
40,178	1,726	404,600	2,607,279
-	-	-	906,773
-	-	-	436,071
-	-	-	107,898
-	-	-	195,338
-	-	-	148,814
-	-	-	162,649
-	-	-	156,224
-	-	-	189,334
-	-	-	2,303,101
-	-	-	323,278
-	-	-	112,764
-	-	-	1,074
277,079	-	-	277,079
105	36,940	-	37,045
1,354	23,152	69	24,575
-	-	124,170	124,170
15,552	193	1,711	20,218
294,090	60,285	125,950	3,223,304
(6,172)	53,085	11	-
76,014	1,453	121	-
166,691	-	-	910,165
57,557	5,747	125,818	2,313,139
(17,379)	(4,021)	278,782	294,140
575,129	14,515	2,515,005	3,546,360
(5,362)	-	(6,053)	(11,415)
$552,388	$10,494	$2,787,734	$3,829,085

NOTES TO THE FINANCIAL STATEMENTS

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the State of Colorado have been prepared in conformance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosed amount of contingent liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures/expenses during the reporting period. Actual results could differ from those estimates.

A. REPORTING ENTITY

For financial reporting purposes, the State of Colorado's primary government includes all funds and account groups of the state, its departments, agencies, and state funded institutions of higher education that make up the state's legal entity. The state's reporting entity also includes those component units, which are legally separate entities, for which the state's elected officials are financially accountable.

Financial accountability is defined in GASB Statement No. 14 – The Financial Reporting Entity. The state is financially accountable for those entities for which the state appoints a voting majority of the governing board, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the state. For those entities that the state does not appoint a voting majority of the governing board, GASB Statement No. 14 includes them in the reporting entity if they are fiscally dependent. Entities that do not meet the criteria for inclusion may still be included if it would be misleading to exclude them.

Discretely presented in the combined financial statements for the state are the following entities:

- Denver Metropolitan Major League Baseball Stadium District
- University of Colorado Hospital Authority
- Colorado Water Resources and Power Development Authority
- Colorado Uninsurable Health Insurance Plan

With the exception of the University of Colorado Hospital Authority, the majority of each governing board for these entities is appointed by the Governor and confirmed by the Senate. The Board of Regents of the University of Colorado appoints the board of the University of Colorado Hospital Authority.

The University of Colorado Hospital Authority and the Colorado Uninsurable Health Insurance Plan are included because they present a financial burden on the state. The Baseball Stadium District is included because its board serves at the pleasure of the Governor, and therefore, the state is able to impose its will upon the entity. The Water Resources and Power Development Authority is included because the state is able to impose its will upon the authority.

Detailed financial information may be obtained directly from these organizations at the following addresses:

Denver Metropolitan Major League Baseball Stadium District
1701 Bryant Street, Suite 500
Denver, Colorado 80204

University of Colorado Hospital Authority
4200 East Ninth Avenue, Box A020
Denver, Colorado 80262

Colorado Water Resources and Power Development Authority
1580 Logan Street, Suite 620
Denver, Colorado 80203

Colorado Uninsurable Health Insurance Plan
1700 Broadway, Suite 430
Denver, Colorado 80290

The following related organizations, for which the state appoints a voting majority of their governing boards, are not part of the reporting entity based on the criteria of GASB Statement No. 14:

- Colorado Compensation Insurance Authority (D.B.A. Pinnacol Assurance)
- Colorado Educational and Cultural Facilities Authority
- Colorado Health Facilities Authority
- Colorado Agricultural Development Authority
- Colorado Housing and Finance Authority
- Colorado Sheep and Wool Authority
- Colorado Beef Council Authority
- Fire and Police Benefit Association
- The State Board of the Great Outdoors Colorado Trust Fund

Even though the appointment of governing boards of these authorities is similar to those included in the reporting entity, the state does not impose its will, nor does it have a financial benefit or burden relationship with these entities. Detailed financial information may be obtained directly from these organizations.

Various college and university foundations exist for the benefit of the related state higher education institutions. These entities are included in the various note disclosures if they qualify as related parties or omitting them would be misleading.

The state has entered a joint operating agreement with the Huerfano County Hospital District to provide patient care at the Colorado State Veterans Nursing Home at Walsenburg. The facility is owned by the state but is operated by the hospital district under a twenty-year contract that is renewable at the district's option for successive ten-year terms up to 99 years from the original commencement date in November 1993.

The state's contract with the district states that the district is responsible for funding the operating deficits of the nursing home; however, since the state owns the nursing home, it retains ultimate financial responsibility for the home. Only the state's share of assets, liabilities, revenues and expenses associated with the joint operation are shown in these financial statements. These include the land, building, and some of the equipment for the nursing home as well as revenues and expenses associated with the state's on-site contract administrator. The state's pass-through of U.S. Veterans Administration's funds to the district is also shown as revenue and expense of the state.

B. FUND STRUCTURE

Primary Government

The financial activities of the state are organized on the basis of individual funds and account groups. Each fund is a separate accounting entity, in which the operations are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures, or expenses, of that entity. For financial statement presentation, similar funds have been combined into fund types and categories.

GOVERNMENTAL FUND TYPES

General Fund

Transactions related to resources obtained and used for those services traditionally provided by state government, which are not accounted for in other funds, are accounted for in the General Fund. Resources obtained from federal grants that support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue Funds

Transactions related to resources obtained from specific sources, and restricted to specific purposes are accounted for in the special revenue funds. The individual funds include the Highway Fund, the Wildlife Fund, the Labor Fund, the Gaming Fund, the Water Projects Construction Fund, the Tobacco Litigation Settlement Fund, and the State Education Fund.

Debt Service Fund

This fund accounts for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest. The primary debt serviced by this fund consists of certain long-term lease purchase agreements and notes issued by the Department of Transportation to fund infrastructure.

Capital Projects Fund

Transactions related to resources obtained and used for acquisition, construction, or improvement of state owned facilities and certain equipment are accounted for in the capital projects fund.

PROPRIETARY FUND TYPES

Enterprise Funds

These funds account for activities that are financed and operated in a manner much like private business enterprises. Costs of providing goods and services to the public, including depreciation, are recovered primarily through user charges.

Internal Service Funds

These funds account for the operations that provide goods or services on a cost-reimbursement basis to state agencies.

FIDUCIARY FUND TYPES

Trust and Agency Funds

These funds account for assets held by the state in a trustee capacity or as an agent for other organizations or individuals. They include agency funds, expendable and nonexpendable trust funds, investment trust funds, and pension trust funds.

Agency funds are used to account for assets held for other funds, governments, or individuals. They are custodial in nature and do not involve the measurement of operations.

The expendable trust fund classification is used when both the principal and revenue earned may be expended for purposes designated by the trust agreement.

Nonexpendable trust funds require that the principal of the fund remains intact while only the earnings of the fund are expendable.

Individual investment trust funds are used to account for investments that are not in the treasurer's investment pool but are managed by the state treasurer for external entities.

A pension trust fund is used to account for the assets and liabilities arising from the contributions and benefits payable to participants in one of the state's pension plans. Participation in this defined contribution plan is limited to select employees – primarily legislators. Most state employees are covered by the defined benefit plan operated by the Public Employees Retirement Association. (See Note V.)

ACCOUNT GROUPS

General Fixed Assets Account Group

Land, buildings, equipment and other capital assets of the governmental fund types are accounted for in this group. Capital assets of the proprietary, trust, and the college and university funds are recorded in their respective funds and may be depreciated there. Infrastructure is not recorded in the state's accounting system or financial statements.

General Long-term Debt Account Group

This group accounts for long-term liabilities of the governmental type funds, such as general liability, lease purchase obligations, employee leave obligations, notes, and employee workers' compensation claims. It also accounts for short-term risk management liabilities for which expendable financial resources are not available. Long-term obligations of the proprietary funds, trust funds, and the college and universities are accounted for in their respective funds.

COLLEGE AND UNIVERSITY FUNDS

These funds account for the operations of the state-supported system of higher education. The College and University Funds consist of the following funds:

Current Funds Unrestricted account for economic resources that are expendable for any purpose in accomplishing the institutions' primary objectives.

Current Funds Restricted account for resources received from donors or other outside agencies, primarily the federal government, that are restricted for specific purposes.

Loan Funds account for resources available for student loans.

Endowment Funds account for resources contributed by donors. While the principal portion of the contribution must remain intact, earnings may be added to the principal or expended for restricted or unrestricted purposes.

Plant Funds account for resources available, acquisition costs, debt service requirements, and liabilities related to acquiring or repairing institutional properties.

Agency Funds account for resources held by the institution in a fiduciary capacity that it will distribute to designated beneficiaries.

Component Units

The Denver Metropolitan Major League Baseball Stadium District uses proprietary fund accounting in preparation of its financial statements. The Colorado Uninsurable Health Insurance Plan (CUHIP) uses practices prescribed or permitted by the state's Division of Insurance. However, CUHIP's financial statements have been recast to conform to generally accepted accounting principles for presentation in these financial statements. The financial information for both entities is presented as of December 31, 2000.

The Colorado Water Resources and Power Development Authority uses proprietary fund accounting for its operations except for its expendable trust fund, which uses governmental fund accounting, and its agency fund, which records assets and liabilities on the modified accrual basis. The expendable trust fund accounts for assets held in a trustee capacity for Animas – LaPlata dam project in southwest Colorado. The agency fund accounts for unspent bond proceeds held in trustee capacity for local governments. The Authority's financial information is presented as of December 31, 2000.

The University of Colorado Hospital Authority uses proprietary fund accounting for their operations. The financial statements for the Hospital Authority's noncontributory defined benefit pension plan are prepared under the accrual basis of accounting. Financial information for the authority is presented as of June 30, 2001.

C. BASIS OF ACCOUNTING

Primary Government

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Nonexpendable trust funds and proprietary funds are accounted for on a flow of economic resources measurement focus.

Governmental fund types, expendable trust funds, and agency funds are reported on the modified accrual basis. This basis of accounting recognizes revenues when they are measurable and available to finance current operations or to liquidate liabilities existing at fiscal year end.

Historical data, adjusted for economic trends, is used in the estimation of the following accruals:

- Sales, use, liquor, and cigarette taxes are accrued based on filings received and an estimate of filings due by June 30.
- Net income taxes from individuals, corporations, and trusts are accrued based on current income earned by the taxpayer before June 30. Quarterly filings, withholding statements, and other historical data are used to estimate the taxpayer's current income. The revenue is accrued net of an allowance for uncollectible taxes.

Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met.

Expenditures are recognized during the period in which the fund liability is incurred, except for accumulated employee leave time, principal and interest on long-term debt, which is recorded when due, risk management liabilities in excess of the available current financial resources appropriated for that purpose, and inventories which are generally considered expenditures when consumed.

Special reporting treatment at year end is accorded to encumbrances. In the General Fund, a reserve for encumbrances is recorded at year end for the appropriation that will be rolled-forward to cover encumbrances. In the Capital Projects Fund and the Highway Fund, a reserve for encumbrances is established for the contracted legal obligations of the funds.

Proprietary fund types, and nonexpendable, investment and pension trust funds are reported on the full accrual basis. Using this basis, revenues are recognized when earned, and expenses, including depreciation, are recognized when the economic benefit of an asset is consumed or a liability is incurred.

College and university funds are reported on the accrual basis, except for depreciation related to plant fund assets, which is generally not recorded, and revenues and expenditures related to summer school programs which are recorded primarily in the subsequent fiscal year in accordance with the National Association of College and University Business Officer's Financial Accounting and Reporting Manual for Higher Education.

The state has determined that proprietary and nonexpendable trust funds will apply all applicable GASB pronouncements, regardless of issue date, as well as the following pronouncements issued on or before November 10, 1989: FASB Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with, or contradict, GASB pronouncements.

Component Units

The University of Colorado Hospital Authority has elected to adopt the provisions of the American Institute of Certified Public Accountants' Audit and Accounting Guide for Health Care Organizations. Under these provisions, the hospital has qualified as a governmental entity. In applying governmental GAAP, the hospital has elected to apply the provisions of all relevant pronouncements of FASB, including those issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. ELIMINATIONS

Substantially all intrafund transactions and balances of the primary government have been eliminated. Interfund sales and federal grant pass-throughs are not eliminated, but are shown as revenues and expenditures/expenses of the various funds. Substantially all other interfund transactions are classified as operating transfers-in or operating transfers-out after the revenues and expenditures/expenses are reported on each of the operating statements.

E. INSURANCE

The state has agreements with the Colorado Compensation Insurance Authority (CCIA), a related party, to administer a Paid Loss/Retro Plan for workers' compensation insurance claims through June 30, 1996. For claims arising after that date, the state is self-insured for workers' compensation. The state reimburses CCIA for the current cost of claims paid and related administrative expenses. Actuarially determined liabilities are accrued for claims to be paid in future years.

The state insures its property through private carriers and is self-insured for general liability for both its officials and employees.

F. TOTAL COLUMN ON COMBINED STATEMENTS

The total columns on the combined statements for the primary government are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

G. CASH AND POOLED CASH

Primary Government

For purposes of reporting cash flows, cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, and pooled cash with the state treasurer.

Component Units

The University of Colorado Hospital Authority and the Colorado Uninsurable Health Insurance Plan consider highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Denver Metropolitan Major League Baseball Stadium District, and the Colorado Water Resources and Power Development Authority consider investments with maturity of three months or less when purchased to be cash equivalents.

H. INVENTORY

Inventories of the various state agencies primarily comprise finished goods inventories held for resale by Correctional Industries, and consumable items such as office and institutional supplies, fuel, and maintenance items.

Inventories of the governmental funds are stated at cost, while inventories of the proprietary funds are stated at the lower of cost or market. The state uses various valuation methods (FIFO, average cost, etc.) depending upon the state agency. The method used in each agency is consistent from year to year.

Consumable inventories that are deemed material are expended at the time they are consumed. Immaterial consumable inventories are expended at the time of purchase, while inventories held for resale are expensed at the time of sale.

I. INVESTMENTS

For the primary government, items classified as investments, including those held by the state treasurer and represented as pooled cash, are both short and long-term investments. These are stated at fair value except for certain money market investments. (See Note III-G.) Investments that do not have an established market are reported at their estimated fair value. The state treasurer records interest based on book yield as adjusted for amortization of premiums and discounts.

J. PROPERTY, PLANT, AND EQUIPMENT

Primary Government

Capital assets are carried at cost on the balance sheet. Donated capital assets are carried at their fair market value at the date of donation. The state capitalizes assets whose cost exceeds $5,000.

Generally, the state capitalizes interest during the construction of general fixed assets. General fixed assets do not include infrastructure and are not depreciated. Assets in proprietary and nonexpendable trust are depreciated using the straight-line method.

State agencies are required to use actual experience in setting useful lives for depreciating their fixed assets; however, in the absence of such experience, the following useful lives are recommended:

Buildings	25-40 years
Improvements other than buildings	10-17 years
Furniture, machinery, and equipment	5-12 years

Component Units

The Denver Metropolitan Major League Baseball Stadium District capitalized interest costs during construction of the stadium; however, no interest expense was capitalized in 2000 or 1999. The University of Colorado Hospital Authority capitalizes interest during the construction of fixed assets. Due to the ongoing relocation of its main campus, the hospital evaluates long-lived assets annually for impairment. No adjustments for impairment have been recognized for the years ended June 30, 2001 or 2000. Both entities depreciate fixed assets over the estimated useful live of the asset class using the straight-line method.

K. DEFERRED REVENUE

Under reimbursement agreements, receipts from the federal government and other program sponsors are deferred until the related expenditures are made. Revenues related to taxes receivable that the state does not expect to collect until after the following fiscal year are deferred. In addition, it is the policy of the state's higher education institutions to defer summer school tuition to the following fiscal year.

L. ACCRUED COMPENSATED ABSENCES LIABILITY

Primary Government

State law concerning the accrual of sick leave was changed effective July 1, 1988. After that date all employees in

classified permanent positions within the State Personnel System accrue sick leave at the rate of 6.66 hours per month. Total sick leave per employee is limited to their respective accrued balance on July 1, 1988 plus 360 additional hours. After earning the maximum accrual each employee may convert five hours of sick leave to one hour of annual leave. Employees are paid for one-fourth of their unused sick leave upon death or retirement.

Annual leave is earned at increasing rates based on employment longevity. In no event can a classified employee accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100 percent of their annual leave balance upon leaving state service.

Compensated absence liabilities related to the governmental funds are recorded in the General Long-Term Debt Account Group. For all other fund types, both current and long-term portions are recorded as individual fund liabilities.

Component Units

Employees of the University of Colorado Hospital Authority use paid time off (PTO) for vacation, holidays, short-term illness, and personal absences. Extended illness pay (EIP) is used to continue salary during extended absences due to medical disability or serious health conditions. Both PTO and EIP earnings are based on length of service and actual hours worked. The hospital records PTO expense as earned. Accrued EIP is based solely on amounts estimated to become payable to that portion of the employee base which will ultimately retire from the hospital.

The Colorado Water Resources and Power Development Authority recognizes unused vacation benefits as they are earned.

M. FUND EQUITY

Reserved fund balance indicates that a portion of fund equity is not available for appropriation, or is legally segregated for a specific use. Unless a fund is in itself a legal segregation (such as, a special revenue or fiduciary fund), designated unreserved fund balances are not legally segregated, but rather, they indicate tentative management plans for future use of funds.

The fund balance of the General Fund is reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved and undesignated portion of fund equity on the budgetary basis is available for appropriation or working capital. Since the state is prohibited by its constitution from incurring general obligation debt, the General Fund surplus on the budgetary basis must be positive at year end.

Reserves and designations of fund equity at June 30, include:

Reserved for Encumbrances - In the General Fund, this reserve is for the portion of the Fiscal Year 2000-01 appropriation that was encumbered for goods and services that were not received before June 30, 2001, due to extenuating circumstances. The specific appropriation related to these items is rolled-forward to Fiscal Year 2001-02.

In the Special Revenue and Capital Projects Funds this reserve represents purchase orders, contracts, and long-term contracts related to construction of major capital projects. Since the resources of these funds are often received after the long-term contracts are executed and recorded as encumbrances, the unreserved undesignated amount may reflect a deficit. When a deficit occurs it is funded by future proceeds of the fund.

Reserved for Long-Term Assets and Long-Term Receivables - These reserves in the governmental funds are used to reserve the portion of fund balance that relates to long-term interfund receivables and other long-term assets that are not offset by deferred revenue. These assets are not currently available for appropriation.

Reserved for Statutorily Specified Amounts – In the General Fund, the statutory reserve is for cash funds that are allowed to maintain restricted fund balances in the General Fund. These balances are not available for general appropriation. In addition, Colorado Revised Statutes 24-75-201.1(d)(III) requires that four percent of the amount appropriated for expenditure from the General Fund be reserved for that fiscal year. In Fiscal Year 2000-01, this amount should be $213.67 million. Under generally accepted accounting principles no funds were available to meet this reserve requirement. However, due to delayed recognition of excess-revenue refunds under the state's budgetary basis, the reserve requirement was met and legal compliance was achieved. (See Note II-A.)

The statutory reserve in the Capital Projects Fund is the fund balance of the Corrections Expansion Reserve and certain other projects that are allowed to maintain a fund balance in the Capital Projects fund. These projects are not required to revert excess cash revenue to the Capital Projects Fund.

The statutory reserve in the Trust and Agency Funds is required by Article X, Section 20 (TABOR) of the State Constitution, which requires the reservation of three percent or more of fiscal year spending for emergencies. Fiscal year spending is defined in TABOR as all spending and reserve increases except for spending from certain excluded revenues. (See Note II-D.)

Designated for Unrealized Investment Gains – In all fund types, this designation represents the amount by which the

fair value of investments exceeds amortized cost. It is not equivalent to the net change in fair value of investments.

Designated Unreserved – In the Special Revenue Fund, this designation represents the legally segregated balances not otherwise reserved or designated as unavailable. In the Capital Projects Fund, this designation represents amounts appropriated but not encumbered by contracts. In the Fiduciary Funds, this designation includes the unreserved portion of the principal in the Controlled Maintenance Trust Fund, as well as, all other fiduciary balances not otherwise reserved or designated as unavailable. In the College and University Funds, this designation represents the fund balance of the higher education auxiliary activities in the Current Unrestricted Fund.

N. OUTSTANDING ENCUMBRANCES

The state uses encumbrance accounting as an extension of formal budgetary integration in all funds except pension trust funds, investment trust funds, and the college and university funds. Under this procedure, purchase orders and contracts for expenditures of money are recorded to reserve an equivalent amount of the related appropriation. Encumbrances do not constitute expenditures or liabilities. They lapse at year end unless specifically brought forward to the subsequent year, thus, committing the subsequent year's available appropriation.

O. FUTURE CHANGES IN REPORTING STANDARDS

The Governmental Accounting Standards Board has issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities; Statement No. 37 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38 Certain Financial Statement Note Disclosures. These reporting standards will result in new financial statements as well as changes to certain existing financial statement formats. In addition, fund equity reporting will be affected, and certain financial statement footnotes will be added or expanded. The state will implement these standards for the Fiscal Year ending June 30, 2002. Due to the significance of these changes it is not possible to present proforma data prior to implementing the standards.

NOTE II. BUDGETS - LEGAL COMPLIANCE

A. BUDGETARY BASIS

The budgetary fund types used by the state differ from the generally accepted accounting fund types. The budgetary fund types are general, cash, and federal funds. For budgetary purposes, cash funds are all funds received by the state that have been designated to support specific expenditures. Federal funds are revenues received from the Federal government. General-purpose revenues are not designated for specific expenditures.

Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control. Thus, revenues and expenditures in these funds are shown at their gross amounts. This results in several instances of duplicate recording of revenues and expenditures. An expenditure of one budgetary fund may be shown as a transfer-in or revenue in another budgetary fund and then be shown again as an expenditure in the second fund.

For budget purposes, depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting with the following exception. Refunds under Article X, Section 20 (TABOR) of the State Constitution are reductions of revenue for nonbudgetary reporting purposes, but they are shown as expenditures for budgetary purposes. For budgetary purposes, these expenditures are recognized in the year that the refunds are paid, not in the year the refund liability arises. For budgetary purposes, unrealized gains and losses on investments are not recognized as changes in revenue.

B. BUDGETARY PROCESS

The financial operations of the legislative, judicial, and executive branches of state government, with the exception of custodial funds and federal moneys not requiring matching state funds, are controlled by annual appropriation made by the General Assembly. The Department of Transportation's portion of the Highway Fund is appropriated to the State Transportation Commission. Within the legislative appropriation, the Commission may appropriate the specific projects and other operations of the Department. In addition, the Commission may appropriate available fund balance from its portion of the Highway Fund.

The total legislative appropriation is constitutionally limited to the unrestricted funds held at the beginning of the year plus revenues estimated to be received during the year as determined by the budgetary basis of accounting. The original appropriation by the General Assembly in the Long Appropriations Act segregates the budget of the state into its operating and capital components. The majority of the capital budgets are accounted for in the Capital Projects Fund, with the primary exception being budgeted capital funds used for infrastructure.

The Governor has line item veto authority over the Long Appropriations Bill, but the General Assembly may override each individual line item veto by a two-thirds majority vote in each house.

General and cash funded appropriations, with the exception of capital projects, lapse at year end unless executive action is taken to rollforward all or part of the remaining unspent budget authority. General funded appropriations that meet the strict criteria for rollforward are reserved in the General Fund at year end. Since capital projects appropriations are generally available for three years after appropriation, significant amounts of the capital budgets remain unexpended at fiscal year end.

The appropriation controls the combined expenditures and encumbrances of the state, in the majority of the cases, to the level of line item within the state agency. Line items are individual lines in the official budget document and vary from specific payments for specific programs to single appropriations at the agency level. The institutions of higher education are appropriated at the governing board level. Statutes allow the Judicial and Executive Branches, at year end, to transfer legislative appropriations within departments for expenditures of like purpose. The appropriation may be adjusted in the following session of the General Assembly by a supplemental appropriation.

On the three budget-to-actual statements, the column titled Original Appropriation consists of the Long Appropriations Act including anticipated federal funds, special bills, and any statutorily authorized appropriations. The column titled Final Spending Authority includes the original appropriation, federal funds actually awarded, supplemental appropriations of the legislature, and other miscellaneous budgetary items.

C. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. If earned cash revenues plus available fund balance, and earned federal revenues, are less than cash and federal expenditures, then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation.

The state controller may allow certain overexpenditures of the legal appropriation with the approval of the Governor as provided by Colorado Revised Statutes 24-75-109. Unlimited overexpenditures are allowed in the Medicaid program. The Department of Human Services is allowed $1 million of overexpenditures not related to Medicaid and unlimited overexpenditures for self-insurance of its workers' compensation plan. Statute also allows over-expenditures up to $1 million in total for the remainder of the executive branch. An additional $1 million of transfers and overexpenditures are allowed for the Judicial Branch.

If the controller restricts the subsequent year appropriation for an overexpenditure, the agency is required to seek a supplemental appropriation from the General Assembly or reduce their subsequent year's expenditures.

Total overexpenditures at June 30, 2001, were $8,897,867. The state controller has recommended that future appropriations be restricted by that amount. Over-expenditures at June 30, 2001, are described below.

Medicaid Overexpenditures:

- Transfer to the Department of Human Services – The Department of Health Care Policy and Financing overexpended general fund appropriations by $5,778,736 when it transferred funds to the Department of Human Services, which used the funds to provide mental health, developmental disability, and child welfare services.
- Medical Service Premiums – The Department of Health Care Policy and Financing overexpended general fund appropriations by $2,070,005 when it recorded bad debt expenditures to remove $4,140,010 of receivables that were determined to be uncollectible. The amounts were due from medical services providers that had been overpaid due to errors or fraudulent billings. One half of the amount deemed uncollectible has been charged to the General Fund with the remaining balance expected to be collected from the federal government.

Department of Human Services Overexpenditures Other Than Medicaid:

- Self Sufficiency-Adult Assistance Programs / Aid to the Needy Disabled - State Only Grant Program – The Department of Human Services overexpended this budget line item by $821,668, which comprises $333,745 of general funded appropriation and $487,923 of cash funded appropriation. The program provides interim financial assistance to disabled low-income clients awaiting approval of their application for Supplemental Social Security Income.

Statewide Overexpenditures Subject to the $1 Million Limit:

- Legal Services to State Agencies / Personal Services – The Department of Law overexpended this appropriation by $44,570. The overexpenditure occurred because the Department did not bill state agencies enough to cover the cost of providing legal defense services to those agencies.
- Executive Director and Army National Guard / Operating Expenses – The Department of Military Affairs (DOMA) overexpended this general funded appropriation by $9,415 due to emergency year end expenditures for air conditioning and elevator repairs.
- Executive Director and Army National Guard / Utilities – The DOMA overexpended this general funded appropriation by $105,574 due the unanticipated increase in market prices – primarily for natural gas.
- Executive Director and Army National Guard / Capitol Complex Leased Space – The DOMA overexpended this general funded appropriation by $3,031 when the actual charges billed by General Support Services (GSS) exceeded the estimated billing amounts provided to DOMA by GSS.

Other Overexpenditures – Expenditures Exceeding Earned Revenue Plus Statutory Fund Balance:

- Central Services-Facilities Maintenance and Planning / Property Maintenance-Capitol Complex Facilities-Utilities – The Department of Personnel/General Support Services overexpended its statutory fund appropriation by $58,600 primarily due to utility costs. DOP/GSS was unable to pass those costs on to state agencies because those agencies did not have adequate appropriations to pay these cost increases.
- Executive Director's Office and Administrative Services / Office of Boxing – Program Costs – The Department of Regulatory Agencies overexpended its statutory fund appropriation by $6,268 when revenues of the newly established Office of Boxing were inadequate to meet the costs of new program.

A separately issued report comparing line item expenditures to authorized budget is available upon request from the State Controller's Office.

D. TAX, SPENDING, AND DEBT LIMITATIONS

Certain state revenues, primarily taxes and fees, are limited under Article X, Section 20 (TABOR) of the State Constitution. The growth in these revenues from year to year is limited to the rate of population growth plus the rate of inflation. The constitution also requires voter approval for any new tax, tax rate increase, or new debt. These limitations apply to the state as a whole, not to individual funds, departments or agencies of the state.

Annual revenues that exceed the constitutional limitation must be refunded, unless voters approve otherwise. The state exceeded the revenue growth limitation in each year since Fiscal Year 1996-97. A liability was recorded in the General Fund as a reduction of tax revenues for the current year amount exceeding the limitation ($927.20 million). The Fiscal Year 2000-01 refund is shown on the *Combined Balance Sheet - All Fund Types and Discretely Presented Component Units* as TABOR Refund Liability.

Colorado Revised Statutes 24-75-201 requires that the recording of the TABOR refund not be included in the General Fund budgetary fund balance (General Fund Surplus) in the year in which the excess revenues were recorded. Instead, the budgetary fund balance is reduced in the following year by reporting an expenditure equal to the excess revenue reduced by any amount the voters authorize the state to retain.

Therefore, the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Funded* shows a $941.13 million expenditure related to the Fiscal Year 1999-00 TABOR refund. A separately issued audited report of TABOR computations for Fiscal Year 2000-01 will be available from the State Controller's Office in December 2001.

E. BUDGET TO GAAP RECONCILIATION

The three combined budget-to-actual statements show revenues and expenditures that are legislatively appropriated or otherwise legally authorized. College and university funds, with the exception of the state-appropriated amounts are excluded from these statements.

Certain expenditures on a generally-accepted-accounting-principle (GAAP) basis, such as, bad debt expense and depreciation, are not budgeted by the General Assembly. These expenditures are not shown on the budget-to-actual statements but are include in the following reconciliation as "GAAP Expenditures Not Budgeted". Some transactions considered expenditures for budgetary purposes, such as capital purchases in proprietary fund types, are not expenditures on a GAAP basis. These expenditures are shown as "Budgeted Non-GAAP Expenditures."

Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments and the recognition of the current year TABOR liability, affect revenues on a GAAP basis but not on the budgetary basis. These events and transactions are shown in the following reconciliation as "Unrealized Gains/Losses" and/or "GAAP Revenue Adjustments".

The inclusion of these revenues and expenditures and the change in nonbudgeted funds along with the balances from the budget-to-actual statements is necessary to reconcile to the GAAP fund balance.

A reconciliation of the three budget-to-actual statements to the fund balances of the GAAP fund types appears on the following page.

RECONCILING SCHEDULE
ALL BUDGET FUND TYPES
TO ALL GAAP FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
BUDGETARY BASIS:				
Revenues and Transfers-In:				
General	$ 6,355,277	$ -	$ -	$320,054
Cash	3,004,059	2,806,218	42,896	69,196
Federal	2,466,805	326,655	-	16,885
Sub-Total Revenues and Transfers-In	11,826,141	3,132,873	42,896	406,135
Expenditures/Expenses and Transfers-Out				
General Funded	6,683,550	-	-	366,286
Cash Funded	2,930,801	2,163,743	39,164	51,726
Federally Funded	2,464,214	326,628	-	16,885
Expenditures/Expenses and Transfers-Out	12,078,565	2,490,371	39,164	434,897
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - Budget Basis	(252,424)	642,502	3,732	(28,762)
BUDGETARY BASIS ADJUSTMENTS:				
(Increase)/Decrease in TABOR Refund	13,928	-	-	-
Increase/(Decrease) for Unrealized Gains/Losses	24,422	34,483	-	10,631
Increase for Budgeted Non-GAAP Expenditures	1,422	32,815	-	-
Increase/(Decrease) for GAAP Expenditures Not Budgeted	100,191	(7,766)	-	16,629
Increase/(Decrease) for GAAP Revenue Adjustments	(100,332)	44	-	(16,628)
Increase/(Decrease) for Non-Budgeted Funds	-	-	-	-
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - GAAP Basis	(212,793)	702,078	3,732	(18,130)
GAAP BASIS FUND BALANCES:				
FUND BALANCE, JULY 1	257,151	1,569,532	5,742	401,728
Prior Period Adjustments	(15,880)	-	-	-
FUND BALANCE, JUNE 30	$ 28,478	$2,271,610	$ 9,474	$383,598

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	**TOTAL PRIMARY GOVERNMENT**
$ -	$ -	$ -	$ -	$ -	$ -	$ 6,675,331
518,957	212,422	482,717	-	-	1,385,176	8,521,641
65,519	-	14,686	-	-	-	2,890,550
584,476	212,422	497,403	-	-	1,385,176	18,087,522
-	-	-	-	-	-	7,049,836
486,962	201,685	383,459	-	-	1,354,275	7,611,815
62,663	-	14,570	-	-	-	2,884,960
549,625	201,685	398,029	-	-	1,354,275	17,546,611
34,851	10,737	99,374	-	-	30,901	540,911
-	-	-	-	-	-	13,928
(5,145)	712	26,348	-	-	(2,147)	89,304
1,608	79	-	-	-	-	35,924
(19,015)	(3,075)	5	-	-	(10)	86,959
-	-	-	-	-	-	(116,916)
-	-	160,190	86,518	-	253,981	500,689
12,299	8,453	285,917	86,518	-	282,725	1,150,799
96,894	18,618	2,694,833	1,849,389	-	3,546,360	10,440,247
78,769	-	36,697	-	-	-	99,586
$187,962	$ 27,071	$ 3,017,447	$1,935,907	$ -	$ 3,829,085	$ 11,690,632

NOTE III. OTHER ACCOUNTING DISCLOSURES

A. CASH AND POOLED CASH

Primary Government

The State Treasury acts as a bank for all state agencies, with the exception of the University of Colorado. Moneys deposited in the Treasury are invested until the cash is needed. Interest earnings on these investments are credited to the General Fund, unless a specific statute directs otherwise. Where a fund category has a cash deficit, that deficit has been reclassified to an interfund payable to the General Fund. The detailed composition of the cash and investments is shown in the annual Treasurer's Report.

State agencies are authorized by various statutes to deposit funds in accounts outside the custody of the State Treasury. Legally authorized deposits include demand deposits and certificates of deposit. The state's cash management policy is to invest all major revenues as soon as the moneys are available within the banking system. Electronic transfers are used by the state to enhance availability of funds for investment purposes.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in Colorado Revised Statutes 11-10.5-107(5) requires all eligible depositories holding public deposits to pledge designated eligible collateral having market value equal to at least 102 percent of the deposits exceeding those amounts insured by federal insurance.

The state maintains accounts for various purposes at locations throughout the state. Cash balances in these accounts that are not required for immediate use are invested in certificates of deposit by the fund custodian or moved to the state treasurer's pooled cash investments.

The Cash and Pooled Cash line on the financial statements includes $3,071.6 million of claims of the state's funds in the treasurer's pooled cash. At June 30, 2001, the treasurer had invested $2,996.9 million of the pool with the balance in demand deposits and certificates of deposit. At June 30, 2001, the state had cash balances in all funds with a carrying value of $2,035.2 million. The state categorizes its cash into three categories as to its risk:

- Category 1 is federally insured deposits, or deposits fully collateralized with securities held by the state or its agent in the state's name.
- Category 2 is deposits uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the state's name.
- Category 3 is uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the state's name.

The bank balances of these funds are categorized by risk as follows:

Risk Category	Bank Balance June 30
1	$ 838,701,166
2	1,156,196,273
3	6,826,883
TOTAL	$ 2,001,724,322

Component Units

At December 31, 2000, the Colorado Water Resources and Power Development Authority had federally insured cash deposits with a bank balance of $14,750 and deposits collateralized in single institution pools of $21,321,972.

At December 31, 2000 the Denver Metropolitan Major League Baseball Stadium District had federally insured cash deposits with a bank balance of $30,078. They also had $6,008,006 in money market funds invested in obligations of the U.S. Government or its agencies. The money market funds are carried at cost, which approximates market value.

B. NONCASH TRANSACTIONS IN THE PROPRIETARY FUND TYPES

In the proprietary fund types, noncash transactions occur that do not affect the *Combined Statement of Cash Flows, All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Units*. These transactions are summarized at the bottom of the statement and are explained as follows:

Enterprise Funds:

- The Guaranteed Student Loan Program (GSLP) recorded a $647,636 loss on disposal of equipment due to a change in its fixed asset capitalization threshold. The GSLP also acquired fixed assets valued at $178,373 by entering a capital lease.
- The Colorado State Lottery recorded a $37,217 loss on disposal of fixed assets.
- The State Nursing Homes received fixed assets costing $38,841 from the General Fixed Assets Account Group, which were funded by the Capital Projects Fund. The General Fixed Asset Account Group does not have a statement of operations; therefore, no matching transfer out is shown on the

financial statements. The State Nursing Homes also acquired fixed assets valued at $3,759 by entering a capital lease.

- The State Fair Authority received fixed assets costing $302,289 from the General Fixed Assets Account Group, which were funded by the Capital Projects Fund. On its investments not held by the state treasurer, the State Fair Authority recorded a gain of $12,225 for the unrealized net change in fair value of investments. The Authority also reported a loss on disposal of fixed assets of $23,456.
- The Colorado Student Obligation Bond Authority recorded a loss of $7,760,945 for the unrealized net change in fair value of investments.

Internal Service Funds:

- Central Services acquired fixed assets, primarily motor vehicles, valued at $12,425,573 by entering capital leases. Central Services also reported losses on disposal of fixed assets of $674,425.

Nonexpendable Trust Funds:

- The State Lands Fund recorded a gain of $14,300,939 for unrealized net change in fair value of investments on those investments individually held for the fund.
- The Controlled Maintenance Trust Fund recorded a gain of $10,114,411 for the unrealized net change in fair value of investments on those investments individually held for the fund.
- The Tobacco Settlement Fund recorded a gain of $2,059,380 for the unrealized net change in fair value of its individually held investments.

Nearly all proprietary type funds also recorded unrealized gains on the investments underlying the treasurer's pooled cash in which they participate. The unrealized gains on the Treasurer's pool are shown as increases in cash balances. The unrealized gains/losses on investments individually held are shown as increases/decreases in investment balances, and therefore, are reported as noncash transactions. Note III-G shows the combined effect of these two sources of unrealized gains/losses.

C. RECEIVABLES

Primary Government

The taxes receivable of $1,105.5 million shown on the *Combined Balance Sheet - All Fund Types, Account Groups* results from the recording of self-assessed taxes on the modified accrual basis. The other receivables of $998.3 million are net of a deduction of $78.9 million in allowance for doubtful accounts.

Component Units

The Colorado Water Resources and Power Development Authority had loans receivable of $514.8 million and $436.1 million at December 31, 2000 and 1999, respectively. During 2000 the Authority made new loans of $102.3 million and canceled or received repayments for existing loans of $23.7 million.

The University of Colorado Hospital Authority has a significant concentration of patient accounts receivable with Medicare (25 percent), Medicaid (10 percent), managed care including Blue Cross (44 percent), and other commercial insurance (11 percent). However, the authority's management does not believe there are credit risks associated with these payers. Further, the authority continually monitors and adjusts its reserves and allowances associated with these receivables.

Net patient-service revenue under the Medicare and Medicaid programs in Fiscal Year 2000-01 and 1999-00 were approximately $123.0 million and $106.9 million, respectively. Medicaid, Medicare, and other third-party payer programs reimburse providers at rates generally less than the Hospital's billing rates. Net patient-service revenue is adjusted for these differences and is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

The hospital reports pledges at their net present value. As a result, three pledges totaling $65 million were discounted at rates ranging from 4.25 percent to 5.88 percent and are reported as receivables in the amount of $46.1 million.

D. INVENTORY

Inventories of $14.37 million in the General Fund at June 30, 2001, consisted of $8.60 million of consumable and supplies inventories, and $5.77 million of food donated to the Department of Human Services.

E. PREPAIDS, ADVANCES, AND DEFERRED CHARGES

In the General Fund, this account consists primarily of Medicaid payments in advance made to mental health and health care providers by the Department of Health Care Policy and Financing. Charges in the College and University Funds related to summer school are deferred to Fiscal Year 2001-02 to match the deferral of summer school tuition.

F. INTERFUND BALANCES

Individual interfund receivable and payable balances at June 30, 2001, were:

(Amounts in Thousands)

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 49,610	$ 34,584
Special Revenue Funds		
Highway	8,697	422
Wildlife	2,022	29
Labor	372	-
Gaming	9,838	41,677
Water Projects	194	26,263
Capital Projects Funds	3,427	2,666
Enterprise Funds		
Guaranteed Student Loan	588	841
State Lottery	-	20,056
State Nursing Homes	1	-
Prison Canteens	-	1
Correctional Industries	618	115
Other Enterprise Activities	-	609
Internal Service Funds		
Central Services	92	-
Telecommunications	8	-
Capitol Complex	4	-
Administrative Hearings	7	-
Expendable Trust Funds		
Unemployment Insurance	-	1,083
State Treasurer	16,129	-
Severance Tax Fund	33,897	-
Land Board	-	3,553
Victims Compensation	-	25
Scholars Choice	-	-
Conservation Trust Fund	8,020	-
Other Expendable Trusts	-	131
Nonexpendable Trust Funds		
State Lands	127	-
Other Nonexpendable Trusts	10	-
Agency Funds		
Revenue	1,039	15,268
Treasury	10,025	-
Other Agency Funds	300	2
College and University Funds		
Unrestricted	29,751	8,160
Restricted	5,655	8,473
Loan	-	-
Endowment	150	7,415
Unexpended Plant Fund	4,825	5,416
Retirement of Indebtedness	-	147
Investment in Plant	-	8,345
Agency	9	134
Totals	$ 185,415	$ 185,415

G. INVESTMENTS

Primary Government

The state holds investments both for its own benefit and as an agent for certain entities as provided by law. The state does not invest its funds with any external investment pool; rather, funds not required for immediate payments are administered by the authorized custodian of the funds or pooled and administered by the state treasurer (See Note III-H.)

The fair value of the state's investments are determined from quoted market prices except for money market investments that are reported at amortized cost which approximates market.

The following schedule reconciles deposits and investments to the financial statements for the primary government:

(Amounts in Thousands)

Footnote Amounts	Carrying Amount
Deposits (Note III-A)	$ 2,035,216
Investments	5,805,118
Total	$ 7,840,334
Combined Balance Sheet Amounts	
Net Cash and Pooled Cash	$ 4,824,917
Add: Warrants Payable Included in Cash	216,206
Total Cash and Pooled Cash	5,041,123
Add: Investments	2,799,211
Total	$ 7,840,334

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments in those prior periods. Realized gains from the sale of investments related to the Treasurer's pooled cash were $743,157 for Fiscal Year 2000-01. Excluding the Individual Investment Trust Fund, the Deferred Compensation Plan, and the Defined Contribution Plan, the state realized $2,935,340 of net gains from the sale of investments of other funds during Fiscal Year 2000-01.

The state treasurer maintains an agency fund for the Great Outdoors Colorado Program (GOCO), a related party. At June 30, 2001 and 2000, the treasurer had $34.02 million and $31.7 million at fair value, respectively, of GOCO's funds on deposit and invested. The treasurer also maintains an individual investment trust fund for the Colorado Compensation Insurance Authority (CCIA), a related party. At June 30, 2001 and 2000, the treasurer had $927.2 million and $770.1 million at fair value, respectively, of CCIA's funds on deposit and invested.

Colorado Revised Statutes 24-75-601.1 authorizes the type of investments that the state may hold. In general, the statute requires securities that are of the highest quality as determined by national rating agencies, those guaranteed by another state or the federal government, or a registered money market fund whose policies meet criteria set forth in the statute. The state may also enter securities lending agreements that meet certain collateralization and other requirements.

The state categorizes the custodial risks of its investments into the following categories:

- Category A is those investments that are insured or registered securities held by the state or its agent in the state's name.
- Category B is those investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name.
- Category C is those investments that are uninsured and unregistered, with securities held by the counterparty or its agent, but not in the state's name.

Mutual funds and certain other investments are not categorized as to custodial risk because ownership is not evidenced by a security. The following table lists the state's investments by type and risk category:

(Amounts in Thousands)

Type of Investment*	Risk Category A	Risk Category B	Risk Category C	Total Fair Value
U.S. Government Securities	$ 2,018,280	$ 19,435	$ 7,306	$ 2,045,021
Bankers' Acceptance	49,567	-	-	49,567
Commercial Paper	409,318	4,513	-	413,831
Corporate Bonds	1,030,482	-	1,420	1,031,902
Corporate Securities	7,640	-	11,137	18,777
Repurchase Agreements	3,409	266	-	3,675
Asset Backed Securities	1,296,644	-	573	1,297,217
Subtotal	$ 4,815,340	$ 24,214	$ 20,436	4,859,990
Uncategorized				945,128
Total				$ 5,805,118

*Note: Amounts include the treasurer's pool and individual investment accounts.

The following schedule shows the state's net unrealized gains and (losses) by fund category for Fiscal Years 2000-01 and 1999-00. The schedule excludes the Deferred Compensation Plan, an expendable trust fund, the individual investment trust fund managed for the Colorado Compensation Insurance Authority, and agency funds because realized and unrealized gains of these funds are not available to the state's programs.

(Amounts in Thousands)

Gain/(Loss)

Fund Type	Fiscal Year 2000-01	Fiscal Year 1999-00
General Fund	$ 24,422	$ (9,774)
State Lands	14,644	(6,916)
Labor	12,546	(1,222)
Highway (Special Revenue)	11,224	(3,294)
Controlled Maintenance Trust	10,833	(4,645)
Capital Construction	10,631	(3,450)
Tobacco Litigation Settlement Trust	2,630	327
State Education Fund	2,614	-
Water Conservation Construction	2,325	(745)
Wildlife	2,217	(731)
Colorado Gaming Fund	1,813	(529)
Tobacco Litigation Settlement	1,745	(642)
Severance Tax Trust Fund	1,290	(507)
Guaranteed Student Loan Program	1,270	(419)
Other Expendable Trusts	692	(192)
State Employee Group Insurance	660	(197)
Colorado Lottery Fund	608	(188)
Correctional Industries	104	(25)
Other Nonexpendable Trusts	92	(5)
Unexpended Plant Funds	90	(170)
State Nursing Homes	60	(19)
Highway (Internal Service)	52	(16)
State Fair Authority	29	(10)
Treasurer's Expendable Trust	23	(7)
Business Enterprise Program	9	(3)
Victims Compensation	2	-
Loan Fund	(65)	9
Current Funds - Unrestricted	(235)	(260)
Retirement of Indebtedness	(409)	11
Renewal and Replacement	(1,241)	861
Current Funds - Restricted	(1,247)	(306)
Scholars Choice	(3,871)	-
Student Obligation Bond Authority	(7,223)	5,411
Endowment Fund	(9,864)	(4,353)
Totals	$ 78,470	$ (32,006)

Component Units

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which governmental units may invest. The risk criteria are defined the same as for the primary government.

Investments of the University of Colorado Hospital Authority are reported at fair values which are based on quoted market prices, if available, or estimated using market prices for similar securities. Interest, dividends, and realized and unrealized gains and losses are based on the specific identification method and are included in non-operating income when earned.

The hospital uses interest rate swap agreements to manage interest costs and risks associated with changing interest rates. At June 30, 2001, the hospital was party to two swap agreements having notational amounts of $50 million and $72 million. The fair value of the swaps was $1,644,000 and ($91,000), respectively, based on the gross unrealized market gain/loss. Gains and losses are reported in income, as the agreements do not qualify for hedge accounting. Both interest rate swaps are scheduled to terminate in 2006.

The following table lists the component units' investments by type and risk category:

(Amounts in Thousands)

Type of Investment	Risk Category A	Risk Category B	Risk Category C	Total Fair Value
U.S. Government Securities	$ 93,484	$ -	$ 9,980	$ 103,464
Repurchase Agreements	-	-	231,419	231,419
Corporate Bonds	48,374	-	-	48,374
Equity Securities	33,172	-	-	33,172
Other	1,339	-	-	1,339
Subtotal	$ 176,369	$ -	$ 241,399	417,768
Uncategorized				87,249
Total				$ 505,017

H. TREASURER'S INVESTMENT POOL

Participation in the treasurer's pool is mandatory for all state agencies with the exception of the University of Colorado. The treasurer determines the fair value of the pool's investments at each month-end for performance tracking purposes. Short-term realized gains and losses and interest earnings, adjusted for amortization of premium and discounts, are distributed monthly prorated to the average of the participant's daily balance during the month if the participant is authorized to receive interest and investment earnings by statute.

Colorado Revised Statutes 24-36-113 authorizes the state treasurer to enter collateralized securities lending agreements. During Fiscal Year 2000-01, the treasurer loaned U.S. government, federal agencies' securities, mortgage pools, and collateralize mortgage obligation securities, held for the Colorado Compensation Insurance Authority to Morgan Stanley. The treasurer also loaned U.S. government and federal agencies securities held for the Colorado Treasury Pool, the State Lands Nonexpendable Trust Fund, Labor Fund and the Controlled Maintenance Trust Fund to Deutsche Bank. Morgan Stanley and Deutsche Bank pay the treasurer an agreed upon fee for use of these securities. Collateral is deposited and held in a custodial bank.

Currently, collateral held by the custodial bank includes A-rated or better domestic corporate bonds, mortgage pools, U.S. treasuries, and federal agencies securities. Corporate securities held as collateral must equal at least 105 percent of the market value of the loaned securities, while government securities must equal at least 102 percent of the market value. The treasurer does not have the authority to pledge or sell collateral securities without borrower default nor does the treasurer accept cash as collateral.

Morgan Stanley, acting as the principal, and Deutsche Bank, acting as agent and fiduciary, are directly responsible for safeguarding the assets. Each carries a financial institution bond that is substantially more than the amount required by the New York Stock Exchange. On June 30, 2001, the market value of securities on loan from the Colorado Compensation Insurance Authority account was $402,785,761. The market value of the collateral securities pledged was $413,167,592. At June 30, 2001, the market value of the securities on loan from the other four funds was $1,472,526,058, and the market value of the related pledged collateral was $1,613,660,159.

I. PROPERTY, PLANT, AND EQUIPMENT

Primary Government

A summary of fixed assets by account groups and fund types at June 30, 2001, follows:

(Amounts in Thousands)

	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Fiduciary Funds	College & University Funds	Totals
Land and Improvements	$ 243,602	$ 9,216	$ -	$ 7,574	$ 229,170	$ 489,562
Buildings and Improvements	1,208,803	27,916	847	59	2,127,195	3,364,820
Equipment	318,638	33,116	126,351	355	519,139	997,599
Library Books and Holdings	4,102	-	-	5,130	307,216	316,448
Construction in Progress	147,746	526	-	-	364,259	512,531
Other	13,016	60	16,978	-	1,847	31,901
Less: Accumulated Depreciation	-	(37,316)	(90,335)	-	(1,494)	(129,145)
Totals	$ 1,935,907	$ 33,518	$ 53,841	$ 13,118	$ 3,547,332	$ 5,583,716

A statement of changes in general fixed assets for the year ended June 30, 2001, is shown below:

(Amounts in Thousands)

	Beginning Balance July 1	Additions	Deductions	Reclassifications	Ending Balance June 30
Land and Improvements	$ 233,056	$ 18,137	$ 7,591	$ -	$ 243,602
Buildings and Improvements	1,140,669	10,818	23,169	80,485	1,208,803
Equipment	313,230	21,028	15,620	-	318,638
Library Books and Holdings	4,023	91	12	-	4,102
Construction in Progress	145,490	82,741	-	(80,485)	147,746
Other	12,921	95	-	-	13,016
Totals	$ 1,849,389	$ 132,910	$ 46,392	$ -	$ 1,935,907

The Department of Revenue, Department of Regulatory Agencies, and Department of Corrections removed fixed assets with values below the state's $5,000 capitalization threshold in Fiscal Year 2000-01 resulting in larger than normal fixed asset deductions.

Component Units

The Colorado Water Resources and Power Development Authority reported furniture and fixtures, net of accumulated depreciation, of $37,617 at December 31, 2000.

The Denver Metropolitan Major League Baseball Stadium District reported land and improvements, buildings, and other property and equipment, of $175.2 million and $179.6 million, net of accumulated depreciation, at December 31, 2000 and 1999, respectively.

At June 30, 2001, the University of Colorado Hospital Authority reported gross amounts for land, buildings and improvements of $309.1 million, equipment of $131.8 million, and construction in progress of $3.9 million. Accumulated depreciation related to these fixed assets was $135.0 million.

J. OTHER LONG-TERM ASSETS

In the governmental funds, the state has reserved the fund balance for long-term assets and long-term loans receivable. The loans in the Special Revenue Fund are made to local entities by the Water Conservation Board for the purpose of constructing water projects in the state. These loans are made for periods ranging from 10 to 40 years at interest rates of 2 to 7 percent. The loans require the local entities or districts to make a yearly payment of principal and interest.

K. FUND BALANCE DEFICITS

The deficit of $457.9 million in unreserved undesignated fund equity of the General Fund is related to recording a liability of $927.20 million for excess-revenue refunds under Article X, Section 20 (TABOR) of the State Constitution. Due to delayed recognition of excess-revenue refunds under the state's budgetary basis, legal compliance was achieved. (See Note II-A and II-D.)

The Capitol Complex Fund, an internal service fund, had a retained earnings deficit of $163,688 and $291,469 respectively at June 30, 2001, and June 30, 2000.

The State Fair Authority, an enterprise fund, had a retained earnings deficit of $918,671 and $2,043,385 respectively at June 30, 2001, and June 30, 2000.

L. PRIOR PERIOD ADJUSTMENTS

Primary Government

On the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* the beginning fund balance of the General Fund decreased by $15,880,218. This reduction occurred because the Department of Health Care Policy and Financing determined that amounts recorded as receivable from the federal government were not valid and were the result of accounting errors made in prior years.

In addition, the beginning fund balance of the Expendable Trust Funds on the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* increased by $36,697,485 due to the first-time inclusion of the Colorado Student Obligation Bond Authority (CSOBA) college savings plan (commonly referred to as the Scholar's Choice Program). The Authority became a state agency on July 1, 2000.

On the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types and Similar Trust Funds,* the beginning fund equity of the Enterprise Funds increased by $78,769,361 as a result of the CSOBA becoming a state agency. This amount represents the fund equity on July 1, 2000 of CSOBA's bond activities, prepaid tuition program, and administrative activities.

On the *Combined Statement of Changes in Fund Balance – All Colleges and University Funds* the beginning fund balance of the Unexpended Plant and Investment in Plant Funds decreased by $5,361,704 and $6,052,972, respectively. Both adjustments were accounting errors related to capitalizing reimbursed plant expenditures funded by the University of Colorado Hospital Authority, a component unit.

M. FUND EQUITY

In the Capital Projects Fund, the Reserve for Statutorily Specified Amounts includes the fund equity of the Corrections Expansion Reserve. In the Trust and Agency Funds, the Reserve for Statutorily Specified Amounts is the portion of the Controlled Maintenance Trust Fund balance reserved for emergencies under Article X, Section 20, of the State Constitution. Fund equities reserved for statutorily specified amounts in the General Fund at June 30, 2001, are:

(Amounts in Thousands)

Reserved For	General Fund
Severance Tax	55,600
Hazardous Substances Response	37,036
Employment Support Fund	32,951
Public Safety Communications	31,723
Family Issues Cash Fund	25,309
Uninsurable Health Insurance Plan	24,731
Mineral Leasing	23,528
Species Conservation	16,464
Children's Basic Health Plan	16,320
Energy Conservation	13,058
Petroleum Storage Tank Fund	11,695
Workers' Compensation Cash	10,608
State Public School Fund	10,125
Natural Resources Damage Recovery	10,042
Aviation Fund	9,393
Risk Management Liability Fund	8,354
Contigous County Limited Gaming Impact	7,902
Hazardous Substance Settlement	7,651
Risk Management Workers' Compensation Fund	6,373
Economic Development Fund	5,923
Old Age Pension Stabilization	5,000
Secretary of State Fees	4,716
Division of Registrations Cash Fund	4,229
Read-To-Achieve Cash Fund	4,129
Offender Services	4,049
Disaster Emergency Fund	3,046
Brand Inspection Fund	2,953
Public Employees Social Security	2,730
Drug Offender Surcharge Fund	2,705
Wildlife Parks & Outdoor Recreation	2,684
Alcohol Driver Safety	2,224
Motor Carrier Safety Program	1,968
Unemployment Revenue Fund	1,952
Disabled Telephone Users Fund	1,864
Off Highway Vehicles	1,719
Department of Law-Custodial Funds	1,704
Uniform Consumer Credit Code	1,695
Gear Up Scholarship Trust Fund	1,640
Waste Tire Recycling Fund	1,468
Oil & Gas Conservation Fund	1,375
Environmental Response Fund	1,241
Colorado Children's Trust Fund	1,231
Tobacco Program Fund	1,208
Infant Immunization Fund	1,197
Arts In Public Places Fund	1,192
Risk Management Property Fund	1,177
Federal HUD Reserved Operating	1,068
Central Information System	1,048
Fixed Utilities	1,037
State Rail Bank Fund	1,014
Other Statutory Programs	34,002
Subtotal	464,051
Less Unrealized Gains Included Above	5,372
Total Statutorily Specified Amounts	$ 458,679

N. TRANSFERS BETWEEN FUNDS

In addition to the operating transfers shown below, residual equity transfers were made to the proprietary funds from the governmental funds and the General Fixed Assets Account Group. In the proprietary funds, these transfers are shown as "Additions To Contributed Capital" in the fund equity section of the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity, All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units* in the amount of $341,131. This amount comprises the following transactions:

- The State Nursing Homes, an enterprise fund, received $38,841 of fixed assets from the General Fixed Assets Account Group that were funded by the Capital Projects Fund and were shown as additions to contributed capital. The account group does not have an operating statement; thus, there is not a corresponding transfer-out.
- The State Fair Authority, an enterprise fund, received $302,289 of fixed assets from the General Fixed Asset Account Group that were funded by the Capital Projects Fund and are shown as additions to contributed capital.

Operating transfers between funds for the fiscal year ended June 30, 2001, were as follows:

(Amounts in Thousands)	Transfers-In to the: General Fund	Higher Education	Highway	Wildlife	Water Projects	Debt Service	Capital Projects	State Nursing Homes
Transfers-Out of the:								
General Fund	$ -	$ 728,356	$ 600	$ -	$ 6,069	$ -	$ 287,465	$ 260
Higher Education	3,368							
Special Revenue Funds								
Highway	21,398					37,211	4,421	
Wildlife	3,952						12,118	
Labor	480							
Gaming	36,853		5,089				79	
Water Projects	2,328							
Tobacco Litigation Settlement	33,433	6,335						
Capital Projects	17,179	178,591	63,863			5,382		
Enterprise Funds								
Guaranteed Student Loan	88							
State Lottery	348			7,928				
State Nursing Homes	96							
Prison Canteens	70						256	
Correctional Industries	500							
Other Enterprise Activities	139						583	
Internal Service Funds								
Central Services	1,487							
General Govt Computer Center	313							
Telecommunications	560							
State Employees & Officials Insurance	286							
Capitol Complex	249							
Expendable Trust Funds								
State Treasurer	16,746							
Severance Tax Trust	19,600				19			
Land Board	31,356	63						
Victims Compensation	2,003							
Deferred Compensation	14							
Other Expendable Trust	4							
NonExpendable Trust Funds								
State Lands	2,042	188						
Controlled Maintenance							17,808	
Other NonExpendable Trust								
Total Transfers-In	$ 194,892	$ 913,533	$ 69,552	$ 7,928	$ 6,088	$ 42,593	$ 322,730	$ 260

Correctional Industries	Central Services	Telecom-munications	Public Safety	Land Board	Conservation Trust	Other Expendable Trust	State Lands	Tobacco Litigation Settlement Trust	Other Nonexpendable Trust	Total Transfers-Out
$ 4	$ -	$ -	$ 108	$ -	$ -	$ 65	$ -	$ -	$ -	$ 1,022,927
										3,368
			301							63,331
									5,000	21,070
										480
										42,021
										2,328
								29,941		69,709
		4,512								269,527
										88
					31,714					39,990
										96
										326
										500
										722
										1,487
										313
										560
										286
	115									364
							63			16,809
										19,619
							750			32,169
										2,003
										14
				11						15
				40						2,270
										17,808
						33				33
$ 4	$ 115	$ 4,512	$ 409	$ 51	$ 31,714	$ 98	$ 813	$ 29,941	$ 5,000	1,630,233

Higher Education Transfer to General Fund in Net Operating Transfers From State Funds 3,368

Total Transfers In and Out per Financial Statements. $ 1,626,865

O. SEGMENT INFORMATION

Primary Government

The principal activities of the state's enterprise funds are the guaranteed student loan program, the lottery, the business enterprise program, the state's nursing homes, enterprises at the state's prisons, the state fair, and the activities of the Colorado Student Obligation Bond Authority.

The guaranteed student loan program guarantees loans made by private lending institutions, in compliance with operating agreements with the U.S. Department of Education, to students attending postsecondary schools.

The State Lottery encompasses the various lottery and lotto games run under state statute. The net proceeds of the lottery are distributed to the Great Outdoors Colorado program (a related party), the conservation trust fund, and the general fund. The funds are used primarily for open space purchases and recreational facilities throughout the state.

The business enterprise program assists the visually impaired in operating businesses, such as cafeterias, in state office buildings.

The state nursing homes provide nursing home and retirement care to the elderly. The state's nursing homes are located at Homelake, Walsenburg, Florence, Rifle, and Trinidad.

Enterprise activities at the state's prisons include canteen sales to prisoners and the sale of manufactured goods and farm products produced by convicted criminals incarcerated in the state's prison system.

The State Fair Authority operates the Colorado State Fair, and other events, at the state fairgrounds in Pueblo.

The Colorado Student Obligation Bond Authority became a state agency during Fiscal Year 2000-01. It issues revenue bonds to originate and purchase student loans. The Authority also operates a prepaid tuition program designed to keep pace with average tuition inflation in Colorado.

Segment information for the enterprise funds of the state for the year ended June 30, 2001, is:

(Amounts in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES	PRISON CANTEENS
Operating Revenue	$ 65,359	$ 350,830	$ 624	$ 20,708	$ 10,343
Federal Grants and Contracts	55,946	-	730	5,987	-
Depreciation / Amortization	568	603	93	542	89
Operating Income (Loss)	1,635	78,084	(704)	(886)	1,624
Operating Transfers-In	-	-	-	260	-
Transfers-(Out)	(88)	(39,990)	-	(96)	(326)
Net Income (Loss)	1,547	680	53	(467)	1,338
Additions to Contributed Capital	-	-	-	39	-
Working Capital	50,418	653	561	2,983	5,818
Increase(Decrease) in Net Property, Plant, and Equip	(1,009)	(340)	(8)	(153)	(34)
Total Assets	60,519	41,646	929	10,535	7,653
Bonds and Other Long-Term Liabilities	1,231	920	44	768	63
Fund Equity	50,646	1,912	794	9,121	7,149

CORREC-TIONAL INDUSTRIES	STATE FAIR AUTHORITY	STUDENT OBLIGATION BOND AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ 35,538	$ 6,875	$ 66,932	$ 5,055	$ 562,264
-	-	-	2,855	65,518
1,160	816	1,087	78	5,036
1,182	(1,611)	9,605	(755)	88,174
4	-	-	-	264
(500)	-	-	(722)	(41,722)
893	(889)	9,605	(802)	11,958
-	302	-	-	341
12,585	(419)	702,716	542	775,857
(628)	(511)	2,175	(40)	(548)
22,283	8,935	866,484	5,119	1,024,103
749	2,094	765,517	79	771,465
19,968	5,374	88,374	4,624	187,962

Component Units

The Colorado Water Resources and Power Development Authority's purpose is to initiate, acquire, construct, maintain, repair and operate, or cause to be operated, projects for the protection, preservation, conservation, upgrading, development and utilization of the water resources of the state.

The Denver Metropolitan Major League Baseball Stadium District includes all or part of the six counties in the Denver metro area. The District was created for the purpose of acquiring, constructing and operating a major league baseball stadium. The District levied a sales tax of one-tenth of one percent throughout this District for a period not to exceed 20 years for this purpose. However, the District discontinued the sales tax levy on January 1, 2001 after it defeased all outstanding debt. A portion of this tax is shown as taxes receivable on the *Combined Balance Sheet – All Fund Types, Account Groups, and Discretely Presented Component Units.*

University Hospital is a nonsectarian, general acute care regional hospital, with seven outpatient clinics and a home therapy unit, operated by the University of Colorado Hospital Authority. It is the teaching hospital of the University of Colorado Health Sciences Center. The hospital's mission is to provide education, research and a full spectrum of primary, secondary and tertiary health care services to the Denver metropolitan area and the Rocky Mountain Region.

The Colorado Uninsurable Health Insurance Plan is a non-profit public entity created to provide access to health insurance for those Colorado residents who are unable to obtain health insurance, or unable to obtain health insurance except at prohibitive rates or with restrictive exclusions.

CONDENSED BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS

DOLLARS IN THOUSANDS	TRUST & AGENCY	PENSION TRUST FUND	PROPRIETARY FUND TYPES				
	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTAL
ASSETS:							
Current Assets	$ 9,432	$ -	$ 12,776	$ 150,554	$ 104,460	$ 3,965	$ 281,187
Investments	172,970	76,267	-	116,150	139,630	-	505,017
Property, Plant and Equip., net	-	-	175,169	309,770	38	2	484,979
Other Long-Term Assets	-	-	395	10,047	490,381	-	500,823
Total Assets	$ 182,402	$ 76,267	$ 188,340	$ 586,521	$ 734,509	$ 3,967	$ 1,772,006
LIABILITIES:							
Current Liabilities	$ 139,692	$ -	$ 12	$ 60,251	$ 53,210	$ 2,905	$ 256,070
Notes and Bonds Payable	-	-	-	232,861	447,309	-	680,170
Other Long-Term Liabilities	-	-	-	6,908	5,042	-	11,950
Total Liabilities	139,692	-	12	300,020	505,561	2,905	948,190
FUND EQUITY:							
Contributed Capital	-	-	386	-	144,532	-	144,918
Retained Earnings	-	-	187,942	286,501	84,416	1,062	559,921
Fund Balances:							
Unreserved - Designated	42,710	76,267	-	-	-	-	118,977
Total Fund Equity	42,710	76,267	188,328	286,501	228,948	1,062	823,816
Total Liabilities and Fund Equity	$ 182,402	$ 76,267	$ 188,340	$ 586,521	$ 734,509	$ 3,967	$ 1,772,006

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY - ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY FUNDS

DOLLARS IN THOUSANDS	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTAL
OPERATING REVENUES	$ 957	$ 329,897	$ 34,824	$ 4,118	$ 369,796
OPERATING EXPENSES:					
Depreciation	4,408	23,795	433	2	28,638
Other Operating Expenses	81	296,630	26,486	8,315	331,512
Total Operating Expenses	4,489	320,425	26,919	8,317	360,150
Operating Income/Excess (Loss)	(3,532)	9,472	7,905	(4,199)	9,646
Non-Operating Revenues and (Expenses)/Transfers:					
Taxes	37,350	-	-	-	37,350
Other	(4,505)	5,945	-	3,492	4,932
Transfers, net	-	-	2,663	-	2,663
Total Non-Operating Revenues and (Expenses)/Transfers	32,845	5,945	2,663	3,492	44,945
Net Income/Change in Retained Earnings	29,313	15,417	10,568	(707)	54,591
Fund Equity - Beginning of Year	159,015	236,782	192,274	1,769	589,840
Additions (Deductions) to Contributed Capital	-	34,302	26,106	-	60,408
Fund Equity - End of Year	$ 188,328	$ 286,501	$ 228,948	$ 1,062	$ 704,839

P. OTHER DISCLOSURES

Primary Government

The Governor's Office of Innovation and Technology received on-behalf payments in the amount of $121,900 for salaries. The Governor's Office was not legally responsible for payment of these salaries, and it recorded equivalent amounts of revenue and expenditure for these payments in the General Fund. However, these revenues and expenditures were not included in the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budgetary Basis Budget and Actual – General Fund.*

The Colorado Medical Services Foundation, a related organization, was established to support patient billing and collections for physician fees for the University of Colorado Health Sciences Center. During Fiscal Years 2000-01 and 1999-00, the university was reimbursed $87.4 million and $82.1 million, respectively, from the foundation for salaries, fringe benefits, and related costs. In addition, the foundation reimbursed the university $1.10 million and $.65 million for professional liability insurance and administrative costs in Fiscal Year 2000-01 and Fiscal Year 1999-00, respectively. The foundation also provided the university with gift funds of $9.4 million in Fiscal Year 2000-01. At June 30, 2001, the foundation owed the university $260,944, which was related to underpayment of salaries, fringe benefits, and other operating costs.

The University of Colorado Foundation, Inc., an unconsolidated affiliated corporation, was established in 1967 as a separate corporation to solicit, collect, and invest donations for the university. The foundation distributed $58.5 million and $40.1 million to the university in Fiscal Year 2000-01 and 1999-00, respectively. The University of Colorado is the ultimate beneficiary of substantially all of foundation's endowment funds, which included $58.7 million and $62.0 million, respectively, at June 30, 2001 and 2000.

The Colorado State University Foundation was established to receive, manage, and invest philanthropic gifts to Colorado State University. During Fiscal Years 2000-01 and 1999-00, the foundation transferred $15.8 and $20.9 million, respectively, to the university.

The Fort Lewis College Foundation was established to assist in promoting, developing, and enhancing the facilities and programs of the college. During Fiscal Years 2000-01 and 1999-00, the foundation transferred $972,931 and $2,293,314 respectively, to the college.

The Adams State College Foundation was established to provide scholarships and work study grants to students, as well as, providing program development grants to Adams State College. The foundation provided $1,001,297 and $320,869 in scholarships and grants during Fiscal Year 2000-01 and Fiscal Year 1999-00, respectively.

The Mesa State College Foundation was established to provide financial assistance to Mesa State College students and to assist the college in serving educational needs. In Fiscal Year 2000-01, the foundation donated capital assets valued at $364,000 to the college. The foundation also authorized the transfer of $433,350 to the college, of which, $280,105 was due from the foundation at June 30, 2001.

The Metropolitan State College of Denver Foundation, Inc. was organized and is operated to promote the general welfare of the Metropolitan State College of Denver. The foundation provided $1.32 million and $1.15 million of funding to the college in Fiscal Year 2000-01 and Fiscal Year 1999-00, respectively. The foundation also reimbursed the college $80,136 for services provided by a college employee.

The Western State College Foundation was established to aid Western State College in fulfilling its educational mission. The foundation transferred $1,183,014 to the college in Fiscal Year 2000-01.

The Community College of Aurora Foundation provides funding and other resources for the development of the Community College of Aurora. The foundation reimbursed the college $506,900 for maintenance costs and transferred $22,700 to the college for scholarships and grants. At June 30, 2001, $126,725 of the maintenance costs were recorded as receivable from the foundation.

The Front Range Community College Foundation was established to aid Front Range Community College in fulfilling its educational mission. The foundation transferred $116,474 to the college in Fiscal Year 1999-00 for student scholarships and instructional program support.

The Morgan Community College Foundation was established to promote the advancement of education and educational facilities at Morgan Community College. The foundation transferred $144,765 to the college in Fiscal Year 2000-01 for student scholarships, operations, and capital purchases.

The Pueblo Community College Foundation was established to aid Pueblo Community College in fulfilling its educational mission. During Fiscal Year 2000-01, the foundation transferred $165,714 to the college for scholarships and $848,018 for equipment and building improvements.

The Red Rocks Community College Foundation was established to aid Red Rocks Community College in fulfilling its educational mission. During Fiscal Year 2000-01, the foundation sponsored $167,680 of scholarships made by the college. The college expended $181,450 in support of the foundation's staff and operations. The foundation owed the college $116,858 at June 30, 2001, for scholarships disbursed.

The University of Northern Colorado Foundation, Inc. was established in February 1966 to promote the welfare, development, growth, and well being of the University of Northern Colorado. The foundation donated $3,649,147 to the university in Fiscal Year 2000-01. At June 30, 2001, $245,205 was due from the foundation to the university.

The Colorado School of Mines Foundation, Inc. was established in 1928 as a separate corporation to benefit the School of Mines by soliciting, collecting, and investing donations. During Fiscal Years 2000-01 and 1999-00, the school received $9,227,972 and $8,313,341, respectively, from the foundation. The foundation owed the school $291,442 at June 30, 2001. In the event of the Foundation's dissolution, any remaining assets will be transferred to the Colorado School of Mines.

The Colorado School of Mines Building Corporation was established in 1976 to build a facility to house the United States Geological Survey. The Geological Survey leases the facility from the corporation. The net assets of the corporation at June 30, 2001, and June 30, 2000 were $1,890,840 and $1,993,501, respectively.

The Auraria Foundation was established to carry out certain financial arrangements related to the statutory mission of the Auraria Higher Education Center (AHEC). During Fiscal Year 2000-01, the foundation paid AHEC $250,000 for the construction of a Performing Arts Building. The foundation reimbursed AHEC $173,655 for managerial and administrative costs during Fiscal Year 2000-01.

During Fiscal Years 2000-01 and 1999-00, the Department of Local Affairs distributed $158,024 and $1,125,000, respectively, to the Colorado Housing and Finance Authority (CHAFA), a related party. The Fiscal Year 2000-01 distribution was the final distribution for revenues earned in prior years, and no amount was due to CHAFA at June 30, 2001.

The Great Outdoors Colorado Board (GOCO) is a constitutionally created entity whose purpose is to administer the Great Outdoors Colorado Program and Trust Fund. The purpose of the program is to promote the wildlife and outdoor recreation resources of the state using funds it receives from the Colorado Lottery. During Fiscal Years 2000-01 and 1999-00, the board funded $16,265,615 and $9,821,345, respectively, of wildlife and parks programs at the Department of Natural Resources. At June 30, 2001, GOCO owed the Department of Natural Resources $6.77 million.

Component Units

The University of Colorado Hospital Authority provided charity care primarily to individuals meeting federal poverty guidelines valued at $50.2 million and $49.9 million for the years ended June 30, 2001 and 2000,

respectively. Since, these amounts are not collectible they are not reported as net patient revenue. However, the Hospital Authority received a net state appropriation of $6.7 million and $8.1 million in Fiscal Years 2000-01 and 1999-00 respectively for charity care. In addition, the hospital participates in the Colorado Disproportionate Share Hospital Program. The hospital received related reimbursements from the state of $24.7 and $18.8 million for the years ended June 30, 2001 and 2000, respectively.

The Hospital Authority and the University of Colorado Health Sciences Center have developed and received approval for an Institutional Master Plan to create a new academic health sciences center over the next 20 to 50 years. The U.S. Department of Education and the U.S. Army approved the transfer of 186 acres of land and buildings at the Fitzsimons Army Medical Center to the University of Colorado in federal Fiscal Year 2002-03. The Army has conveyed 88 acres under quitclaim deeds in advance of the official transfer. The quitclaim deeds include conditions subsequent that if not met provide for reverting the property to the United States. The Authority entered a 30-year Ground Lease agreement with the University of Colorado Regents for 18.4 acres with a one-dollar annual fee. The agreement provides for renewals up to 99 years, and with certain exceptions, the Ground Lease states that the Authority shall own all buildings or improvements, which it constructs on the property.

Under the Operating Agreement between the University of Colorado Regents and the University of Colorado Hospital Authority dated July 1, 1990, the Regents have entered into contracts with the hospital for the provision of services in support of programs and operations of the University of Colorado Health Sciences Center. Amounts of approximately $27.2 million and $26.6 million were paid for these services in Fiscal Years 2000-01 and 1999-00, respectively. Other contracts with the Regents for storage facilities, student health services, and research projects resulted in reimbursements of approximately $6.8 million and $7.7 million in Fiscal Years 2000-01 and 1999-00, respectively.

The hospital entered certain provider and network management agreements with the TriWest. TriWest was formed to deliver health care services to eligible beneficiaries of TriCare, formerly CHAMPUS – the Civilian Health and Medical Program of the Uniformed Services. On June 27, 1996, the U.S. Department of Defense awarded TriWest the TriCare contract for a five-year period that began April 1997. As part of the agreements, the hospital purchased a minority interest in TriWest for approximately $3.3 million. This investment was recorded as "Other Assets" and is accounted for under the cost method. The hospital agreed to secure a letter of credit for $4.6 million to cover the hospital's share of any potential losses of TriWest. At June 30, 2000, no amounts had been drawn on the letter of credit and it was terminated in August 2001.

The hospital has contracted with University Physicians, Inc. (UPI), a related party, for the administration of various hospital programs and professional laboratory services. The hospital and UPI have also entered other joint arrangements in furthering the missions of both organizations. Amounts of approximately $23.4 million and $23.0 million were paid for these programs during Fiscal Years 2000-01 and 1999-00, respectively.

The hospital has negotiated with UPI to assume 30 percent participation in the hospital's investment in TriWest. The hospital is also negotiating with UPI to obtain retroactive payment equal to 30 percent of the hospital's recently extinguished letter of credit commitment. In a separate negotiation, UPI has signed a fee agreement with the Hospital to assume its network management commitments.

The hospital leases certain employees to the Adult Clinical Research Center (CRC), a related party, at full cost and provides overhead and ancillary services for CRC patients. Charges of approximately $1.45 million and $1.16 million were billed to CRC for the cost of these services during Fiscal Years 2000-01 and 1999-00, respectively. The hospital also leases certain employees to the Colorado Psychiatric Hospital (CPH), a related party, and provides various clinical and administrative services. Amounts for these services charged by the hospital were approximately $4.4 million and $5.8 million during Fiscal Years 2000-01 and 1999-00, respectively. Amounts due from the Health Sciences Center, including CPH and CRC, amounted to $2.0 million and $5.8 million at June 30, 2001 and 2000, respectively.

Chartwell Rocky Mountain Region is a Colorado general partnership between the hospital and Chartwell Home Therapies Limited Partnership, a Massachusetts limited partnership. Chartwell Rocky Mountain Region was formed to provide home infusion and respiratory services to alternate-site patients. The partnership began in April 1996. The hospital and Chartwell Home Therapies Limited Partnership each have a 50 percent ownership in Chartwell Rocky Mountain Region.

NOTE IV. COMMITMENTS AND CONTINGENCIES

A. LEASE COMMITMENTS

Primary Government

The state may enter lease or rental agreements for buildings or equipment. All leases contain clauses indicating that continuation of the lease is subject to funding by the legislature. It is reasonably assured that most of these leases will be renewed in the normal course of business. They are therefore treated as noncancelable for financial reporting purposes.

At June 30, 2001, the state had $3.9 million of land, $155.4 million of buildings, and $106.6 million of equipment under capital leases. The state anticipates $7,183,067 of minimum sublease rentals, and it paid $17,183 of contingent rentals during Fiscal Year 2000-01.

Colorado State University Research Foundation, a related party, is a not-for-profit Colorado corporation, established to aid and assist the three institutions governed by the State Board of Agriculture in their research and educational efforts. The support provided by the foundation to the institutions includes patent and licensing management, equipment leasing, municipal lease administration, debt financing, and land acquisition, development and management. Colorado State University System is subleasing space from the foundation. The total obligation is $772,000 with average annual lease payments of $386,000. Colorado State University is also subleasing space from the foundation. The total obligation is $1,939,000, with average annual lease payments of $909,000. The university and the system are also leasing equipment from the foundation and have a total lease obligation of $693,000 with terms ranging from one to six years.

Fort Lewis College leases assets from the Fort Lewis College Foundation and had a lease payable of $327,640 at June 30, 2001.

Morgan Community College made lease payments of $66,950 to the Morgan Community College Foundation for classroom facilities.

Pueblo Community College leases equipment from the Pueblo Community College Foundation. The outstanding balance of the lease payable at June 30, 2001, was $44,880.

Auraria Higher Education Center made payments of $106,185 to the Auraria Foundation for rent and in connection with the lease purchase of the AHEC Administration Building.

The state is obligated under certain leases that it accounts for as operating leases. Operating leases do not give rise to property rights or lease obligations. Therefore, the results of the lease agreements are not reflected in the balance sheets of the funds or account groups.

For Fiscal Year 2000-01, the state had building and land rental expenditures of $32.2 million and equipment and vehicle rental expenditures of $37.7 million paid to non-state agencies. It recorded $3.8 million of lease interest costs of which approximately $1.3 million was for certificates of participation for capital financing, $2.0 million was for state motor fleet vehicle leasing, and $.5 million was for other capital leases.

The $1.15 million of capital lease proceeds shown in the governmental funds on the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balance* primarily represents lease financing of computers by the Department of Human Services. An equivalent amount of capital outlay expenditure is recognized at the inception of the lease to avoid any impact on fund balance.

Future minimum payments at June 30, 2001, for existing leases were as follows:

(Amounts in Thousands)			Capital Leases				
Fiscal Year	Operating Leases	Enterprise Funds	Internal Service Funds	Trust & Agency Funds	General Long-Term Debt	College & University Funds
2002	$ 38,379	$ 263	$ 14,461	$ 30	$ 7,147	$ 15,283
2003	30,929	259	11,601	16	6,364	13,691
2004	26,234	239	8,743	6	4,683	12,876
2005	21,438	94	4,940	1	4,568	12,347
2006	14,940	30	2,556	-	2,718	15,260
Thereafter	43,039	8	1,076	-	1,784	90,665
Total Minimum Lease Payments	$ 174,959	893	43,377	53	27,264	160,122
Less: Imputed Interest		(106)	(4,051)	(8)	(3,514)	(58,014)
Present Value of Minimum Lease Payments		787	39,326	45	23,750	102,108
Less: Current Portion		(206)	(12,805)	-	-	(1,291)
Total Capital Lease Obligations		$ 581	$ 26,521	$ 45	$ 23,750	$ 100,817

Component Units

The University of Colorado Hospital Authority leases certain equipment under noncancelable operating leases. Rental expense for operating leases approximated $6.0 million and $5.8 million for Fiscal Years 2000-01 and 1999-00, respectively. Future minimum lease payments for these leases at June 30, 2001, are:

(Amounts in Thousands)

Fiscal Year		
2002	$	6,148
2003		689
2004		662
2005		662
2006		571
Thereafter		1,149
Total Minimum Obligations	$	9,881

The Colorado Water Resources and Power Development Authority leases office facilities under an operating lease. Total rental expense for the year ended December 31, was $99,167 in 2000 and $95,898 in 1999. The minimum annual rental commitments under this lease are $106,430 for 2001, and $113,024 for 2002.

B. NOTES AND BONDS PAYABLE

Primary Government

Many institutions of higher education, the highway fund, state nursing homes, and the Colorado Student Obligation Bond Authority have issued bonds and notes for the purchase of equipment, construction of facilities and infrastructure, and to finance student borrowing. Specific user revenues are pledged for the payments of interest and future retirement of the obligations. During Fiscal Year 2000-01, the state had $280.3 million of available net revenue after operating expenses to meet the $140.2 million of debt service requirement related to these bonds.

The State Fair Authority is required by its bond covenant to generate sufficient revenue to cover general operating expenses plus 125 percent of the annual debt service on its outstanding bonds. The Authority was not in compliance with this requirement for the year ended June 30, 2001. However, the amount of the long-term debt ($1.8 million) is not material to the state, and the state has no indication that the creditor will call the obligation. Therefore, the obligation remains classified as long term. The state is not aware of any other violations of note or bond covenants by itself or any of its institutions at June 30, 2001, or after that date.

On June 16, 2001, The Colorado Department of Transportation issued Transportation Revenue Anticipation Notes, Series 2001A (TRANs) in the amount of $506,370,000. Voters authorized the issuance in the November 1999 election. The TRANs have terms varying from 5 to 15 years and interest rates ranging from 4.0 percent to 5.5 percent. The TRANs are payable solely from certain federal and state funds annually allocated by the State Transportation Commission. Of the $1.03 billion outstanding at June 30, 2001, the amount to be repaid from federal sources is $490.05 million and is shown on the *Combined Balance Sheet – All Fund Types and Account Groups* as Amount to Be Provided For Retirement of Long-Term Obligations – From Federal Revenues. Before the November 1999 vote, the Colorado Supreme Court determined that the TRANs do not constitute general obligation debt of the state.

The state recorded $114.4 million of interest costs of which the Colorado Student Obligation Bond Authority paid approximately $36.6 million on borrowings to finance student loans, higher education paid $20.8 million primarily for construction project debt service, the highway fund paid $33.8 million related to the TRANs discussed above, the state treasurer paid $14.6 million on short term borrowings for cash flow purposes, the Colorado Student Loan Program paid $8.1 million, and the remaining $.6 million was for other operating interest.

Annual maturities of notes and bonds payable, including $3.3 million classified as other current liabilities and $2.4 million of unamortized bond discounts and premiums, are as follows:

(Amounts in Thousands)

Fiscal Year	Revenue Bonds	Mortgages Payable	Installment Notes	Total
2002	151,463	66	395	151,924
2003	190,476	66	202	190,744
2004	144,907	66	12	144,985
2005	143,112	66	12	143,190
2006	207,812	66	4	207,882
2007-2011	942,617	18,794	-	961,411
2012-2016	766,833	-	-	766,833
2017-2021	146,634	-	-	146,634
2022-2026	233,235	-	-	233,235
2027-2031	84,192	-	-	84,192
2027-2031	261,514	-	-	261,514
Total Future Payments	3,272,795	19,124	625	3,292,544
Less: Imputed Interest	(1,223,941)	(108)	(6)	(1,224,055)
Total Principal Payments	$2,048,854	$ 19,016	$ 619	$2,068,489

Component Units

The debt service requirements to maturity for the Water Resources and Power Development Authority at December 31, 2000, are:

(Amounts in Thousands)

Year	
2001	$ 48,356
2002	47,578
2003	47,283
2004	47,151
2005	46,083
Thereafter	479,735
Total Future Payments	716,186
Less: Imputed Interest	(266,654)
Unamortized Premium/Discount and Deferred Cost	(2,223)
Total Bonds Payable	$ 447,309

The Denver Metropolitan Major League Baseball Stadium District in-substance defeased all of its outstanding debt in October 2000. At the date of defeasance, all unamortized loss on refunding and unamortized bond discounts and issuance costs were included in the calculation of current period debt service costs.

All of the Water Resources and Power Development Authority's Small Water Resources Program bonds and the Series 1989A and Series 1990A Clean Water Revenue Bonds are insured as to payment of principal and interest by Financial Guaranty Insurance Company. The Clean Water Revenue Bonds, Series 1992A are insured as to payment of principal and interest by Financial Security Assurance, Inc. The Wastewater Revolving Fund Refunding Revenue Bonds, Series 1996A are insured as to payment of principal and interest by AMBAC Indemnity Corporation. Total interest paid during 2000 amounted to $20,971,838.

During Fiscal Years 2000-01 and 1999-00, the University of Colorado Hospital Authority met all the financial ratio requirements of its bond indenture. Cash paid for interest by the hospital in Fiscal Years 2000-01 and 1999-00 approximated $12.5 million and $13.1 million, respectively. Total interest cost capitalized in Fiscal Year 2000-01 amounted to $2.0 million, which is net of $1.9 million in investment income from the unexpended bond funds. The aggregate maturities of long-term debt for University of Colorado Hospital Authority at June 30, 2001, are:

(Amounts in Thousands)

Year	
2002	$ 3,430
2003	4,170
2004	4,350
2005	4,545
2006	4,770
Thereafter	226,355
Total Long-Term Debt Payments	247,620
Less: Unamortized Discount	(3,325)
Deferred Amount on Refunding of Series 1997A Bonds	(8,004)
Total Carrying Amount of Long-Term Debt	$ 236,291

C. CHANGES IN LONG-TERM LIABILITIES

Primary Government

Changes in long-term liabilities are summarized as follows:

(Amounts in Thousands)

Fund Type or Account Group	Balance July 1	Changes Additions	Changes Reductions	Balance June 30
Leases Payable:				
Proprietary	$28,640	$12,533	$14,071	$27,102
Trust and Agency	51	21	27	45
Long-Term Debt Account Group	29,388	1,146	6,784	23,750
Higher Education	113,189	655	13,027	100,817
Subtotal	171,268	14,355	33,909	151,714
Bonds Payable:				
Proprietary	718,249	20	30,192	688,077
Long-Term Debt Account Group	524,360	506,370	1,850	1,028,880
Higher Education	346,007	64,813	65,267	345,553
Subtotal	1,588,616	571,203	97,309	2,062,510
Compensated Absences:				
Proprietary	4,240	574	270	4,544
Trust and Agency	221	58	35	244
Long-Term Debt Account Group	112,275	11,392	8,785	114,882
Higher Education	85,207	26,219	9,379	102,047
Subtotal	201,943	38,243	18,469	221,717
Other Long-Term Liabilities:				
Governmental				
Deposits Held in Custody	10	11	7	14
Funded Compensated Absences	241	-	141	100
Proprietary				
Unpaid Insurance Claims	207	-	195	12
Prepaid Tuition Contracts	77,937	1,363	-	79,300
Expired Warrants Liability	115	5	1	119
Trust and Agency				
Tax Refunds Payable	93	25	-	118
Treasury Escheats	1,450	71	-	1,521
Deposits Held in Custody	56,996	6,871	3,033	60,834
Long-Term Debt Account Group				
Risk Management Claims	95,711	-	24,682	71,029
Unpaid Insurance Claims	1,156	-	342	814
Labor Fund Claims	166,939	-	10,678	156,261
Highway Construction Advances	1,000	-	-	1,000
Court Award	-	9,323	-	9,323
Medicaid Judgment	18,000	-	-	18,000
Higher Education				
Risk Management Claims/Other	30,570	9,036	11,534	28,072
Subtotal	450,425	26,705	50,613	426,517
Totals	$2,412,252	$650,506	$200,300	$2,862,458

The following obligations, listed by fund type, represent amounts owed by the state at June 30, 2001, which are classified as other long-term liabilities on the balance sheet.

Funded Compensated Absences in the General Fund are liabilities for payment to employees of the state working in county employment service centers. Expenditures are recognized as the employee earns leave time.

Unpaid Insurance Claims in the Proprietary Funds are the noncurrent liabilities for payments of medical and dental benefits by the State Employees and Officials Group Insurance Plan. Beginning January 1, 2000, the state began purchasing commercial insurance to cover these risks.

Prepaid Tuition Contracts in the Proprietary Funds are the liability associated with guarantees to pay future tuition costs.

Expired Warrants Liability in the Proprietary Funds is for warrants issued by the Lottery Fund that have expired but for which the Lottery would be liable if the payee submitted a claim for reissue.

Tax Refunds Payable in the Trust and Agency Funds are bonds posted by taxpayers concerning the collections of gross-ton-mile and fuel tax, and the deferment of delinquent severance taxes estimated to be collected after more than one year.

Treasury Escheats in the Trust and Agency Funds reflect liabilities recorded related to perpetual property rights of individuals. The property rights are from assets that financial institutions and insurance companies have transferred to the state treasurer under state law. The amount recorded is an estimate based on historical claims of the fund.

The Risk Management Claims in the Long-Term Debt Account Group are the actuarially determined amounts in excess of the current liability in the General Fund related to self-insurance of general liability. It also represents expected claims under the prior Paid Loss/Retro Plan and the state's current self-insurance plan for workers' compensation.

The Unpaid Insurance Claims in the Long-Term Debt Account Group are for the Department of Human Services workers' compensation self-insurance. A third-party claims administrator currently manages the plan.

Long-term liabilities of the Labor Fund are recorded in the General Long-Term Debt Account Group. Estimated future payments are actuarially determined. Benefits are expected to be funded through future revenues from a special tax on workers' compensation premiums, court awards, and interest income.

Highway Construction Advances in the Long-Term Debt Account Group are related to funds that a local government provided to the Department of Transportation. The Department uses these funds to accelerate highway construction projects of interest to the local government. The funds will be repaid to the local government at the time the project was originally scheduled to be completed.

The Court Award in the General Long Term Debt Account Group is related to a class action suit by a group of taxpayers. The Department of Revenue has appealed the award, and it does not expect to make payment within one year.

The Medicaid Judgment in the General Long Term Debt Account Group is the result of a lawsuit over Medicaid rates paid to a health maintenance organization. The state lost the suit but is appealing the judgment awarded.

The Risk Management Claims in the College and University Funds are primarily for the University of Colorado's self-insurance program for general liability, property, workers' compensation, medical benefits, and medical malpractice. Colorado State University's liabilities for medical, dental and short-term disability benefits for faculty and staff are also included in this amount. These balances are actuarially determined.

Long-term liabilities that are actuarially determined often include amounts for claims that are incurred but not yet reported. Since these liabilities are not based on individually identifiable claims, it is not practicable to report gross additions and reductions. See Note IV-E for the amount of claims reported and paid and other adjustments to these actuarially determined liabilities.

Component Units

(Amounts in Thousands)

	Denver Metropolitan Major League Baseball Stadium District	University Of Colorado Hospital Authority	Colorado Water Resources and Power Development Authority	Totals
Beginning Balance	$ 46,133	$ 241,736	$ 379,498	$ 667,367
Obligations Issued	-	-	93,795	93,795
Obligations Retired or Reclassified	(46,133)	(2,976)	(22,657)	(71,766)
Increase (Decrease) in Comp. Absences	-	1,009	-	1,009
Increase (Decrease) in Other Liabilities	-		1,715	1,715
Ending Balance	$ -	$ 239,769	$ 452,351	$ 692,120

D. DEFEASED DEBT

Primary Government

Debt is defeased by depositing in escrow accounts an amount sufficient, together with known minimum investment yields, to pay principal, interest, and any redemption premium on the debt to be defeased. During Fiscal Year 2000-01, debt was defeased in the College and University Plant Funds.

During Fiscal Year 2000-01 the University of Colorado defeased $21,600,245 of its Regents of the University of Colorado Research Building Revolving Fund Revenue Bonds, Series 1989 and Series 1992, by issuing $21,100,000 of Regents of the University of Colorado Enterprise System Revenue Refunding Bonds, Series 2001A. The old debt had an interest rate of 5.64 percent and remaining term of 11 years. The new debt interest rate is 4.4 percent, and it has a term of 11 years. The University reduced its debt service cash flows by $1,539,854 and reported an economic gain of $1,044,034. The transaction resulted in an accounting loss of $1,050,834 that the University reported in the plant funds.

During Fiscal Year 2000-01, the University of Colorado defeased $3,020,000 of its Regents of the University of Colorado Enterprise System Revenue Refunding Bonds, Series 1994, by placing the proceeds from the sale of the property financed by the bonds with an escrow agent. The debt defeased had interest rates ranging from 6 to 6.6 percent and a remaining term of 8 years. There was no economic gain or loss on the transaction; however, the University recorded an accounting loss of $220,824 in the plant funds.

The remaining balances of amounts previously placed in escrow type accounts with paying agents for the college and university funds are as follows:

(Amount in Thousands)

Institution	Amount
University of Colorado	$ 27,565
Colorado State University	14,061
University of Northern Colorado	11,635
Auraria Higher Education Center	10,320
School of Mines	10,260
Western State College	10,905
Fort Lewis College	8,251
Pueblo Community College	2,965
Univ. of Colorado Health Sciences	3,020
Red Rocks Community College	2,730
Adams State College	515
Arapahoe Community College	85
University of Southern Colorado	10
Total	$ 102,322

Component Units

The Denver Metropolitan Major League Baseball Stadium District in-substance defeased all of its outstanding debt in October 2000. The face amount of 1991 and 1994 revenue bonds defeased was $38.4 million. The 1994 bonds were issued to advance refund a substantial portion of the District's 1991 revenue bonds. Total debt service, including principal and interest, remaining for the District's in-substance defeased debt was $160.4 million at December 31, 2000. This included $85.2 million of debt service related to the 1994 advance refunding.

The Colorado Water Resources and Power Development Authority had $48.2 million of bonds previously issued but defeased at December 31, 2000.

On November 1, 1997, the University of Colorado Hospital Authority issued $123.9 million in Hospital Refunding Revenue Bonds to advance refund Series 1992A bonds. At June 30, 2001, $106.8 million of bonds outstanding are considered defeased. The refunding resulted in a deferred loss, which the hospital is charging to operations through Fiscal Year 2022-23. At June 30, 2001, the unamortized deferred loss on refunding is $8.0 million. The hospital completed the advance refunding to reduce its total debt service payments over the subsequent 25 years by $6.5 million and to obtain an economic gain of $3.7 million.

E. RISK MANAGEMENT

Primary Government

The state currently self-insures its agencies, officials, and employees for certain risks of losses to which they are exposed. These include general liability, motor vehicle liability, and workers' compensation. The Risk Management Fund is a restricted General Fund used to account for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the state except for employee medical claims. The State Employees and Officials Insurance Fund is an Internal Service Fund established for the purpose of risk financing employee and state-official medical claims. The fund includes several medical plan options ranging from provider of choice to managed care. Before January 1, 2000, the state was self-insured for medical claims. After January 1, 2000, the state and its employees paid premiums for insurance purchased to cover medical claims. Property claims are not self-insured; the state has purchased property insurance.

All funds and agencies of the state, with the exception of the public authorities and the University of Colorado, participate in the Risk Management Fund. Agency premiums are based on an assessment of risk exposure and historical experience. Liabilities are reported when it is probable that

a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. A contractor completed an actuarial study during Fiscal Year 2000-01 determining both the short and long-term liabilities of the Risk Management Fund.

Colorado employers are liable for occupational injuries and diseases of their employees. Benefits are prescribed by the Workers' Compensation Act of Colorado for medical expenses and loss of wages resulting from job-related disabilities. The state uses the services of the Colorado Compensation Insurance Authority, a related party, to administer its plan. The state reimburses the Authority for the current cost of claims paid and related administrative expenses.

During Fiscal Years 1998-99, 1997-98, and 1996-97 medical claims against the State Employees and Officials Insurance Fund (SEOGI) exceeded the premiums collected. This resulted in decreases in the medical reserve fund equity of approximately $4.7 million, $3.8 million, and $6.5 million respectively. In Fiscal Year 1999-00, State Employees and Officials Insurance Fund (SEOGI) began purchasing insurance to address the continuing decrease in the medical reserve fund equity. The fund continues to pay claims under the self-insured plan through December 31, 2001.

Before January 1, 1999, the State Employees and Officials Insurance Fund provided an employer paid short-term disability plan for all employees. On January 1, 1999, the Public Employees Retirement Association (PERA) began covering short-term disability claims for state employees eligible under its retirement plan. (See Note V-A.) SEOGI continues to provide short-term disability coverage for employees not yet qualified for the retirement plan and limited benefits for employees also covered under the PERA short-term disability plan. The SEOGI program provides an employee with 60 percent of their pay beginning after 30 days of disability or the exhaustion of the employee's sick leave balance, whichever is later. This benefit expires six months after the beginning of the disability. The SEOGI disability plan is essentially self-insured because the third party administrator of the plan has a termination premium agreement that requires the state to reimburse it if there is a deficit over the total period of insurance.

Before October 1, 1996, the Regents of the University of Colorado participated in the University of Colorado Insurance Pool – a public-entity self-insurance pool. After that date, the university became self-insured for workers' compensation, auto, general and property liability, and employee and university-official medical claims. An actuary projects both the pool and the self-insured plan liabilities. The University purchases excess insurance to cover losses over a self-insured retention or deductible. During plan year 1999, claims exceeded premiums collected for the self-funded health program. Reserves and payments from other University sources were used to offset the resulting deficit. Effective January 1, 2000, the University transitioned to a fully insured health program. As of June 30, 2001, all claims against the self-insured health program have been paid, and there is no remaining liability.

The University of Colorado Health Sciences Center's Housestaff Health Benefits Plan is a comprehensive self-insurance health and dental benefits program for physicians in training at the Health Sciences Center. The University manages excess risk exposure for staff medical claims by purchasing stop-loss insurance. Collections from the stop-loss insurance totaled $174,421 over the three previous years.

The Center also self-insures its faculty, staff and students for medical malpractice through the University of Colorado Self-Insurance Trust. The discounted liability for malpractice is determined annually by an actuarial study.

Colorado State University provides a medical, dental, short-term disability, and post-retirement health care subsidy plan for academic faculty, administrative professional staff, and certain other employees. The plan was formed in 1985. The medical, dental, and short-term disability plans are funded by monthly contributions of participating employees. The University contributes one percent of covered payroll to the post-retirement health care subsidy. A third party administers the plan and provides actuarial analysis of claims liabilities. The plan purchases re-insurance for claims over $200,000 and for aggregate claims over 125 percent of expected claims.

The Department of Human Services uses a third-party administrator to manage claims related to the Human Services Workers' Compensation Plan, which was self-insured during the period from July 1, 1985, to June 30, 1990. However, new claims are administered by Risk Management and paid from the Risk Management Workers' Compensation Plan.

There were no significant reductions or changes in insurance coverage from the prior year. Settlements did not exceed insurance coverage in any of the past three fiscal years.

Changes in claims liabilities were as follows:

(Amounts in Thousands)

Fiscal Year	Liability at July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability at June 30
Risk Management:				
Liability Fund				
2000-01	$ 20,488	$ 445	$ 3,559	$ 17,374
1999-00	23,011	1,747	4,270	20,488
1998-99	23,095	1,976	2,060	23,011
Workers' Compensation				
2000-01	101,884	964	20,967	81,881
1999-00	102,586	19,655	20,357	101,884
1998-99	98,328	24,429	20,171	102,586
Employee's and Officials Insurance Fund:				
2000-01	1,705	(562)	1,055	88
1999-00	13,580	35,682	47,557	1,705
1998-99	10,733	66,369	63,522	13,580
University of Colorado:				
General Liability, Property, and Workers' Compensation				
2000-01	13,343	1,195	3,152	11,386
1999-00	15,305	1,433	3,395	13,343
1998-99	16,918	3,270	4,883	15,305
Medical Benefits Plan				
2000-01	1,961	(21)	1,940	-
1999-00	5,820	13,688	17,547	1,961
1998-99	7,902	27,934	30,016	5,820
University of Colorado Health Sciences Center:				
Medical Malpractice				
2000-01	7,671	1,461	1,256	7,876
1999-00	7,839	1,639	1,807	7,671
1998-99	8,167	515	843	7,839
Housestaff Health Benefits				
2000-01	541	2,598	2,588	551
1999-00	553	2,390	2,402	541
1998-99	592	2,436	2,475	553
Colorado State University:				
Medical, Dental, and Disability Benefits				
2000-01	2,816	8,243	7,975	3,084
1999-00	2,614	4,401	4,199	2,816
Department of Human Services:				
Workers' Compensation				
2000-01	1,156	-	342	814
1999-00	1,189	-	33	1,156
1998-99	1,570	-	381	1,189

Component Units

As of October 1, 1989, the University of Colorado Hospital Authority began self-insuring against malpractice claims in excess of coverage provided by the University of Colorado Self Insurance Risk Management Trust in which the hospital participates. For Fiscal Year 2000-01, the hospital recorded premium and administrative expenses of $333,000. The trust had a fund balance of $2.5 million in excess of reserves for losses and loss adjustment expense. The hospital purchases insurance coverage for employee health, dental, and accident claims through the University of Colorado and commercial insurance companies.

The Denver Metropolitan Major League Baseball Stadium District purchases commercial insurance to mitigate most of its risk of loss. It requires its lessee and contractors to cover certain other risks. These parties provided the required coverage at their own cost in 1999 and 2000. There were no significant reductions in insurance coverage from the prior year.

The Colorado Water Resources and Power Development Authority maintains commercial insurance for most all risks of loss. No claims have been made against this commercial coverage in any of the past three fiscal years.

F. CONTINGENCIES

Primary Government

The Colorado Governmental Immunity Act sets upper limits on state liability at $150,000 per person and $400,000 per occurrence for most claims against the state. Judgments awarded against the state for which there is no insurance coverage or which are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

Numerous court cases are pending in which the plaintiffs allege that the state has deprived persons of their civil rights, or inadequately compensated them for their property. In the aggregate, the monetary damages (actual, punitive, and attorney's fees) claimed in the civil rights cases would exceed the insurance coverage available by a material amount. The state believes it is highly unlikely that there will be actual awards of judgments in material amounts.

The state is the defendant in numerous lawsuits involving claims of inadequate, negligent, or unconstitutional treatment of prisoners and mental patients. In some of these suits, plaintiffs are seeking or have obtained certification as a class for a class action suit. Most of these cases seek actual damages that are not material but include requests for punitive damages that may be material. There is also the potential that the courts may rule that the current conditions of confinement are unconstitutional.

The state is the defendant in lawsuits by employees accusing the state of various infractions of law or contract. These include claims related to age and sex discrimination, wrongful termination, contractual agreements for paying of salaries based on parity and equity, and overtime compensation under the Federal Fair Labor Standards Act. The state does not believe that any of these cases are material to its financial operations.

Many state agencies have grant and contract agreements with the federal government and other parties. These agreements generally provide for audits of the transactions pertaining to the agreements, with the state being liable to those parties for any disallowed expenditure. The state is contesting the disallowance related to such audits, and the outcome is uncertain at this time.

The Colorado Student Loan Program, in the event of adverse loss experience, could be liable for approximately 25 percent ($432.5 million) of the outstanding balance of loans in repayment status. However, the probability of a material loss is remote.

A class action suit has been filed against the Department of Health Care Policy and Financing alleging that the department inappropriately denied Medicaid benefits to developmentally disabled clients. The fiscal impact on the state's Medicaid program is estimated in excess of $50 million.

The U.S. Environmental Protection Agency has, in several instances, either sued the state or given notice of the state's potential responsibility under CERCLA. This includes the School of Mines as well as non-state parties. Issues have arisen because of costs associated with the cleanup of hazardous substances at several sites owned by the state.

The state has been sued for unlawful taking of property in relation to the Colorado Oil and Gas Commission's action to close oil wells for violations of Commission rules. Damages of $2 billion are sought; however, the amount of a potential award cannot be estimated.

At June 30, 2001, the Lottery Division of the Department of Revenue had outstanding annuity contracts of approximately $698.2 million in the name of lottery or lotto prizewinners. The probability is remote that any of the sellers of these contracts will default, and thus, require the state to pay the annuity.

The Colorado Department of Revenue has received a claim for refund of $60 million of estate taxes and related interest. The department estimates that it will take the federal courts from one to three years to set the refund amount, which may range from zero to the amount claimed.

Various notes and bonds have been issued by state school districts that may impact the state. Colorado statutes provide that if a district indicates that it will not make the payment to bondholders by the date on which it is due, the state treasurer shall forward the amount necessary to make the payment to the paying agent. The state shall then withhold state equalization payments to the defaulting school district for a period up to 12 months to cover the state's loss. Currently, notes or bonds valued at over $4.42 billion are outstanding. Of this amount, $3.06 billion is covered by private insurance.

The Colorado Department of Transportation is in the process of remediating its leaking underground fuel storage tanks and other hazardous wastes at its facilities. The department has estimated that its future costs will be approximately $20 million, and the process will not be completed until the year 2010.

The State of Kansas has sued the state in the U.S. Supreme Court for alleged violations of the Arkansas River Compact. The case was bifurcated into a liability and a remedy phase. The Supreme Court ruled in favor of Kansas in one of its three claims and a Special Master was appointed. The Special Master's damage-calculation methodology resulted in damages of over $40 million, which the State of Colorado challenged in the U.S. Supreme Court. The Supreme Court reduced the amount of prejudgment interest included in the calculation, but the remainder of the damages will be set at trial. The state estimates that final damages will be as much as $23 million; however, Kansas may also seek to have its costs reimbursed for as much as $10 million.

The State of Nebraska has named the State of Colorado in a cross-claim suit in relation to the State of Kansas' suit alleging violations of the Republican River Compact. The State of Colorado has filed related claims against Nebraska and Kansas, and Kansas has counter-claimed against Colorado. Nebraska and Kansas have not specified amounts of damages sought, and the amount cannot be estimated at this time. However, all parties have agreed to drop claims against each other for damages prior to 1994, and therefore, damages are likely to be less than those awarded in the Arkansas River Compact suit discussed above.

A class action suit has been brought against the state seeking damages of $2.3 billion – equal to the TABOR excess revenue refunds for Fiscal Years 1996-97 through 1999-00. The suit alleges that the refund program violates interstate commerce, equal protection and privileges, and immunity clauses of the U.S. Constitution. It also alleges that the TABOR amendment, under which the refund was made, violates the equal protection and due process clauses of the Colorado Constitution.

The state believes it has a good chance of prevailing in these cases, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements.

NOTE V. PENSION SYSTEM AND OBLIGATIONS

A. PLAN DESCRIPTION

Virtually all State of Colorado employees participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families during retirement or in case of death or disability. The state plan and the other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at 1300 Logan Street, Denver, Colorado, 80203.

Administration of the Plan

The plan, a cost-sharing multiple-employer defined benefit plan, is administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931, and it includes the State and School Division Trust Fund, the Municipal Division Trust Fund, and the Judicial Division Trust Fund. The authority to establish or amend plan benefits is retained by the General Assembly in accordance with Title 24, Article 51 of the Colorado Revised Statutes (CRS).

Members with five or more years of service automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement.

Defined Retirement Benefits

Plan members are eligible for retirement benefits at age 50 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. State troopers and Colorado Bureau of Investigation (CBI) officers are eligible for retirement benefits at the following age and years of service; any age – 30, 50 – 25, 55 – 20, and 65 – 5. Members are also eligible for retirement benefits without a reduction for early retirement if they are at least 55 and have a minimum of 5 years of service credit, and their age plus years of service equals 80 or more.

Reduced service retirement benefits are available at the following age and years of service; 50–25, 55 –20, and 60–5. The benefit is calculated similarly to a service retirement benefit; however, it is reduced by percentages that vary from 0.25 to 0.5, depending on age and years of service, for each month before the eligible date for the full service retirement.

Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of the highest annual salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit. Service retirement benefits are calculated at 2.5 percent of HAS for each year of service credit. The benefit is limited to 100 percent (40 years) and cannot exceed the maximum amount allowed by federal law.

After March 1, 2001, PERA benefits increased at 3.5 percent compounded annually; before that date, the benefits increased at the lesser of 3.5 percent compounded annually or the percentage increase in the Consumer Price Index from 1992.

Money Purchase Retirement Benefit

A money purchase benefit is determined by the member's life expectancy and the value of the member's contribution account plus a matching amount as of the date of retirement. The matching amount is 100 percent of the member's contributions and interest at the time of retirement. For members who have less than five years of service, a money purchase benefit is payable beginning at age 65.

Service Requirement and Termination

Employees who terminate before meeting the required age and years of service are refunded their contributions made to the plan plus interest. Employees terminating after meeting the service requirements may, if they desire, remain in the plan until eligible for retirement. Members who are under age 65 or are not eligible for retirement that withdraw from the plan receive a refund of their contributions, interest on their contributions, plus an additional 50 percent of their contribution and interest. If the withdrawing member has reached age 65 or is retirement eligible, the matching payment increases to 100 percent. The interest rate paid (7.0 percent in 2000) is set at 80 percent of the PERA actuarial investment assumption rate (8.75 percent in 2000). A refund cancels a former member's right to future benefits.

Disability and Survivor Benefits

PERA provides a two-tiered disability program. Disabled members who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may apply for disability benefits. If the member is not totally and permanently disabled, they are provided reasonable income replacement through a third party insurance carrier and rehabilitation or retraining services. If the member is totally and permanently disabled they receive disability retirement benefits based on HAS and earned, purchased, and in some circumstances, projected service credit.

If a member dies before retirement, their survivors are entitled to a single payment or monthly benefits. The order of payment to survivors is dependent on the years of service and retirement eligibility of the deceased member. Under various conditions, survivors include qualified children under 18 (23 if a full-time student), the member's spouse, qualified children over 23, financially dependent parents, named beneficiaries, and the member's estate.

B. FUNDING POLICY

Members and employers are required to contribute to PERA at a rate set by statute. The contribution requirements of plan members and affiliated employers are established under Title 24, Article 51, Part 4 of the Colorado Revised Statutes as amended.

Members are required to contribute 8 percent of their gross covered wages, except for state troopers and Colorado Bureau of Investigation officers, who contribute 10 percent. Annual gross covered wages subject to PERA are gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

On January 1, 2001, the state began matching employees' contributions to eligible tax deferred retirement programs under the PERA Matchmaker Program. Starting the state match was contingent on PERA's actuarial determination that the plan was overfunded (actuarial value of assets in excess of actuarial liabilities). In any period in which the plan is overfunded, a reduced contribution rate is calculated that will eliminate the overfunding in ten years. The difference between the statutory rate and the reduced rate is allocated by PERA to three separate programs. During FY00-01, the state contributed 10.4 percent (13.1 percent for state troopers and 14.0 percent for the Judicial Branch) of the employee's gross covered wages which was allocated by PERA before January 1, 2001, as follows:

- 1.1 percent was allocated to the Health Care Trust Fund.
- 9.3 percent was allocated to the defined benefit plan.

After January 1, 2001, the state contribution was allocated to three separate programs by PERA according to a statutory change in funding policy as follows:

- 1.42 percent was allocated to the Health Care Trust Fund. (See Note V-E.) This increase was possible because 30 percent of the reduction in the contribution rate due to overfunding was designated for this purpose.
- The amount needed to meet the match requirement set by the PERA Board was allocated to individual member's eligible voluntary tax-deferred retirement programs. For the calendar year 2001, the matching amount was set at 100 percent of up to 3 percent of employee gross covered wages paid during the month (7 percent for judges in the Judicial Branch). Two percent of gross salary plus fifty percent of any reduction in the overall contribution rate due to overfunding of the pension plan was available for the match.
- The balance remaining after allocations to the Matchmaker Program and the Health Care Trust Fund was allocated to the defined benefit plan.

The state made retirement contributions of $156.0 million, $174.2 million, and $184.9 million, in Fiscal Years 2000-01, 1999-00, and 1998-99, respectively. These amounts do not include the Health Care Fund contribution. For each year, the retirement contribution was equal to the requirement.

C. OTHER RETIREMENT PLANS

Primary Government

Some employees of various institutions of higher education may be covered under other retirement plans. Presidents, deans, professors, and instructors in state educational institutions are enrolled in defined benefit plans such as the Teachers Insurance and Annuity Association, the Variable Annuity Insurance Corporation, or other similar plans.

Faculty members at the University of Colorado are also under Social Security. Faculty members at Colorado State University were covered exclusively by PERA until May 1993. Faculty members hired after that time are covered by one of several defined contribution plans. Faculty previously covered by PERA had the choice of converting entirely to the defined contribution plan or remaining in PERA for their service until May 1993, with service after that time credited to the defined contribution plan.

The state made contributions to other pension plans of $46.0 million and $42.1 million during Fiscal Years 2000-01 and 1999-00, respectively. In addition, the state paid $37.9 million and $35.4 million in FICA or Medicare taxes on employee wages during Fiscal Years 2000-01 and 1999-00, respectively.

PERA offers a voluntary 401(k) plan entirely separate from the defined benefit plan. PERA members may make contributions of up to 23 percent of their annual gross salary, to a maximum of $10,500. Contributions and earnings are tax deferred. On December 31, 2000, the plan had net assets of $557.7 million and 35,162 accounts.

The Fire and Police Pension Association, a related party, was established to insure the financial viability of local government pension plans for police and firefighters. In Fiscal Years 2000-01 and 1999-00, the state treasurer transferred $28.8 and $28.7 million, respectively, to the association to enhance its actuarial soundness. This included the state's cost for the accidental death and disability insurance policy the association provides to volunteer firefighters.

Defined Contribution Pension Plan

On July 1, 1998, the state began providing a defined contribution plan for certain employees identified in statute. The plan is authorized in Title 24 Article 54.7 of the Colorado Revised Statutes, and it is established and

administered by the five-member Defined Contribution Retirement Committee. Changes to the plan must be consistent with the authorizing legislation. The state is the sole contributing employer of the plan.

The following classes of state employees are covered: legislators, elected state officials and their deputies, department executive directors appointed by the governor, members of the Public Utilities Commission, employees of the Governor's Office not covered by the state personnel system, and employees of the Senate and House of Representatives. Participation in the plan by eligible employees is voluntary; however, a participant cannot also be an active member in the Public Employees Retirement Association (PERA). At June 30, 2001, 258 individuals had accounts with the defined contribution retirement plan.

The plan provides benefits to participants through purchased annuity contracts, certificates, or similar instruments – all of which are required to be fully portable.

Contributions to the plan are set in statute as a percent of salary, and they are required to be the same as the contributions to the defined benefit plan administered by PERA. During Fiscal Year 2000-01, the state contribution rate was 10.4 percent and the employee was required to contribute 8 percent of gross covered wages.

The financial statements of the Defined Contribution Plan are prepared on the accrual basis in accordance with NCGA Statement 1 and Governmental Accounting Standards Board Statement 25. The Plan recognizes member and employer contributions as revenues in the period in which the employee is compensated. Investments are reported at fair value. The Plan had the following concentrations of investments greater than five percent:

Investment	Balance	Percent
MFS Investors Growth	$384,049	14%
Vanguard Index 500	382,786	14%
Vanguard Asset Allocation	297,125	11%
Valic Fixed Fund	487,424	18%
T. Rowe Price Small Capitalization	254,780	9%
Templeton World One	179,156	7%
MFS Investors Trust	147,442	5%
MS Large Company Growth	122,870	5%
Other	463,681	17%
Totals	$2,719,313	100%

Component Units

Employees of the Colorado Uninsurable Health Insurance Plan, and the Colorado Water Resources and Power Development Authority are covered under the State and School Division of PERA. (See Note V-A.)

The University of Colorado Hospital Authority participates in two retirement plans, which cover substantially all of its employees. The hospital maintained a noncontributory defined benefit pension plan for its employees through March 1995. Under this plan, contributions credited to each covered employee's account were based on a percentage of compensation earned by the employee. Vesting under this plan is based on length of service. Benefits are payable as a lump sum upon retirement or separation or under several annuity options upon retirement.

As of March 31, 1995, a final contribution was credited to the accounts of all covered employees of record on that date, and this plan was frozen. Employee accounts continue to accrue interest based on the Thirty-Year Treasury Constant Maturities rate, and covered employees not fully vested in this plan will continue to earn credit toward vesting under a new plan. As the hospital acts in a fiduciary capacity for this plan and has the ability to amend the plan at its discretion, the plan's assets and related reserves are included in the financial statements as a pension trust fund.

As of April 1, 1995, the hospital amended its retirement plan based on its ability to withdraw from the Old Age, Survivors, and Disability Insurance (OASDI) component of the Federal Insurance Contributions Act (FICA) by virtue of its operation under legislatively granted state authority. The hospital and its employees still contribute to and participate in the Medicare component of FICA. The hospital's amended plan is composed of three distinct components: a Basic Pension Plan, an Investment Account, and a Matching Account.

The Basic Pension Plan is a defined benefit plan with benefits payable based on length of service and average compensation earned by the employee during the five most highly compensated calendar years of service after 1994. Vesting under this component is based on length of service. The hospital's funding policy is to contribute amounts at least equal to the minimum funding requirements of ERISA.

The hospital made contributions of $5.9 million and $5.7 million to its defined benefit plans in Fiscal Years 2000-01 and 1999-00, respectively. The actuarially computed net periodic pension cost for this plan was $5.9 million and $5.7 million for those years. According to the unaudited actuarial report, the hospital met the annual required contribution in each of the past six fiscal years. Actuarial value of the plan assets was $70.6 million and $62.5 million for Fiscal Years 1999-00 and 1998-99, respectively. Excluding U.S. Treasury securities, the plan had six investments where the fair value exceeded five percent of the plan net assets; Glenmede International Portfolio Fund – $10.2 million, Vanguard Institutional – $6.7 million, Janus Capital Corporation – $9.9 million, Becker Capital Management Small Cap Equity – $7.3 million, Cutler & Company Value Portfolio – $10.1 million, Reams Asset Management Fixed Income – $31.7 million.

The Investment Account is a qualified defined contribution retirement plan under the provisions of Internal Revenue Code (IRC) Section 401(a). Employees are required to contribute 6.2 percent of their gross compensation, which is equivalent to what their OASDI contributions were under FICA participation. Employees are always fully vested in this component of the plan. Total compensation covered in this plan for the years ended June 30, 2001 and 2000 was approximately $109.4 and $98.9 million, respectively. The hospital is required by law to provide an additional make-up contribution for certain part-time employees equal to 1.3 percent of their compensation until they are fully vested in the Basic Pension Plan. The hospital paid make-up contributions of approximately $91,000 and $101,000 for Fiscal Years 2000-01 and 1999-00, respectively.

The Matching Account is a qualified single-employer tax-deferred annuity plan under the provisions of IRC Section 403(b). Employees are eligible to contribute a percentage of their gross compensation, tax-deferred up to legal limitations established under the IRC. In addition, the hospital matches employee contributions 100 percent on the first 3 percent of gross compensation contributed. Employees are always vested 100 percent in their contributions; however, the hospital's matching contributions are subject to a five-year vesting schedule. The hospital's matching contributions for Fiscal Years 2000-01 and 1999-00 were approximately $2.17 million and $1.79 million, respectively.

The hospital has contributed to PERA in accordance with actuarially determined funding amounts for their employees who are still state employees. Pension expense related to state employees was $175,000 and $213,000 for Fiscal Years 2000-01 and 1999-00, respectively. There were no transfers from PERA to the hospital's pension plan for previous state employees who have transferred their benefits to the hospital's pension plan for the years ended June 30, 2001 and 2000.

D. EMPLOYEE DEFERRED COMPENSATION

The state initiated a deferred compensation (457) plan for state employees in 1981. This plan uses a third party administrator, and all costs of administration and funding are borne by the plan participants. The assets of the plan are not assets of the state, but are held in trust for the exclusive benefit of plan participants and their beneficiaries. Fund equity of the plan was $316.7 million and $365.3 million at June 30, 2001, and June 30, 2000, respectively. The state has no liability for losses under the plan but does have the duty of due care that is required of a fiduciary agent.

E. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Health Care Program

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund. Legislation enacted during the 1999 session established the Health Care Trust Fund effective July 1, 1999. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. Effective July 1, 2000, the maximum monthly subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; and $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and it is reduced by 5 percent for each year under 20 years.

Before January 1, 2001 the Health Care Fund was maintained by a contribution of 1.1 percent of covered salary. After January 1, 2001, the contribution was 1.42 percent of gross covered wages. The state paid contributions of $21.3 million, $18.6 million, and $14.0 million in Fiscal Years 2000-01, 1999-00, and 1998-99, respectively. Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured plans, and with health maintenance organizations providing services within Colorado. As of December 31, 2000, there were 32,633 participants, including spouses and dependents, from all contributors to the plan.

Life Insurance Program

PERA provides its members access to two group decreasing-term life insurance plans offered by Prudential and Rocky Mountain Life. Active members may join one or both plans, and they may continue coverage into retirement. Premiums are paid monthly by payroll deduction.

Other Programs

Separate post-retirement health care and life insurance benefit plans exist in some state colleges and universities but are small in comparison to the PERA plan for state employees. The state has no liability for any of these post-retirement health care and life insurance plans.

NOTE VI. SUBSEQUENT EVENTS

A. NOTE ISSUANCE

Primary Government

On July 3, 2001, the state treasurer issued $150 million in Tax Revenue Anticipation Notes with interest rates ranging from 3.5 to 4.0 percent. The treasurer will repay the notes in June 2002; the notes are primarily issued for cash management purposes.

On October 12, 2001, the state treasurer issued $600 million in Tax Revenue Anticipation Notes with interest rates ranging from 3.00 to 3.25 percent. The treasurer will repay the notes in June 2002; the notes are primarily issued for cash management purposes.

Component Units

On January 18, 2001, the Colorado Water Resources and Power Development Authority issued Small Water Resources Revenue Bonds in the principal amount of $15,510,000. The bonds consist of serial bonds ($6,600,000) maturing 2016 and term bonds ($8,910,000) maturing 2023. Interest on the bonds is payable semi-annually with rates ranging from 3.9 percent to 4.875 percent. The bonds are insured as to payment of principal and interest.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
UNCLUSTERED PROGRAMS ********** OFFICE OF NATIONAL DRUG CONTROL POLICY					
OFFICE OF NATIONAL DRUG CONTROL POLICY					
DIRECT FROM: OFFICE OF NATIONAL DRUG CONTROL POLICY					
HIDTA Grants		RAA	07.UNKNOWN	570,918	31,387
SUBTOTAL DIRECT FROM:				570,918	31,387
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				570,918	31,387
SUBTOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY				570,918	31,387
PEACE CORP					
PEACE CORPS					
DIRECT FROM: PEACE CORPS					
RESEARCH & INSTRUCTION		GFB	08.186993080	19,423	0
SUBTOTAL DIRECT FROM:				19,423	0
SUBTOTAL PEACE CORPS				19,423	0
SUBTOTAL PEACE CORP				19,423	0
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM: AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
Federal-State Marketing Improvement Program		BAA	10.156 / 10.008564-0474CA	1,288	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-A-3827	17,286	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-A-3968	62,628	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-G-0247	40,000	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-G-0274	7,664	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-25-G-0302	0	9,999
Federal-State Marketing Improvement Program		BAA	10.156 / 10.12-37-A-466	20,927	0
Federal-State Marketing Improvement Program		BAA	10.156 / 10.98-9808-0107C	7,831	0
Inspection Grading and Standardization		BAA	10.162 / 10.12-25-A-3270	11,422	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-3482	15,697	0
Market Protection and Promotion		BAA	10.163 / 10.12-25-A-3734	52,738	0
SUBTOTAL DIRECT FROM:				237,481	9,999
SUBTOTAL AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE				237,481	9,999

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025	41,181	0
SUBTOTAL DIRECT FROM:				41,181	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				41,181	0
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
Grants for Agricultural Research, Special Research Grants		GGB	10.200	18,423	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206	141,891	0
Higher Education Challenge Grants		GGB	10.217	25,427	35,461
Hispanic Serving Institutions Education Grants (B) -		GJM	10.223	66,821	0
Cooperative Extension Service		GGB	10.500	3,548,066	0
SUBTOTAL DIRECT FROM:				3,800,628	35,461
PASS-THROUGH PROGRAMS FROM:					
American Distance Educ Consortium (ADEC)					
Agricultural Telecommunications Program		GGB	10.501 / 10.3.46/98	9,130	0
Auburn University					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.ACES/ASATP-YD-13	40,998	0
New Mexico State University					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.NMSU B-8 (1998)	4,850	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				54,978	0
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				3,855,606	35,461
DEPARTMENT OF AGRICULTURE					
PASS-THROUGH PROGRAMS FROM:					
Texas A & M					
COMMUNITIES IN ECONOMIC TRANSITION -TEXA		GGB	10.94 ESNP-1-5203 631522	(402)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(402)	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				(402)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
Food Distribution	*	IHA	10.550	248,609	0
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		FAA	10.557	1,770,374	51,044,234
State Administrative Expenses for Child Nutrition		DAA	10.560	512,316	0
State Administrative Expenses for Child Nutrition		IHA	10.560	290,305	0
Commodity Supplemental Food Program (CSFP)	*	IHA	10.565	7,359,762	0
Emergency Food Assistance Program (Administrative Costs)	*	IHA	10.568	2,571,833	0
Nutrition Program for the Elderly (Commodities)	*	IHA	10.570	173,789	986,095
Team Nutrition Grants		DAA	10.574	20,337	0
SUBTOTAL DIRECT FROM:				12,947,325	52,030,329
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				12,947,325	52,030,329
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
Cooperative Epidemiology Ptnr Project		FAA	10.43-3A94-0-8023	19,683	0
SUBTOTAL DIRECT FROM:				19,683	0
SUBTOTAL FOOD SAFETY AND INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				19,683	0
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
International Training: Foreign Participant		GGB	10.962	78,792	0
WUSATA		BAA	10.MY10100-93001	5,559	0
SUBTOTAL DIRECT FROM:				84,351	0
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				84,351	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
FOREST FIRE ARCHAEOLOGY		GGH	10.00-CS-11021300-071	13,876	0
COLO PLATEAU FORUM TOWN HALL		GGH	10.00-GR-11021300-06	5,000	0
SAN JUAN SKYWAY C.I.P.		GGH	10.01-CS-11021300-020	23,275	0
EVALUATION-HERITAGE RESOURCE-SJNF		GGH	10.1102-0002-99-052	14,791	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE		PIA	10.1102-0798035	2,762	0
FOREST SERVICE COST SHARE MINE CLOSURES	*	PKA	10.110201299045	14,490	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE		PIA	10.11020798035A	17,943	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE		PIA	10.11020798035B	74,928	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE		PIA	10.11020798035C	46,905	0
FOREST SERVICE COST SHARE MINE CLOSURES		PKA	10.11021200086	7,331	0
FOREST PLAN REVISION		GGH	10.110213149409	20,612	0
Forestry Research		GGB	10.652	20,645	0
Forestry Research		PBA	10.652	18,607	0
Cooperative Forestry Assistance		GGB	10.664	6,029,328	0
Cooperative Forestry Assistance		PKA	10.664 / 10.CCS040097092	10,319	0
CONTRACT		GHE	10.CCS-04-07-99-059	574	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
USDA-FS-SJNF		GGH	10.CCS-09-00-089	7,661	0
USDA-SJNF-4-CORNERS REGION TOURISM		GGH	10.CCS-09-00-98-080	527	12,100
USDA-FS-SJNF		GGH	10.CCS-13-00-99-113	34,045	0
FOREST SERVICE COST SHARE MINE CLOSURES		PKA	10.CCS2129691062	21,983	0
NATIONAL FOREST		WBA	10.UNKNOWN	0	4,529,947
SUBTOTAL DIRECT FROM:				6,385,602	4,542,047
PASS-THROUGH PROGRAMS FROM:					
NEW MEXICO-EMNRD					
4-CORNERS FOREST PRTN		GGH	10.00-521-04-189	23,687	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				23,687	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				6,409,289	4,542,047
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		GGB	10.902	477,976	0
SUBTOTAL DIRECT FROM:				477,976	0
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				477,976	0
RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE					
Rural Business Enterprise Grants		GJA	10.769	111,986	0
SUBTOTAL DIRECT FROM:				111,986	0
SUBTOTAL RURAL BUSINESS-COOPERATIVE SERVICE, DEPARTMENT OF AGRICULTURE				111,986	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				24,184,476	56,617,836
DEPARTMENT OF COMMERCE					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Economic Development: Technical Assistance		GFB	11.303	26,111	0
Economic Adjustment Assistance		GFB	11.307	74,149	0
Economic Adjustment Assistance		GFE	11.307	3,946	0
SUBTOTAL DIRECT FROM:				104,206	0
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				104,206	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
Advanced Technology Program		GFB	11.612	945,884	0
SUBTOTAL DIRECT FROM:				945,884	0
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				945,884	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE					
Cooperative Science and Education Program		GFB	11.455	(12,096)	0
SUBTOTAL DIRECT FROM:				(12,096)	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL MARINE FISHERIES SERVICE, DEPARTMENT OF COMMERCE				(12,096)	0
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE					
Public Telecommunications Facilities: Planning and Construction		GFB	11.550	(19,758)	60,733
Public Telecommunications Facilities: Planning and Construction		GGH	11.550 / 11.08-01-N00169	18,857	0
SUBTOTAL DIRECT FROM:				(901)	60,733
SUBTOTAL NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, DEPARTMENT OF COMMERCE				(901)	60,733
SUBTOTAL DEPARTMENT OF COMMERCE				1,037,093	60,733
DEPARTMENT OF DEFENSE					
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE					
Air Force Defense Research Sciences Program		GFB	12.800	3,705	0
USAF - OSR PROJECT		GGJ	12.S-760-OMG-075	2	0
SUBTOTAL DIRECT FROM:				3,707	0
PASS-THROUGH PROGRAMS FROM:					
NORTHEAST CONSORTIUM ENGINEERING EDUCATION					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.NCEE PURCHASE ORDER	26	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				26	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				3,733	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
PASS-THROUGH PROGRAMS FROM:					
ACADEMY OF APPLIED SCIENCES					
Research & Technology Development		GFB	12.910 / 12.1032	2,500	0
Research & Technology Development		GFB	12.910 / 12.1033	2,500	0
Research & Technology Development		GFB	12.910 / 12.902	(4,852)	0
NEW MEXICO STATE UNIVERSITY					
Research & Technology Development		GFB	12.910 / 12.Q00143	(92)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				56	0
SUBTOTAL DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE				56	0
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					
Military Medical Research & Development		GFB	12.420	2,378	0
Military Medical Research & Development		GFE	12.420	99,436	0
Pueblo Chemical Demilitarization		FAA	12.Cooperative Agreement	197,171	4,842
Medical Monitoring Advisory Group		FAA	12.MOU 3/14/97	307,800	121,821
SUBTOTAL DIRECT FROM:				606,785	126,663
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				606,785	126,663
DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
Unclassified Grants and Contracts		DAA	12.000	0	205,000
IPA FOR LARRY MOSS -DOD - US DEPARTMENT		GGB	12.IPA - LARRY MOSS	75,999	0
SUBTOTAL DIRECT FROM:				75,999	205,000
SUBTOTAL DEPARTMENT OF DEFENSE				75,999	205,000
DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE					
Military Construction, National Guard		OAA	12.400	674,472	0
SUBTOTAL DIRECT FROM:				674,472	0
SUBTOTAL DEPARTMENT OF THE ARMY, NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				674,472	0
NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE					
National Guard Military Operations & Maintenance (O&M) Projects		OAA	12.401	4,771,073	0
National Guard Civilian Youth Opportunities Program		OAA	12.404	320,818	0
SUBTOTAL DIRECT FROM:				5,091,891	0
SUBTOTAL NATIONAL GUARD BUREAU, DEPARTMENT OF DEFENSE				5,091,891	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
DIRECT FROM:					
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
Basic & Applied Scientific Research		GFB	12.300	(709)	0
Basic & Applied Scientific Research		GHB	12.300	16,311	0
SUBTOTAL DIRECT FROM:				15,602	0
PASS-THROUGH PROGRAMS FROM:					
ROCKWELL INTERNATIONAL					
Basic & Applied Scientific Research		GFD	12.300 / 12.BOU426737	61,286	0
SOUTHEASTERN CENTER ELECTRICAL ENGR EDUCATION					
Basic & Applied Scientific Research		GFB	12.300 / 12.352-42-0044	(1,096)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				60,190	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				75,792	0
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					
Flood Control Projects		WBA	12.106	0	499
Planning Assistance to States		FAA	12.110	2,569	0
State Memorandum of Agreement Program for the Reimbursement of Technical Services		FAA	12.113	1,290,691	68,228
Collaborative Research & Development		GFB	12.114	22,930	0
SUBTOTAL DIRECT FROM:				1,316,190	68,727
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				1,316,190	68,727
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
DIRECT FROM:					
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
Basic Scientific Research		GFB	12.431	4,858	0
Basic Scientific Research		GGB	12.431	1,212,309	0
SUBTOTAL DIRECT FROM:				1,217,167	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				1,217,167	0
SUBTOTAL DEPARTMENT OF DEFENSE				9,062,085	400,390
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/State's Program		GFD	14.228	(11,268)	0
Community Development Block Grants/State's Program		NAA	14.228	421,018	11,649,504
Emergency Shelter Grants Program		NAA	14.231	31,031	916,726
Supportive Housing Program		IHH	14.235	110,485	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Supportive Housing Program		NAA	14.235	2,879	60,761
Shelter Plus Care		IHH	14.238	996,444	0
HOME Investment Partnerships Program		NAA	14.239	373,609	6,406,468
Housing Opportunities for Persons with AIDS		NAA	14.241	0	50,203
SUBTOTAL DIRECT FROM:				1,924,198	19,083,662
PASS-THROUGH PROGRAMS FROM:					
CITY OF DURANGO					
CULTURAL ARTS COMPLEX SW COLO		GGH	14.B99SPCO0068	427,387	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				427,387	0
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				2,351,585	19,083,662
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
College Housing Debt Service		GMA	14.100	168,440	0
COLLEGE HOUSING PROGRAM		GGH	14.CH COLO 86D	16,964	0
MANUFACTURED HOUSING CONSTRUCTION		NAA	14.DU100K900016684	47,711	0
SUBTOTAL DIRECT FROM:				233,115	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				233,115	0
HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Interest Reduction Payments: Rental and Cooperative Housing for Lower Income Families		GJB	14.103	13,873	0
Mortgage Insurance: Homes in Outlying Areas		GFD	14.121	122,256	0
SUBTOTAL DIRECT FROM:				136,129	0
SUBTOTAL HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				136,129	0
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Fair Housing Assistance Program: State and Local		SDA	14.401	249,620	0
SUBTOTAL DIRECT FROM:				249,620	0
SUBTOTAL OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				249,620	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Work-Study Program		GFD	14.512	48,328	0
Hispanic-Serving Instituitions Assisting Communities		GHB	14.514	305,302	0
SUBTOTAL DIRECT FROM:				353,630	0
SUBTOTAL OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				353,630	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				3,324,079	19,083,662
DEPARTMENT OF THE INTERIOR					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
USDI-BIA-4-CORNERS REGION TOURISM		GGH	15.CBK00140098	5,428	0
SUBTOTAL DIRECT FROM:				5,428	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				5,428	0
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
TRAINING OF STUDENTS IN CARTOGRAPHIC SKILLS		GHC	15.1422 C950A40014	14,980	0
VEGETATION COV PROJ		GGJ	15.1422 C950A70014	18,214	0
KEEPING THE COLORADO RARE PLANT FIELD -D		GGB	15.1422 C950A80010 TO6	993	0
ASSISTANCE AGREEMENT		GHE	15.1422 CAA00009	2,466	0
WEED MAPPING		BAA	15.1422-CAA00001	2,581	0
BLM COST SHARE		PJA	15.1422CAA0010	32,739	0
USDI-BLM-4-CORNERS REGION TOURISM		GGH	15.1422P850-A8-0025	13,055	13,000
SOIL		BAA	15.1425-97-FC-40-22430	0	441,352
STUDENT TRAINING		GHB	15.15.DDG	9,782	0
Cooperative Inspection Agreements with States & Tribes		FAA	15.222	8,479	0
Cooperative Inspection Agreements with States & Tribes		PBA	15.222	217,270	0
Cooperative Inspection Agreements with States & Tribes		PJA	15.222	3,739	0
Cooperative Inspection Agreements with States & Tribes		PKA	15.222	105,791	0
Cultural Resource Management		GCA	15.224	12,985	0
BLM STUDENT TRAINING IN NAT RESOURCES		PAA	15.C950A80014	47,804	0
3M PROPOSAL		PHA	15.CAA990006	43,068	0
PEREGRINE MONITORING IN GRAND JUNCTION		PBA	15.CEP990020	3,806	0
COLO PLATEAU FORUM		GGH	15.JSA001021/CO-700	23,000	0
HISPANIC ASSN CONFERENCE		GHD	15.NAP000065	8,096	0
NATURAL RESOURCE MANAGEMENT FOR INSTRUCT		GGB	15.NAP990033	(16)	0
SALE OF PUBLIC LAND		WBA	15.UNKNOWN	0	56,860
TAYLOR GRAZING		WBA	15.UNKNOWN	0	106,915
SUBTOTAL DIRECT FROM:				568,832	618,127

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
NAT FISH & WILDLIFE FOUNDATION					
BAT EVALUATION IN ABNDONED MINES II		PBA	15.00-375	6,685	0
BATS IN INACTIVE MINES, NFWF SUB RECIPIENT		PBA	15.99-125	5,508	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				12,193	0
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				581,025	618,127
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DUCHESNE RIVER: ASSESSMENT & REFINEMENT		GGB	15.0-FC-40-08910 MOD 022	9,908	0
COOP AGREEMENT		GCA	15.00-FC-40-3880	12,014	0
PAONIA ACCESSIBLE CAMPSITES		PJA	15.00FC404410	44,893	0
WATER WATCH PROGRAM		PBA	15.00FG403680	11,000	0
ESCALANTE ST. WILDLIFE RECREATION AREA		PBA	15.0FCCUC010	35,117	0
RECREATION MANAGEMENT OF WESTERN WATER -		GGB	15.1425-97-FG-81-35017	17,644	0
ARKANSAS RIVER RESEARCH STUDY		PBA	15.3FC6003400	199,190	0
WESTERN SLOPE REHABILITATION		PJA	15.4-FC-40-16180	1,737,364	0
RUSSEL LAKES O&M		PBA	15.6FC4019280	44,823	0
BONNY RESIVOIR DESIGN & DEVELOP		PJA	15.6FC6008120	1,002,474	0
MOA WESTERN COLORADO RESERVOIRS		PJA	15.7FC4019610	350,161	0
CANAL SEEPAGE REDUCTION DEMONSTRATION -D		GGB	15.97-FC-60-09880	11,432	0
CO-OP AGREEMENT FOR WAYNE ASPINAL UNIT		PBA	15.97FC4020870	1,250	0
CO RIVER BASIN SALINITY		PJA	15.97FC4021050	3,554	0
WATER MANAGEMENT EDUCATION PROGRAM FOR N		GGB	15.98-FC-40-0310	(348)	0
NATURAL CONFERENCE ON OUTDOOR RECREATION		GGB	15.98-FG-81-0085	(4)	0
TAKE PRIDE IN AM		GCA	15.98FG810024	0	2,500
LONE DOME WETLANDS		PBA	15.99-FC-40-1110	14,593	0
CLOSE BASIN PROJECT		PEA	15.99FC401630	15,617	0
NAVAJO WATER SYSTEM COOP AGREEMENT		PJA	15.99FC402840	15,604	0
COLORADO ENDANGERED FISH		PBA	15.OFC4009000	176,380	0
SUBTOTAL DIRECT FROM:				3,702,666	2,500
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				3,702,666	2,500
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		TAA	15.000	871,107	0
SUBTOTAL DIRECT FROM:				871,107	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				871,107	0
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
U.S. Geological Survey: Research & Data Acquisition		PBA	15.808	68,868	0
U.S. Geological Survey: Research & Data Acquisition		PIA	15.808	236,475	0
U.S. Geological Survey: Research & Data Acquisition		GKA	15.808 / 15.16 USC 742	16,338	0
SUBTOTAL DIRECT FROM:				321,681	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
AMERICAN ST GEOLOGIST					
US GEOLOGICAL SURVEY		PIA	15.AASG0X	2,500	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,500	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				324,181	0
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
ROYALTIES MGMT		WBA	15.UNKNOWN	46,842,112	13,416,744
SUBTOTAL DIRECT FROM:				46,842,112	13,416,744
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR				46,842,112	13,416,744
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
COOP AGREEMENT		GCA	15.1443-CA-1200-98-005	20,000	0
NATIONAL PARK TRINIDAD LAKE COST CHALLENGE		PJA	15.1443CA-96015	793	0
Historic Preservation Fund Grants-In-Aid		GCA	15.904	669,064	77,403
Historic Preservation Fund Grants-In-Aid		GFB	15.904	30,787	0
National Historic Landmark		GFD	15.912	22,481	0
Outdoor Recreation: Acquisition, Development and Planning		GGB	15.916	12,677	0
Urban Park & Recreation Recovery Program		GHE	15.919 / 15.PO#1443PX6115960078	267	0
Native American Graves Protection and Repatriation Act		GCA	15.922	111,591	0
COOPERATIVE AGREEMENT		GHE	15.CA 1341-7-9001 WSC4	1,968	0
COOPERATIVE AGREEMENT		GHE	15.CA 1341-7-9001-WSC5	4,969	0
ORGANIC AEROSOLS WORKSHOP		GGH	15.CA-1268-1-9016	1,799	0
USDI-NPS-ANASAZI AFFILIATION RESEARCH SYMPOSIUM		GGH	15.CA-1268-1-9016	788	0
COLO PLATEAU FORUM		GGH	15.CA-1376-99-0001	20,000	0
USDI-NPS-FORT CARSON ARCH-1999		GGH	15.CA-6000A9003	27,437	0
USDI-NPS-CLASS III SURVEY FORT CARSON MILITARY RESER		GGH	15.CA-6115-4-8024	6,249	0
IMPLEMENTING COOPERATIVE WILDLIFE MGMT ACTIVITIES		PBA	15.CA152099002	6,491	0
SURVEY & MONITOR PEREGRINE FALCON POPULATION		PBA	15.P137800A002	234	0
USDI-NPS-4-CORNERS REGION TOURISM		GGH	15.UNKNOWN	13,055	13,000
SUBTOTAL DIRECT FROM:				950,650	90,403
PASS-THROUGH PROGRAMS FROM:					
NATIONAL PARK FOUNDATION					
National Center for Preservation Technology and Training (B) -		GFB	15.923 / 15.WONDRAK - OCG4206B	27,462	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				27,462	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				978,112	90,403
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
RECLAMATION ENFORCEMENT		PKA	15.1T3113R03	4,800	0
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PAA	15.250	18,632	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		PKA	15.250	1,621,874	0
Abandoned Mine Land Reclamation (AMLR) Program		PIA	15.252	17,271	0
Abandoned Mine Land Reclamation (AMLR) Program		PKA	15.252	2,680,460	0
CIRCES		PKA	15.CIRCES	728	0
SUBTOTAL DIRECT FROM:				4,343,765	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				4,343,765	0
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
Sport Fish Restoration		PBA	15.605	4,973,019	636,885
Fish & Wildlife Management Assistance		PBA	15.608	4,940	0
Wildlife Restoration		PBA	15.611	5,845,354	325,483
Cooperative Endangered Species Conservation Fund		PBA	15.615	60,827	0
Cooperative Endangered Species Conservation Fund		PJA	15.615	2,146	0
Wildlife Conservation & Appreciation		GGB	15.617	155	0
Wildlife Conservation & Appreciation		PBA	15.617	5,972	0
North American Wetlands Conservation Fund		FAA	15.623	167	11,970
GRAZING REGIMES-NESTING SUCCESS-BIRD		GGH	15.98-035	7,382	0
SUBTOTAL DIRECT FROM:				10,899,962	974,338
PASS-THROUGH PROGRAMS FROM:					
STATE OF NEW MEXICO					
NMDGF BIOLOGY PROJ		GGJ	15.97-516.75	41,799	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				41,799	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				10,941,761	974,338
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
ASSESSING RISK OF HABITAT LOSS DUE TO PRIVATE DEVELOPMENT		PBA	15.00HQAG0010	13,776	0
National Cooperative Geologic Mapping Program		GGH	15.810 / 15.00HOAG0082	5,500	0
National Cooperative Geologic Mapping Program		GGH	15.810 / 15.01HOAG0144	10,402	0
National Cooperative Geologic Mapping Program		GGH	15.810 / 15.99HOAG0065	778	0
SOUTHWEST REGIONAL GAP ANALYSIS PROJ		PBA	15.99HQAG0181	55,485	10,000
SUBTOTAL DIRECT FROM:				85,941	10,000
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				85,941	10,000
SUBTOTAL DEPARTMENT OF THE INTERIOR				68,676,098	15,112,112

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF JUSTICE					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
State Identification Systems Grant Program (A) -		RAA	16.598	0	160,635
State Criminal Alien Assistance Program		CAA	16.606	3,614,980	0
Bulletproof Vest Partnership Program		RAA	16.607	12,701	12,360
SUBTOTAL DIRECT FROM:				3,627,681	172,995
SUBTOTAL BUREAU OF JUSTICE ASSISTANCE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				3,627,681	172,995
BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE					
State Justice Statistics Program for Statistical Analysis Centers		RAA	16.550	50,421	0
National Criminal History Improvement Program (NCHIP)		RAA	16.554	117,773	776,917
SUBTOTAL DIRECT FROM:				168,194	776,917
SUBTOTAL BUREAU OF JUSTICE STATISTICS, DEPARTMENT OF JUSTICE				168,194	776,917
CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Residential Substance Abuse Treatment for State Prisoners		GFE	16.593	55,805	0
Residential Substance Abuse Treatment for State Prisoners		RAA	16.593	6,793	714,019
SUBTOTAL DIRECT FROM:				62,598	714,019
SUBTOTAL CORRECTIONS PROGRAM OFFICE, OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				62,598	714,019
DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DEPARTMENT OF JUSTICE					
Unclassified Grants and Contracts		CAA	16.000	3,450	0
SUBTOTAL DIRECT FROM:				3,450	0
SUBTOTAL DEPARTMENT OF JUSTICE				3,450	0
DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE					
Drug Enforcement Admin		RAA	16.UNKNOWN	21,246	0
SUBTOTAL DIRECT FROM:				21,246	0
SUBTOTAL DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE				21,246	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE					
Federal Bureau of Investigation		RAA	16.UNKNOWN	2,591	0
SUBTOTAL DIRECT FROM:				2,591	0
SUBTOTAL FEDERAL BUREAU OF INVESTIGATION, DEPARTMENT OF JUSTICE				2,591	0
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					
National Institute of Justice Research, Evaluation, and Development Projects Grants		RAA	16.560	140,271	0
SUBTOTAL DIRECT FROM:				140,271	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				140,271	0
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE					
Public Safety Partnership & Community Policing Grants		CAA	16.710	950	0
Public Safety Partnership & Community Policing Grants		GJJ	16.710	139,518	0
Public Safety Partnership & Community Policing Grants		RAA	16.710	801,086	456,718
SUBTOTAL DIRECT FROM:				941,554	456,718
SUBTOTAL OFFICE OF COMMUNITY ORIENTED POLICING SERVICES, DEPARTMENT OF JUSTICE				941,554	456,718
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE					
Byrne Formula Grant Program		RAA	16.579	990,068	7,455,910
Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program		RAA	16.580	1,259	333,754
Local Law Enforcement Block Grants Program		RAA	16.592	24,369	637,113
Motor Vehicle Theft Protection Act Program (B) -		RAA	16.597	135,262	0
SUBTOTAL DIRECT FROM:				1,150,958	8,426,777
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, BUREAU OF JUSTICE ASSISTANCE, DEPARTMENT OF JUSTICE				1,150,958	8,426,777
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DRUG COURT		JAA	16.1999-DC-VX-0174	140,543	0
DRUG COURT		JAA	16.2000-DC-VX-0125	85,151	0
TOPOFF 2000 EXERCISE		NAA	16.2000-GT-CX-0002	192	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Crime Victim Compensation		RAA	16.576	118,378	2,300,238
Violent Offender Incarceration & Truth in Sentencing Incentive Grants		RAA	16.586	43,164	1,983,626
Violence Against Women Formula Grants		RAA	16.588	97,618	1,947,620
Grants to Encourage Arrest Policies and Enforcement of Protection Orders		RAA	16.590	4,951	324,694
COMMUNITY ASSESSMENT		JAA	16.97-MU-FX-0009	356,198	0
NATIONAL GOVERNORS ASSOC		RAA	16.UNKNOWN	8,465	0
SUBTOTAL DIRECT FROM:				854,660	6,556,178
PASS-THROUGH PROGRAMS FROM:					
CITY/CTY DENVER					
LOCAL LAW ENFORCEMENT		JAA	16.98-LB-VX-5225	165,184	0
LA PLATA COUNTY					
ENCOURAGE ARREST		JAA	16.97-WE-VX-0018	57,554	0
PUEBLO COUNTY					
ENCOURAGE ARREST		JAA	16.97-WE-VX-0037	15,352	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				238,090	0
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				1,092,750	6,556,178
OFFICE OF JUSTICE PROGRAMS, OFFICE FOR STATE AND LOCAL DOMESTIC PREPAREDNESS SUPPORT, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, OFFICE FOR STATE AND LOCAL DOMESTIC PREPAREDNESS SUPPORT, DEPARTMENT OF JUSTICE					
State Domestic Preparedness Equipment Support Program		NAA	16.007	475	77,000
SUBTOTAL DIRECT FROM:				475	77,000
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, OFFICE FOR STATE AND LOCAL DOMESTIC PREPAREDNESS SUPPORT, DEPARTMENT OF JUSTICE				475	77,000
OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE					
Crime Victim Assistance		RAA	16.575	309,423	5,077,019
SUBTOTAL DIRECT FROM:				309,423	5,077,019
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, OFFICE FOR VICTIMS OF CRIME, DEPARTMENT OF JUSTICE				309,423	5,077,019
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
Juvenile Accountability Incentive Block Grants		RAA	16.523	188,514	2,695,281
Juvenile Justice & Delinquency Prevention: Allocation to States		RAA	16.540	488,515	582,086
Title V: Delinquency Prevention Program		RAA	16.548	30,837	424,381
Part E: State Challenge Activities		RAA	16.549	64,662	84,310
Enforcing Underage Drinking Laws Program		HAA	16.727	173,571	0
SUBTOTAL DIRECT FROM:				946,099	3,786,058
PASS-THROUGH PROGRAMS FROM:					
CALIFORNIA STATE					
Juvenile Justice & Delinquency Prevention: Special Emphasis		IKA	16.541 / 16.301067A	16,695	0
CTR FOR NONPROFIT DEV					
JUV JUSTICE/DELINQ PREVENTION		JAA	16.2000-JN-FX-K004	24,922	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DRUG COURTS PROGRAM					
JUVENILE DRUG COURT TRANING & TECH ASSIST.		GHD	16.UNKNOWN	0	2.052
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				41.617	2.052
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				987.716	3.788.110
SUBTOTAL DEPARTMENT OF JUSTICE				8.508.907	26.045.733
DEPARTMENT OF LABOR					
BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR					
DIRECT FROM:					
BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR					
Labor Force Statistics		GJA	17.002	121.574	0
Labor Force Statistics		KAA	17.002	1.340.773	0
Compensation & Working Conditions		FAA	17.005	27.369	0
SUBTOTAL DIRECT FROM:				1.489.716	0
SUBTOTAL BUREAU OF LABOR STATISTICS, DEPARTMENT OF LABOR				1.489.716	0
DEPARTMENT OF LABOR					
DIRECT FROM:					
DEPARTMENT OF LABOR					
OCCUPATIONAL HEALTH & SAFETY -DOL-OSHA-O		GGB	17.W9F1-0980	470.314	0
SUBTOTAL DIRECT FROM:				470.314	0
SUBTOTAL DEPARTMENT OF LABOR				470.314	0
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR					
Unemployment Insurance		KAA	17.225	31.024.164	68.650
Senior Community Service Employment Program		IHA	17.235	(54.502)	927.040
Trade Adjustment Assistance: Workers		KAA	17.245	1.324.361	0
Employment & Training Assistance: Dislocated Workers		GJA	17.246	677.533	0
Employment & Training Assistance: Dislocated Workers		KAA	17.246	(78.835)	175.069
Employment Services & Job Training Pilots: Demonstrations and Research		GFE	17.249	9.188	0
Employment Services & Job Training Pilots: Demonstrations and Research		IHA	17.249	160.376	0
Job Training Partnership Act		KAA	17.250	1.090.957	479.770
Welfare-to-Work Grants to States and Localities		KAA	17.253	1.382.776	1.666.228
One-Stop Career Center Initiative		NAA	17.257	577.412	439.217
WIA Adult Program		KAA	17.258	1.967.421	2.381.176
WIA Youth Activities		KAA	17.259	1.615.439	2.065.557
WIA Dislocated Workers		KAA	17.260	2.224.348	3.371.173
SCHOOL TO CAREER		EAA	17.U-4421-4-00-88-60	3.697.481	0
SUBTOTAL DIRECT FROM:				45.618.119	11.573.880
PASS-THROUGH PROGRAMS FROM:					
ARAPAHOE/DOUGLAS CTY, COLO					
Employment Service		KAA	17.207 / 17.99-0392.00-0141	2.061.182	8.002.585

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
COMMUNITY OPTIONS					
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.N6936-8-00-87-60	78,302	0
MOET					
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE00002009	39,119	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE00554	103,998	0
Welfare-to-Work Grants to States and Localities		GJD	17.253 / 17.GE00092012	170,769	0
MOWD					
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249	11,532	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE00090545	6,881	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE10008	4,763	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE10149	50,595	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE10150	12,427	0
Employment Services & Job Training Pilots: Demonstrations and Research		GJD	17.249 / 17.GE10165	22,566	0
Welfare-to-Work Grants to States and Localities		GJD	17.253 / 17.GE10193	48,506	0
Welfare-to-Work Grants to States and Localities		GJD	17.253 / 17.MOET01-2000	3,503	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,614,143	8,002,585
SUBTOTAL EMPLOYMENT AND TRAINING ADMINISTRATION, DEPARTMENT OF LABOR				48,232,262	19,576,465
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
DIRECT FROM:					
MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR					
Mine Health & Safety Grants		PKA	17.600	192,162	0
SUBTOTAL DIRECT FROM:				192,162	0
SUBTOTAL MINE SAFETY AND HEALTH ADMINISTRATION, DEPARTMENT OF LABOR				192,162	0
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
DIRECT FROM:					
OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR					
Disabled Veterans' Outreach Program (DVOP)		GFD	17.801	161,531	0
Disabled Veterans' Outreach Program (DVOP)		KAA	17.801	1,447,968	119,666
Veterans' Employment Program		GFD	17.802	1,918,585	59,128
Veterans' Employment Program		KAA	17.802	585,814	4,801
Local Veterans' Employment Representative Program		KAA	17.804	1,174,673	55,199
SUBTOTAL DIRECT FROM:				5,288,571	238,794
PASS-THROUGH PROGRAMS FROM:					
GEORGIA DEPARTMENT OF LABOR					
Veterans' Employment Program		GFD	17.802 / 17.DVOP AGREEMENT	718	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				718	0
SUBTOTAL OFFICE OF THE ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR				5,289,289	238,794
SUBTOTAL DEPARTMENT OF LABOR				55,673,743	19,815,259

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF STATE					
BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
CID-Consortium for Inter. Development					
Program for Study of Eastern Europe & the Independent States of the Former Soviet Union		GGB	19.300 / 19.CSU-PCO-13	97	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				97	0
SUBTOTAL BUREAU OF INTELLIGENCE AND RESEARCH, DEPARTMENT OF STATE				97	0
OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
NATIONAL FISH AND WILDLIFE FOUNDATION					
Fishermen's Guaranty Fund		GFB	19.204 / 19.NFWF 94-032A	(3,765)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(3,765)	0
SUBTOTAL OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE				(3,765)	0
OFFICE OF THE LEGAL ADVISER, DEPARTMENT OF STATE					
DIRECT FROM:					
OFFICE OF THE LEGAL ADVISER, DEPARTMENT OF STATE					
Claims Against Foreign Governments		GFB	19.200	(325)	0
SUBTOTAL DIRECT FROM:				(325)	0
SUBTOTAL OFFICE OF THE LEGAL ADVISER, DEPARTMENT OF STATE				(325)	0
SUBTOTAL DEPARTMENT OF STATE				(3,993)	0
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
DEPARTMENT OF TRANSPORTATION					
Unclassified Grants and Contracts		TAA	20.000	17.408	0
SUBTOTAL DIRECT FROM:				17.408	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				17.408	0
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Airport Improvement Program		HAA	20.106	266.671	0
SUBTOTAL DIRECT FROM:				266.671	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				266.671	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Highway Planning & Construction		GGB	20.205	222,271	0
Highway Planning & Construction		HAA	20.205	276,325,786	24,857,601
National Motor Carrier Safety		RAA	20.218	1,329,668	599,389
Recreational Trails Program		PJA	20.219	964,249	0
SUBTOTAL DIRECT FROM:				278,841,974	25,456,990
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				278,841,974	25,456,990
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Federal Transit: Metropolitan Planning Grants		HAA	20.505	103,973	67,385
Formula Grants for Other Than Urbanized Areas		HAA	20.509	376,649	1,778,573
Capital Assistance Program for Elderly Persons & Persons with Disabilities		HAA	20.513	103,017	1,018,569
SUBTOTAL DIRECT FROM:				583,639	2,864,527
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				583,639	2,864,527
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
State & Community Highway Safety		HAA	20.600	1,174,603	1,807,589
SUBTOTAL DIRECT FROM:				1,174,603	1,807,589
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				1,174,603	1,807,589
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Alcohol Traffic Safety & Drunk Driving Prevention Incentive Grants		HAA	20.601	590,396	0
SUBTOTAL DIRECT FROM:				590,396	0
SUBTOTAL NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				590,396	0
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Pipeline Safety		SGA	20.700	239,647	0
Interagency Hazardous Materials Public Sector Training and Planning Grants		NAA	20.703	108,665	25,040
SUBTOTAL DIRECT FROM:				348,312	25,040
SUBTOTAL RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				348,312	25,040

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
U.S. COAST GUARD, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
U.S. COAST GUARD, DEPARTMENT OF TRANSPORTATION					
Boating Safety Financial Assistance		PJA	20.005	384,812	0
SUBTOTAL DIRECT FROM:				384,812	0
SUBTOTAL U.S. COAST GUARD, DEPARTMENT OF TRANSPORTATION				384,812	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				282,207,815	30,154,146
DEPARTMENT OF TREASURY					
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY					
DIRECT FROM:					
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY					
Great Grant		RAA	21.UNKNOWN	292,084	0
SUBTOTAL DIRECT FROM:				292,084	0
SUBTOTAL BUREAU OF ALCOHOL, TOBACCO AND FIREARMS, DEPARTMENT OF THE TREASURY				292,084	0
DEPARTMENT OF TREASURY					
DIRECT FROM:					
DEPARTMENT OF TREASURY					
TREASURY EQUITABLE SHARING PROGRAM		TAA	21.COURT AWARDS	9,889	0
SUBTOTAL DIRECT FROM:				9,889	0
SUBTOTAL DEPARTMENT OF TREASURY				9,889	0
U.S. CUSTOMS SERVICES, DEPARTMENT OF THE TREASURY					
DIRECT FROM:					
U.S. CUSTOMS SERVICES, DEPARTMENT OF THE TREASURY					
Operation Safe Home		RAA	21.UNKNOWN	(4,270)	0
White Collar Crime 119		RAA	21.UNKNOWN	1,106	0
SUBTOTAL DIRECT FROM:				(3,164)	0
SUBTOTAL U.S. CUSTOMS SERVICES, DEPARTMENT OF THE TREASURY				(3,164)	0
SUBTOTAL DEPARTMENT OF TREASURY				298,809	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	61,111	0
SUBTOTAL DIRECT FROM:				61,111	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				61,111	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				61,111	0
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
DIRECT FROM:					
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
Employment Discrimination: State and Local Fair Employment Practices Agency Contracts		SDA	30.002	391,062	0
SUBTOTAL DIRECT FROM:				391,062	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				391,062	0
SUBTOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION				391,062	0
GENERAL SERVICES ADMINISTRATION					
GENERAL SERVICES ADMINISTRATION					
DIRECT FROM:					
GENERAL SERVICES ADMINISTRATION					
Donation of Federal Surplus Personal Property		CFB	39.003	2,855,391	0
SUBTOTAL DIRECT FROM:				2,855,391	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				2,855,391	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				2,855,391	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
DIRECT FROM:					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Aerospace Education Services Program		GFB	43.001	479,335	15,500
Aerospace Education Services Program		GGB	43.001	87,415	0
Technology Transfer		GFB	43.002	175,957	198,343
IPA - JOHN RUMMEL -NASA - NATL AERONAUTI		GGB	43.IPA/JOHN RUMMEL	129,069	0
HEART MONITOR RESEARCH		GGJ	43.NAG-9-1257	15,000	0
WHEN ECOLOGIES COLLIDE? PLANETARY PROTE		GGB	43.NCC2-1268	1,177	0
GRAD. STUDENT RES. PROG.		GGJ	43.NGT-52209	20,663	0
RETRIEVAL OF CIRRUS CLOUD MICROPHYSICAL		GGB	43.NGT5-50007 0002	(2,074)	0
SUBTOTAL DIRECT FROM:				906,542	213,843
PASS-THROUGH PROGRAMS FROM:					
HACU					
Technology Transfer		GJD	43.002 / 43.NAG5-3491	51,227	0
Technology Transfer		GJD	43.002 / 43.NASA PA 2001	25,300	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Technology Transfer		GFB	43.002 / 43.HST-HF-01113.01-A	48,997	0
UNIVERSITY OF ALABAMA					
Technology Transfer		GFB	43.002 / 43.99-031	28,639	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				154,163	0
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				1,060,705	213,843
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				1,060,705	213,843
NATIONAL ENDOWMENT FOR THE HUMANITIES					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
Institute of Museum and Library Services		GGB	45.301	30,099	0
Conservation Project Support		GCA	45.303	49,394	0
State Library Program		DAA	45.310	1,467,320	631,623
IMLS GENERAL OPERATING		GHD	45.IG80642-98	15,532	0
SUBTOTAL DIRECT FROM:				1,562,345	631,623
PASS-THROUGH PROGRAMS FROM:					
UNIV OF DENVER					
Institute of Museum and Library Services: National Leadership Grants		GGH	45.312 / 45.LL-90094-99	8,197	0
UNIVERSITY OF DENVER					
Institute of Museum and Library Services: National Leadership Grants		GFB	45.312 / 45.OCG4243B	5,284	0
University of Denver					
Institute of Museum and Library Services: National Leadership Grants		GGB	45.312 / 45.SUBGRANT	2,371	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				15,852	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				1,578,197	631,623

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
CREATIVE LINKS-POSITIVE ALT FOR YOUTH		GHD	45.00-9000-3005	7,535	0
Promotion of the Arts: Grants to Organizations and Individuals		GHB	45.024	5,000	0
Promotion of the Arts: Partnership Agreements		GBA	45.025 / 45.00-6100-2011	0	502,800
SUBTOTAL DIRECT FROM:				12,535	502,800
SUBTOTAL NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				12,535	502,800
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
Promotion of the Humanities: Federal/State Partnership		GFC	45.129	32,867	0
Promotion of the Humanities: Fellowships and Stipends		GFB	45.160	10,884	0
Promotion of the Humanities: Seminars and Institutes		GGB	45.163	89,366	0
SUBTOTAL DIRECT FROM:				133,117	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				133,117	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				1,723,849	1,134,423
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Engineering Grants		GFB	47.041	23,791	0
Engineering Grants		GFC	47.041	25,000	0
Engineering Grants		GFD	47.041	310	0
Mathematical and Physical Sciences		GFB	47.049	514,060	1,234
Geosciences		GFB	47.050	179,693	65,000
Geosciences		GGB	47.050	59,591	0
Computer and Information Science and Engineering		GKA	47.070 / 47.DUE-9354033	5,083	91,354
Science and Technology Centers		GFB	47.073	73,736	0
Biological Sciences		GFB	47.074	377,511	0
Biological Sciences		GFE	47.074	31,398	0
Biological Sciences		GGB	47.074	11,651	0
Biological Sciences		GGH	47.074 / 47.MCB-9973746	49,768	0
Social, Behavioral, and Economic Sciences		GFB	47.075	159,900	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Education and Human Resources		GFB	47.076	794.430	0
Education and Human Resources		GFD	47.076	60.641	0
Education and Human Resources		GGB	47.076	964.522	19.237
Education and Human Resources		GHB	47.076	27.526	0
Education and Human Resources		GJJ	47.076	42.134	0
Education and Human Resources		GKA	47.076 / 47.DGE-0086443&REC-00950	34.349	1.623
Academic Research Infrastructure		GFB	47.077	2.208	0
MATHEMATICAL SCIENCES		GGJ	47.DMS-9500565	759	0
ASSIGN. AGR.-DRUELINGER		GGJ	47.DUE-9910801	14.620	0
SCHOLARSHIPS		GGJ	47.DUE-9987287	102.382	0
WGIDPO-GENDER EQUITY IN SCIENCE, ENGINEERING, & MATHEMATICS EDUCATION		GHD	47.HDR-9714751	229.769	0
SUBTOTAL DIRECT FROM:				3.784.832	178.448
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Engineering Grants		GFB	47.041 / 47.KMD5270-25-23/SUB	(105)	0
Engineering Grants		GFB	47.041 / 47.KMD5270-25-25/SUB	(8.454)	0
Engineering Grants		GFB	47.041 / 47.KMD5270-25-27/SUB	378	0
Engineering Grants		GFB	47.041 / 47.KMD5270-25-28/SUB	378	0
Engineering Grants		GFB	47.041 / 47.KMD5270-25/22	3	0
Biological Sciences		GFB	47.074 / 47.KMD5270-22/V98HS003	10.060	0
Biological Sciences		GFB	47.074 / 47.KMD5270-25-25/SUB	(307)	0
Education and Human Resources		GFB	47.076 / 47.KMD2414-25-10/SUB	(1)	0
Academic Research Infrastructure		GFB	47.077 / 47.KMD5270-25-28/SUB	12.015	0
American Meteorological Society					
Geosciences		GGB	47.050 / 47.18504	(182)	0
DPS					
LEARNING TO TEACH SECONDARY MATH		GHD	47.REC-9605030	20.604	9.066
FLORIDA STATE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.E08259	42	0
Highlands University					
Undergraduate Science, Engineering, and Mathematics Education		GHB	47.071 / 47.ESR9554468	102.151	0
INCORPORATED RESEARCH INSTITUTIONS SEISMOLOGY					
Mathematical and Physical Sciences		GFB	47.049 / 47.AGREEMENT	113	0
MICHIGAN TECH					
DISTRIBUTED COMPUTING		GHD	47.CCR-9984682	10.697	0
NATIONAL CENTER FOR ATMOSPHERI					
Geosciences		GFD	47.050 / 47.0199.12.103D	5.216	0
NORTHWESTERN UNIV					
Education and Human Resources		GKA	47.076 / 47.NSF ESI-9720687/002	23.234	0
SOCIAL SCIENCE ED CONSORTIUM					
Education and Human Resources		GKA	47.076 / 47.NSF ESI-9618969	25.363	0
SPACE SCIENCE INSTITUTE					
Science and Technology Centers		GFB	47.073 / 47.SUB117	23.431	0
ST VRAIN VALLEY SCHOOL DISTRICT					
Education and Human Resources		GFB	47.076 / 47.705577	(3)	0
Education and Human Resources		GFB	47.076 / 47.PO#66100399	(314)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
UCAR-NCAR-Research Applications Program					
THE DIGITAL LIBRARY FOR EARTH SYSTEM EDU		GGB	47.S01-30979	14,343	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Education and Human Resources		GFB	47.076 / 47.S01-32607	4,202	0
Education and Human Resources		GFB	47.076 / 47.S97-83875	13,211	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				256,075	9,066
SUBTOTAL NATIONAL SCIENCE FOUNDATION				4,040,907	187,514
SUBTOTAL NATIONAL SCIENCE FOUNDATION				4,040,907	187,514
SECURITIES AND EXCHANGE COMMISSION					
SECURITIES AND EXCHANGE COMMISSION					
DIRECT FROM:					
SECURITIES AND EXCHANGE COMMISSION					
Securities: Investigation of Complaints and SEC Information		GFB	58.001	(259)	0
SUBTOTAL DIRECT FROM:				(259)	0
SUBTOTAL SECURITIES AND EXCHANGE COMMISSION				(259)	0
SUBTOTAL SECURITIES AND EXCHANGE COMMISSION				(259)	0
SMALL BUSINESS ADMINISTRATION					
SMALL BUSINESS ADMINISTRATION					
DIRECT FROM:					
SMALL BUSINESS ADMINISTRATION					
Small Business Development Center		EDA	59.037	159,412	856,840
Small Business Development Center		GFC	59.037	9	0
SUBTOTAL DIRECT FROM:				159,421	856,840
PASS-THROUGH PROGRAMS FROM:					
CITY OF CO SPRINGS					
SMALL BUSINESS ADMINISTRATION		PIA	59.PO7144	5,343	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				5,343	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				164,764	856,840
SUBTOTAL SMALL BUSINESS ADMINISTRATION				164,764	856,840

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF VETERANS AFFAIRS					
DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
DEPARTMENT OF VETERANS AFFAIRS					
ANNUAL REPORTING FEE REIMBURSEMENT		GJB	64.21.4206	7,299	0
VET AFFAIRS		GJJ	64.UNKNOWN	8,850	0
SUBTOTAL DIRECT FROM:				16,149	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				16,149	0
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
Vocational Rehabilitation for Disabled Veterans		GFD	64.116	709,772	0
Vocational Training for Certain Veterans Receiving VA Pension		GJA	64.123	195,747	0
VETRAN'S RECORDING FEE		GGJ	64.UNKNOWN	1,965	0
SUBTOTAL DIRECT FROM:				907,484	0
SUBTOTAL VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				907,484	0
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
Veterans Nursing Home Care		ILB	64.010	103,646	0
Veterans Nursing Home Care		ILC	64.010	90,124	0
Veterans Nursing Home Care		ILD	64.010	16,498	0
Veterans Nursing Home Care		ILE	64.010	78,728	0
Veterans State Domiciliary Care		ILB	64.014	218,305	0
Veterans State Nursing Home Care		ILB	64.015	790,222	0
Veterans State Nursing Home Care		ILC	64.015	1,771,561	0
Veterans State Nursing Home Care		ILD	64.015	1,436,803	0
Veterans State Nursing Home Care		ILE	64.015	1,691,742	0
Sharing Specialized Medical Resources		GFE	64.018	1,477,324	0
SUBTOTAL DIRECT FROM:				7,674,953	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				7,674,953	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				8,598,586	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
ENVIRONMENTAL PROTECTION AGENCY					
ENVIRONMENTAL EDUCATION DIVISION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVIRONMENTAL EDUCATION DIVISION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Education and Training Program		GFB	66.950	2,629	0
Environmental Education and Training Program		GGB	66.950	16,649	0
SUBTOTAL DIRECT FROM:				19,278	0
SUBTOTAL ENVIRONMENTAL EDUCATION DIVISION, ENVIRONMENTAL PROTECTION AGENCY				19,278	0
ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVIRONMENTAL PROTECTION AGENCY					
Performance Partnership Grants (A,B) -		FAA	66.605	6,842,037	914,678
Surveys, Studies, Investigations and Special Purpose Grants (B) -		FAA	66.606	309,814	103,906
Surveys, Studies, Investigations and Special Purpose Grants (B) -		PBA	66.606	1,493	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -		PKA	66.606	102,809	0
TRAINING LIVESTOCK PRODUCERS TO IMPLEMEN		GGB	66.CP-98827501-0	41,488	0
IPA Bedford		FAA	66.OEP-BM1-EPA	25,156	0
PRINCIPLES & GUIDELINES FOR EVALUATING -		GGB	66.X 825789-01-1	2,610	0
AST DATABASE		KAA	66.X998409-01	32,154	0
SUBTOTAL DIRECT FROM:				7,357,561	1,018,584
PASS-THROUGH PROGRAMS FROM:					
The Nature Conservancy					
RIPARIAN CD ROM PROJECT -THE NATURE CONS		GGB	66.1270602	1,499	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,499	0
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				7,359,060	1,018,584
OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Protection Consolidated Grants: Program Support		PAA	66.600	3,218	246,452
SUBTOTAL DIRECT FROM:				3,218	246,452
SUBTOTAL OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY				3,218	246,452
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
Air Pollution Control Program Support		FAA	66.001	(106,856)	5,220
Air Pollution Control Manpower Training		GFE	66.003	54	0
State Indoor Radon Grants		GFC	66.032	10,848	8,755
SUBTOTAL DIRECT FROM:				(95,954)	13,975
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				(95,954)	13,975

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY					
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-008401-00	20,937	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E-008411-00	121,909	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E008401-01	32,123	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E008411-99-0	98,768	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E998430-97-3	31,641	0
Consolidated Pesticide Enforcement Cooperative Agreements		BAA	66.700 / 66.E998430-99-0	40,176	0
Toxic Substances Compliance Monitoring Cooperative Agreements		FAA	66.701	24,645	0
SUBTOTAL DIRECT FROM:				370,199	0
SUBTOTAL OFFICE OF ENFORCEMENT AND COMPLIANCE ASSURANCE, ENVIRONMENTAL PROTECTION AGENCY				370,199	0
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Education Grants		GFB	66.951	4,458	0
SUBTOTAL DIRECT FROM:				4,458	0
SUBTOTAL OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY				4,458	0
OFFICE OF GRANTS AND DEBARMENT, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF GRANTS AND DEBARMENT, ENVIRONMENTAL PROTECTION AGENCY					
Training and Fellowships for the Environmental Protection Agency (B.M) -		GFB	66.607	27,694	0
SUBTOTAL DIRECT FROM:				27,694	0
SUBTOTAL OFFICE OF GRANTS AND DEBARMENT, ENVIRONMENTAL PROTECTION AGENCY				27,694	0
OFFICE OF POLLUTION AND PREVENTION AND TOXICS, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF POLLUTION AND PREVENTION AND TOXICS, ENVIRONMENTAL PROTECTION AGENCY					
TSCA Title IV State Lead Grants: Certification of Lead-Based Paint Professionals		FAA	66.707	30,647	0
SUBTOTAL DIRECT FROM:				30,647	0
SUBTOTAL OFFICE OF POLLUTION AND PREVENTION AND TOXICS, ENVIRONMENTAL PROTECTION AGENCY				30,647	0
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Justice Through Pollution Prevention Grants		GJE	66.711	25,165	0
SUBTOTAL DIRECT FROM:				25,165	0
SUBTOTAL OFFICE OF PREVENTION, PESTICIDES AND TOXIC SUBSTANCES, ENVIRONMENTAL PROTECTION AGENCY				25,165	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Protection: Consolidated Research		FAA	66.500	3,572	9,960
Environmental Protection: Consolidated Research		GFB	66.500	19,609	0
Environmental Protection: Consolidated Research	*	PBA	66.500	120,846	0
Environmental Protection: Consolidated Research		PIA	66.500 / 66.R82843901	21,828	0
SUBTOTAL DIRECT FROM:				165,855	9,960
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				165,855	9,960
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY					
Superfund State Site: Specific Cooperative Agreements		FAA	66.802	9,770,127	2,305,093
State and Tribal Underground Storage Tanks Program		KAA	66.804	175,292	0
Leaking Underground Storage Tank Trust Fund Program		KAA	66.805	1,035,533	0
Brownfield Pilots Cooperative Agreements (B) -		FAA	66.811	6,671	50,000
SUBTOTAL DIRECT FROM:				10,987,623	2,355,093
SUBTOTAL OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY				10,987,623	2,355,093
OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY					
Solid Waste Management Assistance		FAA	66.808	1,135	58,275
SUBTOTAL DIRECT FROM:				1,135	58,275
SUBTOTAL OFFICE OF SOLID WASTE, ENVIRONMENTAL PROTECTION AGENCY				1,135	58,275
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
State Underground Water Source Protection		GJL	66.433	44,033	0
State Underground Water Source Protection		PHA	66.433	87,552	0
Construction Management Assistance		FAA	66.438	84,803	0
Water Quality Management Planning		FAA	66.454	20,857	57,191
Nonpoint Source Implementation Grants		FAA	66.460	101,160	1,170,267
Water Quality Cooperative Agreements		FAA	66.463	1,150	19,693
Water Quality Cooperative Agreements		PKA	66.463	15,000	0
SUBTOTAL DIRECT FROM:				354,555	1,247,151

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
CO Water Res & Power Dev.					
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.CS080001-96-3	654.722	0
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.FS99883298	23.757	40.400
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.WQC-XG9-POW	17.978	13.663
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.WQC-XH1-POW	7.503	0
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.WQC-XQ1-POW	505.402	0
Capitalization Grants for State Revolving Funds		FAA	66.458 / 66.WQC-XT1-POW	28.557	0
Delta Soil Conservation District					
Wetlands Protection		GGB	66.461 / 66.RESEARCH AGREEMENT	8.413	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,246.332	54.063
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				1,600.887	1,301.214
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				20,499.265	5,003.553
DEPARTMENT OF ENERGY					
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
WRBEP ODOR TO ENERGY		EFA	81.55D01	22.718	0
PETROLEUM VIOLATION ESCROW		EFA	81.COURT ORDER EXXON	484.191	0
PETROLEUM VIOLATION ESCROW		EFA	81.COURT ORDER STRPR WEL	359.840	0
PETROLEUM VIOLATION ESCROW		EFA	81.COURT ORDER TEXACO	10.000	0
EXPLORING SCIENCE & ENGINEERING CAREER -		GGB	81.DE-FG34-98RF01751	(13)	0
REBUILD CO		EFA	81.DE-FG48 95GO10130	30.508	0
ERHC FEE REDUCTION		EFA	81.DE-FG4898 R802301	137.071	0
CO SPGS CORRDINATOR		EFA	81.R802501	20.000	0
AMERIGAS		EFA	81.R802601	61.482	0
CITY & COUNTY OF DENVER		EFA	81.R802701	11.660	0
ARGO MNGMT CO SPGS		EFA	81.R802801	29.760	0
DENVER/BLDR SCH DISTRICT		EFA	81.R802901	1.867	0
FRT RANGE COORDINATOR		EFA	81.R803001	15.000	0
CORNGROWERS		EFA	81.R803101	15.816	0
PERFORMING ARTS		EFA	81.R803201	50.000	0
IND TECH MCNEIL		EFA	81.R803301-00	59.050	0
PROMO OF ENERGY EFFC		EFA	81.R803401	48.728	0
REBLD CO EMSS RDCTN		EFA	81.R803501	19.000	0
CO SPGS COORDINATOR		EFA	81.R803701	5.556	0
PEER EXCHANGE		EFA	81.R810070	5.673	0
GREEN PRICING		EFA	81.R810616	162.343	0
NICE 3		EFA	81.R810688-01	158.231	0
SUBTOTAL DIRECT FROM:				1,708.481	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
MIDWEST RESEARCH INSTITUTE					
NATIONAL RENEWABLE ENERGY LAB		GKA	81.DEAC36-99-G010337	37,546	0
ROCKY FLATS LOCAL IMPACTS INTITATIVE TASK FORCE					
Environmental Restoration		GFB	81.092 / 81.RFLIITF	23	0
UTAH GEOLOGICAL SOCIETY					
DOE PARADOX BASIN		PIA	81.016149DOE/UGS	1,780	0
University City Science Center					
INDUSTRIAL ASSESSMENT CENTER -UNIVERSITY		GGB	81.DE-FC01-97EE41319 MOD #	202,125	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				241,474	0
SUBTOTAL DEPARTMENT OF ENERGY				1,949,955	0
OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY					
National Resource Center for Plutonium		FAA	81.110	2,252,403	107,137
SUBTOTAL DIRECT FROM:				2,252,403	107,137
SUBTOTAL OFFICE OF DEFENSE PROGRAMS, DEPARTMENT OF ENERGY				2,252,403	107,137
OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
State Energy Program		EFA	81.041	663,150	0
Weatherization Assistance for Low-Income Persons		EFA	81.042	3,050,685	0
SUBTOTAL DIRECT FROM:				3,713,835	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				3,713,835	0
OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.KAK-6-16810-15	1,952	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,952	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				1,952	0
OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY					
SEEDS		GJK	81.DE-FG34-00RF01951	33,389	0
SUBTOTAL DIRECT FROM:				33,389	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
NATIONAL RENEWABLE ENERGY LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.KDJ-9-29638-03	24,848	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KDJ-9-29638-05	25,143	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				49,991	0
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				83,380	0
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
Office of Science and Technology for Environmental Management		FAA	81.104	58,325	7,259
SUBTOTAL DIRECT FROM:				58,325	7,259
PASS-THROUGH PROGRAMS FROM:					
Western Governors Assn.					
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States & Tribal Concerns, Proposed Solu		FAA	81.106 / 81.2611	235,941	0
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States & Tribal Concerns, Proposed Solu		FAA	81.106 / 81.30-306-E	(8)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				235,933	0
SUBTOTAL OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY				294,258	7,259
SUBTOTAL DEPARTMENT OF ENERGY				8,295,783	114,396
UNITED STATES INFORMATION AGENCY					
UNITED STATES INFORMATION AGENCY					
DIRECT FROM:					
UNITED STATES INFORMATION AGENCY					
Educational Exchange: Graduate Students		GFB	82.001	36	0
College and University Affiliations Program		GFD	82.011	13,234	0
SUBTOTAL DIRECT FROM:				13,270	0
SUBTOTAL UNITED STATES INFORMATION AGENCY				13,270	0
SUBTOTAL UNITED STATES INFORMATION AGENCY				13,270	0
FEDERAL EMERGENCY MANAGEMENT AGENCY					
CHEMICAL AND RADIOLOGICAL PREPAREDNESS DIVISION, PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
CHEMICAL AND RADIOLOGICAL PREPAREDNESS DIVISION, PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
Hazardous Materials Assistance Programs		NAA	83.012	0	5,333
SUBTOTAL DIRECT FROM:				0	5,333
SUBTOTAL CHEMICAL AND RADIOLOGICAL PREPAREDNESS DIVISION, PREPAREDNESS, TRAINING AND EXERCISES DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				0	5,333

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
EMERGENCY MANAGEMENT INSTITUTE, PREPAREDNESS, TRAINING AND EXERCISES, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
EMERGENCY MANAGEMENT INSTITUTE, PREPAREDNESS, TRAINING AND EXERCISES, FEDERAL EMERGENCY MANAGEMENT AGENCY					
STATE DAM SAFETY/FEMA		PEA	83.EMW1998CA017	2,000	0
STATE DAM SAFETY/FEMA		PEA	83.EMW1999GR0174	2,206	0
STATE DAM SAFETY/FEMA		PEA	83.EMW2000GR0121	64,157	0
SUBTOTAL DIRECT FROM:				68,363	0
SUBTOTAL EMERGENCY MANAGEMENT INSTITUTE, PREPAREDNESS, TRAINING AND EXERCISES, FEDERAL EMERGENCY MANAGEMENT AGENCY				68,363	0
FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Emergency Management Performance Grants		NAA	83.552	976,192	1,006,432
PUBLIC ASSISTANCE - UNMET NEEDS		NAA	83.EMD-2000-GR-0051	76,445	4,198,737
FEDERAL EMERGENCY MANAGEMENT AGENCY		PDA	83.EMD2000GR007	0	9,960
MITANI-TOKUYASU & KODAK SWA REPAIRS		PBA	83.OEMCDW99	21,403	0
SUBTOTAL DIRECT FROM:				1,074,040	5,215,129
PASS-THROUGH PROGRAMS FROM:					
PUEBLO COUNTY, CO					
JOINT INFO CENTER		GGJ	83.UNKNOWN	(26,204)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(26,204)	0
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				1,047,836	5,215,129
MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
National Fire Academy Educational Program		RAA	83.010	5,286	0
Community Assistance Program: State Support Services Element (CAP-SSSE)		NAA	83.105	83,388	0
Flood Mitigation Assistance		NAA	83.536	19,966	0
Project Impact: Building Disaster Resistant Communities		NAA	83.551	8,075	20,140
SUBTOTAL DIRECT FROM:				116,715	20,140
SUBTOTAL MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				116,715	20,140
PROGRAM IMPLEMENTATION DIVISION, MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
PROGRAM IMPLEMENTATION DIVISION, MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
Hazard Mitigation Grant		NAA	83.548	34,008	90,981
SUBTOTAL DIRECT FROM:				34,008	90,981
SUBTOTAL PROGRAM IMPLEMENTATION DIVISION, MITIGATION DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				34,008	90,981

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
RESPONSE AND RECOVERY DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
RESPONSE AND RECOVERY DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY					
Public Assistance Grants		NAA	83.544	6,296,865	1,694,436
SUBTOTAL DIRECT FROM:				6,296,865	1,694,436
SUBTOTAL RESPONSE AND RECOVERY DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY				6,296,865	1,694,436
UNITED STATES FIRE ADMINISTRATION, FEDERAL EMERGENCY MANAGEMENT AGENCY					
DIRECT FROM:					
UNITED STATES FIRE ADMINISTRATION, FEDERAL EMERGENCY MANAGEMENT AGENCY					
First Responder Counter-Terrorism Training Assistance		RAA	83.547	73,458	0
Chemical Stockpile and Emergency Preparedness Program		NAA	83.549	582,160	1,766,210
SUBTOTAL DIRECT FROM:				655,618	1,766,210
SUBTOTAL UNITED STATES FIRE ADMINISTRATION, FEDERAL EMERGENCY MANAGEMENT AGENCY				655,618	1,766,210
SUBTOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				8,219,405	8,792,229
DEPARTMENT OF EDUCATION					
DEPARTMENT OF EDUCATION					
DIRECT FROM:					
DEPARTMENT OF EDUCATION					
Unclassified Grants and Contracts		DAA	84.000 / 84.ED-99-CO-0074	7,294	0
Sys Chg Proj to Expand Emp Opp for Individuals with Mental or Physical Disabilities		GFE	84.989	413,906	164,391
FFELP		GGJ	84.UNKNOWN	1,344,560	0
SUBTOTAL DIRECT FROM:				1,765,760	164,391
PASS-THROUGH PROGRAMS FROM:					
MID CONTINENT RESEARCH					
MCREL EARLY LITERACY		GHD	84.UNKNOWN	13,120	0
NATIONAL WRITING PROJ CORP					
National Writing Project Model		GKA	84.928 / 84.CONTRACT# 97-C001	13,680	0
Ohio State University					
PARTNERSHIPS UNITE CONTEXTUAL TEACHING &		GGB	84.PO# RF 821872 PROJ # 734	4,483	0
The Krell Institute					
PROFESSIONAL DEVELOPMENT PROGRAM FOR INT		GGB	84.99141905	708	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				31,991	0
SUBTOTAL DEPARTMENT OF EDUCATION				1,797,751	164,391
OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
Fund for the Improvement of Education		DAA	84.215	33,029	11,000
SUBTOTAL DIRECT FROM:				33,029	11,000

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
Council of Chief State School Office					
Fund for the Improvement of Education		DAA	84.215 / 84.R215U60011-00	1,199	32,923
Los Angeles County Office of Education					
Star Schools		DAA	84.203 / 84.91723:99:00	227,577	53,975
MID CONTINENT RESEARCH					
Eisenhower Professional Development: Federal Activities		GHD	84.168	3,267	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				232,043	86,898
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				265,072	97,898
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Civil Rights Training and Advisory Services		GGB	84.004	650,755	0
Civil Rights Training and Advisory Services		GHD	84.004 / 84.84.004D	5,758	0
Advanced Placement Incentive Program		DAA	84.330	0	327,376
Reading Excellence		DAA	84.338	74,842	214,771
SUBTOTAL DIRECT FROM:				731,355	542,147
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				731,355	542,147
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Undergraduate International Studies and Foreign Language Programs		GGB	84.016	44,544	0
International: Overseas: Group Projects Abroad		GGB	84.021	62,000	0
Higher Education: Institutional Aid		GGJ	84.031	214,344	0
Higher Education: Institutional Aid		GHD	84.031	433,813	0
Higher Education: Institutional Aid		GJD	84.031	269,298	0
Higher Education: Institutional Aid		GJM	84.031	354,555	0
Higher Education: Institutional Aid		GJK	84.031 / 84.84.031A	345,157	0
Higher Education: Institutional Aid		GHB	84.031 / 84.84.031S	175,948	0
Loan Cancellations		GFC	84.037	51,715	0
Loan Cancellations		GGB	84.037	42,312	0
Loan Cancellations		GGH	84.037	28,501	0
Loan Cancellations		GGJ	84.037	114,967	0
Loan Cancellations		GHC	84.037	7,871	0
Loan Cancellations		GHD	84.037	126,754	0
Loan Cancellations		GJM	84.037	8,352	0
Loan Cancellations		GKA	84.037	132,241	0
Loan Cancellations		GLA	84.037	1,825	0
TRIO: Student Support Services		GFB	84.042	338,645	0
TRIO: Student Support Services		GFD	84.042	85,399	0
TRIO: Student Support Services		GGH	84.042	190,022	0
TRIO: Student Support Services		GGJ	84.042	210,535	0
TRIO: Student Support Services		GHD	84.042	207,731	0
TRIO: Student Support Services		GJD	84.042	202,160	0
TRIO: Student Support Services		GJF	84.042	153,502	0
TRIO: Student Support Services		GJK	84.042	215,550	0
TRIO: Student Support Services		GJM	84.042	251,236	0
TRIO: Student Support Services		GJR	84.042 / 84.84.042A	174,015	0
TRIO: Student Support Services		GKA	84.042 / 84.84.042A	208,362	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
	GGB	84.044	331,371	0
	GGH	84.044	209,543	0
	GHB	84.044	164,413	0
	GJD	84.044	279,830	0
	GJM	84.044	246,020	0
	GFB	84.047	561,762	0
	GFD	84.047	173,117	0
	GGB	84.047	424,331	0
	GGH	84.047	230,606	0
	GGJ	84.047	320,201	0
	GHB	84.047	382,586	0
	GHD	84.047	568,219	0
	GJK	84.047	271,465	0
	GJM	84.047	691,555	0
	GKA	84.047 / 84.84.047M	228,487	0
	GGB	84.066	339,271	0
	GGJ	84.066	323,626	0
	GJD	84.066	537,793	0
	GHC	84.069	12,803	0
	GLA	84.069	11,098	0
	GAA	84.069 / 84.84.069A	419,066	0
	GAA	84.069 / 84.84.069B	132,581	0
	GFB	84.116	322,735	27,133
	GFE	84.116	73,998	0
	GGB	84.116	86,566	0
	GKA	84.116 / 84.84.116X	13,100	0
	GGB	84.142	97,384	0
	GKA	84.142	50,536	0
	GJJ	84.153	92,369	0
	DAA	84.185	0	514,875
	GFB	84.200	287,443	0
	GGB	84.200	167,568	0
	GFB	84.217	195,812	0
	GFD	84.217	36,945	0
	GGB	84.217	204,839	0
	GKA	84.217 / 84.84.217A	208,060	0
	GFD	84.220	233,291	0
	GFD	84.252	16,870	0
	GGJ	84.334	130,166	0
	GKA	84.334 / 84.84.334A	285,761	0
	EAA	84.334 / 84.P334A9900527-00	2,482,838	0
	GJL	84.335	10,959	0
	GKA	84.335 / 84.84.335A	30,359	0
	GGJ	84.336	774,513	0
	GFD	84.339	47,792	47,805
	GGB	84.342	179,841	18,341
	GGJ	84.342	199,859	0
	GHD	84.342	237,662	0
	GJA	84.342	62,142	0
	GKA	84.342 / 84.84.342A	186,466	38,085
			18,226,972	646,239

SUBTOTAL DIRECT FROM:

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
INDIANA UNIVERSITY					
Learning Anytime Anywhere Partnerships		GFD	84.339 / 84.P339B990108	121,533	0
NATIONAL ACADEMY OF EDUCATION					
Faculty Development Fellowship		GFB	84.271 / 84.NAE-OCG3025	480	0
Faculty Development Fellowship		GFB	84.271 / 84.NAE-OCG4106B	9,088	0
Faculty Development Fellowship		GFB	84.271 / 84.NAE-OCG4252B	15,833	0
UNIVERSITY OF ARIZONA					
Fund for the Improvement of Postsecondary Education		GFD	84.116 / 84.P423547	(13,536)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				133,398	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				18,360,370	646,239
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Rehabilitation Services: Vocational Rehabilitation Grants to States		IHA	84.126	28,493,589	507,783
Rehabilitation Services: Service Projects		GHD	84.128	130,906	0
Rehabilitation Services: Service Projects		IHA	84.128	152,313	1,310
Rehabilitation Long-Term Training		GKA	84.129 / 84.84.129B	61,224	0
Rehabilitation Long-Term Training		GKA	84.129 / 84.84.129F	73,064	0
Rehabilitation Long-Term Training		GKA	84.129 / 84.84.129T	20,614	0
National Institute on Disability and Rehabilitation Research		GFE	84.133	2	0
Independent Living: State Grants		IHA	84.169	172,368	193,855
Supported Employment Services for Individuals with Severe Disabilities		IHA	84.187	500,695	0
Assistive Technology		GFE	84.224	397,338	52,635
Rehabilitation Training: Continuing Education		GKA	84.264 / 84.84.264A	301,684	0
Rehabilitation Training: State Vocational Rehabilitation Unit In-Service Training		IHA	84.265	59,485	0
SUBTOTAL DIRECT FROM:				30,363,282	755,583
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				30,363,282	755,583
OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
Vocational Education: Basic Grants to States		GJA	84.048	13,393,670	0
SUBTOTAL DIRECT FROM:				13,393,670	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				13,393,670	0
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
Immigrant Education		DAA	84.162	28,048	772,135
Bilingual Education Support Services		DAA	84.194	95,424	0
Bilingual Education: Professional Development		GFB	84.195	858,087	33,336
Bilingual Education: Professional Development		GFD	84.195	303,773	0
Bilingual Education: Professional Development		GGH	84.195	133,317	0
Bilingual Education: Professional Development		GJE	84.195	130,823	0
Bilingual Education: Professional Development		GKA	84.195 / 84.84.195A	227,378	0
SUBTOTAL DIRECT FROM:				1,776,850	805,471

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Bilingual Education Support Services		GFB	84.194 / 84.T29R000009	56,712	0
VANDERBILT UNIVERSITY					
Bilingual Education		GFB	84.003 / 84.14299-S4	62,645	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				119,357	0
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				1,896,207	805,471
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Title I Grants to Local Educational Agencies		DAA	84.010	774,019	62,376,043
Migrant Education: Basic State Grant Program		DAA	84.011	834,558	4,089,197
Title I Program for Neglected and Delinquent Children		DAA	84.013	0	259,187
Migrant Education: High School Equivalency Program		GFB	84.141	579,022	20,943
Migrant Education: College Assistance Migrant Program		GHD	84.149	396,394	0
Safe and Drug-Free Schools: State Grants		DAA	84.186	253,057	3,467,705
Safe and Drug-Free Schools: State Grants		FAA	84.186	289,932	1,140,379
Education for Homeless Children and Youth		DAA	84.196	49,499	238,317
Even Start: State Educational Agencies		DAA	84.213	46,063	971,130
Even Start: Migrant Education		DAA	84.214	0	230,456
Capital Expenses		DAA	84.216	0	424
Goals 2000: State and Local Education Systemic Improvement Grants		DAA	84.276	658,081	5,463,712
Eisenhower Professional Development State Grants		DAA	84.281	235,746	2,959,899
Eisenhower Professional Development State Grants		GAA	84.281 / 84.84.281B	650,053	0
Charter Schools		DAA	84.282	275,216	4,083,931
Innovative Education Program Strategies		DAA	84.298	584,622	3,891,259
Even Start: Family Literacy in Women's Prisons Program		DAA	84.313	119,609	29,119
Technology Literacy Challenge Fund Grants		DAA	84.318	182,921	2,901,820
Comprehensive School Reform Demonstration		DAA	84.332	33,943	940,132
Class Size Reduction		DAA	84.340	0	11,290,041
Title I Accountability Grants		DAA	84.348	0	174,020
SUBTOTAL DIRECT FROM:				5,962,735	104,527,714
PASS-THROUGH PROGRAMS FROM:					
BENNETT SCHOOL DISTRICT 29J					
Goals 2000: State and Local Education Systemic Improvement Grants		GFD	84.276 / 84.GOALS 2000 GRANT	14,498	0
DENVER PUBLIC SCHOOLS					
Safe and Drug-Free Schools and Communities: National Programs		GFD	84.184 / 84.S184L990369	84,529	0
EDUCATION DEVELOP CTR					
Safe and Drug-Free Schools and Communities: National Programs		GKA	84.184	2,145	0
Englewood CO Public Schools					
Goals 2000: State and Local Education Systemic Improvement Grants		DAA	84.276 / 84.Tech Links	14,362	0
Iowa Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	15,000
Maine Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	32,000
Nevada Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	32,000
New Mexico Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	32,000
North Dakota Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	22,000

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Utah Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	34.000
Vermont Dept of Education					
Migrant Education: Basic State Grant Program		DAA	84.011 / 84.Consortium	0	15.000
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				115.534	182.000
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				6.078.269	104.709.714
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Early Education for Children with Disabilities		GFE	84.024	52	0
Special Education: Grants to States		DAA	84.027	4.745.297	48.730.703
Special Education: Grants to States		GJE	84.027	509.531	0
Special Education: Personnel Development and Parent Training		GFB	84.029	345.508	21.406
Special Education: Personnel Development and Parent Training		GFD	84.029	453.427	9.820
Special Education: Personnel Development and Parent Training		GKA	84.029 / 84.84.029A	407.973	0
Special Education: Personnel Development and Parent Training		GKA	84.029 / 84.84.029B	9.007	0
Special Education: Personnel Development and Parent Training		GKA	84.029 / 84.84.029D	22.589	0
Special Education: Program for Severely Disabled Children		DAA	84.086	89.738	110.588
Special Education: Program for Severely Disabled Children		GFC	84.086	27.931	0
Special Education: Program for Severely Disabled Children		GFD	84.086	316.856	0
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		GFB	84.160	158.271	0
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind		GJE	84.160	220.945	0
Special Education: Preschool Grants		DAA	84.173	260.696	4.747.264
Rehabilitation Services: Independent Living Services for Older Individuals Who are Blind		IHA	84.177	177.177	186.488
Special Education: Grants for Infants and Families with Disabilities		DAA	84.181	744.670	4.447.718
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFB	84.324	84.585	0
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFD	84.324	158.121	0
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFE	84.324	306.633	16.500
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GGB	84.324	145.836	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFB	84.325	491.376	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFC	84.325	204.653	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFD	84.325	374.209	31.721
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFE	84.325	284.142	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GJE	84.325	237.324	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GKA	84.325 / 84.84.325D	191.593	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GHB	84.325 / 84.84.325E	115.637	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		DAA	84.326	95.402	30.000
SUBTOTAL DIRECT FROM:				11.179.179	58.332.208
PASS-THROUGH PROGRAMS FROM:					
ADAMS COUNTY					
Projects with Industry		GJD	84.234 / 84.V278D60048	54.196	0
INSTITUTE FOR REHAB & RESEARCH					
INDEPENDNT LIVING RES UTILIZAT		GKA	84.UNKNOWN	92.055	0
UNIVERSITY OF NEW MEXICO					
Special Education: Personnel Development and Parent Training		GFB	84.029 / 84.3-37356-7802	(1)	0
UNIVERSITY OF VIRGINIA					
Special Education: Innovation and Development		GFB	84.023 / 84.5-34232	5.124	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFB	84.326 / 84.5-34375	4.468	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				155.842	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				11.335.021	58.332.208

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
Bilingual Education: Program Enhancement Grants		GFB	84.289	(29,967)	0
Foreign Language Assistance		DAA	84.293	32,899	0
SUBTOTAL DIRECT FROM:				2,932	0
SUBTOTAL OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				2,932	0
OFFICE OF THE SECRETARY					
DIRECT FROM:					
OFFICE OF THE SECRETARY					
Library Research and Demonstrations		GGJ	84.039	51,857	0
Bilingual Vocational Training		GJG	84.077	11,972	0
SUBTOTAL DIRECT FROM:				63,829	0
SUBTOTAL OFFICE OF THE SECRETARY				63,829	0
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION					
Adult Education: State Grant Program		DAA	84.002	626,459	3,068,186
National Vocational Education Research		GFD	84.051	659,576	431,302
Literacy Programs for Prisoners		CAA	84.255 / 84.84.255A	239,939	0
Grants to States for Incarcerated Youth Offenders		CAA	84.331 / 84.84.331A	232,784	0
SUBTOTAL DIRECT FROM:				1,758,758	3,499,488
SUBTOTAL OFFICE OF VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION				1,758,758	3,499,488
SUBTOTAL DEPARTMENT OF EDUCATION				86,046,516	169,553,139
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION					
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION					
DIRECT FROM:					
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION					
National Historical Publications and Records Grants		AMA	89.003 / 89.97-028	2,822	0
National Historical Publications and Records Grants		GGH	89.003 / 89.NHPRC 99-035	8,816	0
SUBTOTAL DIRECT FROM:				11,638	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				11,638	0
SUBTOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				11,638	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Promoting Safe and Stable Families		IHA	93.556	2,447,213	0
State Court Improvement Program		JAA	93.586 / 93.75-9-1512&75-0-1512	197,706	0
SUBTOTAL DIRECT FROM:				2,644,919	0
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, ADMINISTRATION ON CHILDREN, YOUTH AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,644,919	0
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Temporary Assistance for Needy Families (A) -		IHA	93.558	15,299,023	99,017,842
Low-Income Home Energy Assistance (LIHEAP)		IHA	93.568	1,096,433	35,595,861
Child Care and Development Block Grant (CCDBG)		IHA	93.575	26,432,030	18,556,280
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		IHA	93.596	1,638,228	26,585,408
Grants to States for Access and Visitation Programs (B) -		JAA	93.597 / 93.75-X-1501	114,807	0
Head Start		GJH	93.600	3,971,766	0
Head Start		EAA	93.600 / 93.08CD0004/02	14,239	0
Head Start		EAA	93.600 / 93.08CD0004/03	98,517	0
Child Support Enforcement Demonstrations and Special Projects		IHA	93.601	46,193	9,988
Adoption Incentive Payments		IHA	93.603	14,747	445,402
Runaway and Homeless Youth		IHA	93.623	96,895	0
Developmental Disabilities Basic Support and Advocacy Grants		IHA	93.630	561,964	86,360
Developmental Disabilities University Affiliated Programs		GFE	93.632	304,424	0
Children's Justice Grants to States		IHA	93.643	97,873	71,979
Child Welfare Services: State Grants		IHA	93.645	3,871,201	0
Child Welfare Services Training Grants		GGB	93.648	25,305	0
Adoption Opportunities		IHA	93.652	291,662	141,300
Foster Care: Title IV-E		IHA	93.658	(1,352,379)	39,435,912
Adoption Assistance		IHA	93.659	1,862,926	13,189,030
Social Services Block Grant		IHA	93.667	190,858	45,595,527
Child Abuse and Neglect State Grants		IHA	93.669	321,619	15,849
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian		IHA	93.671	1,151,131	0
Independent Living		IHA	93.674	(1,739,431)	3,136,395
SUBTOTAL DIRECT FROM:				54,410,031	281,883,133
PASS-THROUGH PROGRAMS FROM:					
COLORADO OFFICE OF RESOURCE AND REFERRAL					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (A) -		GJM	93.596 / 93.00382	0	20,650
JEFFERSON CTY					
Temporary Assistance for Needy Families (A) -		GJL	93.558 / 93.31633	453,684	0
MOET					
Temporary Assistance for Needy Families (A) -		GJD	93.558 / 93.GE00092035	168,342	0
MOWD					
Temporary Assistance for Needy Families (A) -		GJD	93.558 / 93.GE10194	198,510	0
Temporary Assistance for Needy Families (A) -		GJD	93.558 / 93.GE10214	24,627	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				845,163	20,650
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				55,255,194	281,903,783

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Special Programs for the Aging: Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect, and		IHA	93.041	(4,725)	46,257
Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individua		IHA	93.042	(6,781)	273,106
Special Programs for the Aging: Title III, Part F: Disease Prevention and Health Promotion Services		IHA	93.043	(27,691)	110,051
Special Programs for the Aging: Title III, Part B: Grants for Supportive Services and Senior Centers		IHA	93.044	388,233	3,598,004
Special Programs for the Aging: Title III, Part C: Nutrition Services		IHA	93.045	(52,719)	3,736,292
Special Programs for the Aging: Title III, Part D: In-Home Services for Frail Older Individuals		IHA	93.046	7,534	107,655
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects and Programs		GFE	93.048	473,118	0
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects and Programs		IHA	93.048	62,730	0
ADM. ON AGING		SFA	93.UNKNOWN	176,100	0
SUBTOTAL DIRECT FROM:				1,015,799	7,871,365
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,015,799	7,871,365
AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226	25,025	0
SUBTOTAL DIRECT FROM:				25,025	0
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				25,025	0
BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
National Research Services Awards		GFE	93.186	221,042	0
SUBTOTAL DIRECT FROM:				221,042	0
SUBTOTAL BUREAU OF HEALTH PROFESSIONS, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				221,042	0
CENTER FOR SUBSTANCE ABUSE TREATMENT (CSAT), DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
CENTER FOR SUBSTANCE ABUSE TREATMENT (CSAT), DEPARTMENT OF HEALTH AND HUMAN SERVICES					
STATE TREATMENT DEMAND AND NEEDS ASSESSMENT: ALCOHOL AND OTHER DRUGS		IHM	93.270-98-7064	62,768	127,373
SUBTOTAL DIRECT FROM:				62,768	127,373
PASS-THROUGH PROGRAMS FROM:					
SYNECTICS					
DASIS		IHM	93.UNKNOWN	61,102	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				61,102	0
SUBTOTAL CENTER FOR SUBSTANCE ABUSE TREATMENT (CSAT), DEPARTMENT OF HEALTH AND HUMAN SERVICES				123,870	127,373

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
National Death Index		FAA	93.0009630213	13,002	0
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		FAA	93.116	315,130	393,904
Acquired Immunodeficiency Syndrome (AIDS) Activity		FAA	93.118	3,039,980	2,055,516
Injury Prevention and Control Research and State and Community Based Programs		FAA	93.136	321,074	426,400
Health Program for Toxic Substances and Disease Registry		FAA	93.161	147,404	0
Childhood Lead Poisoning Prevention Projects: State and Local Childhood Lead Poisoning Prevention and Surve		FAA	93.197	234,828	2,000
Occupational Safety and Health: Training Grants		GFE	93.263	36,534	0
Immunization Grants		FAA	93.268	1,819,860	468,035
Immunization Grants	*	FAA	93.268	0	11,553,969
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283	4,044,240	1,574,080
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	206,196	230,285
Addressing Asthma from a Public Health Perspective		FAA	93.293	114,968	0
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs		FAA	93.919	1,214,192	2,344,409
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Oth		DAA	93.938	173,058	147,876
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Viru		FAA	93.943	22,060	605,289
Preventive Health Services: Sexually Transmitted Diseases Control Grants		FAA	93.977	763,087	269,183
Preventive Health Services: Sexually Transmitted Diseases Research, Demonstrations, and Public		FAA	93.978	354,345	503,778
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		FAA	93.988	303,389	0
Preventive Health and Health Services Block Grant		FAA	93.991	2,292,841	0
Water Fluoridation Assistance Program		FAA	93.CCH817460-01	7,937	28,800
State Cardiovascular Health Program		FAA	93.U50/CCU819129-01	20,745	0
Cooperative Agreement - Arthritis		FAA	93.U58/CCU817148-01	59,765	0
SUBTOTAL DIRECT FROM:				15,504,635	20,603,524
PASS-THROUGH PROGRAMS FROM:					
AMERICAN NURSES ASSOCIATION					
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Oth		GFE	93.938 / 93.ANA 95-001-04	(77)	0
Assoc Public Hlth Laboratories					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93. 01-00225	19,968	0
Assoc State/Terr Health Officials					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93. U50/CCU313903	646	46,115
Craig Hospital					
Disabilities Prevention		FAA	93.184 / 93. R04/CCR81432-01	50,990	0
State/Terr Epidemiologists					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		FAA	93.283 / 93. U60/CCU07277	58,464	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				129,991	46,115
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				15,634,626	20,649,639
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Unclassified Grants and Contracts		EAA	93.000 / 93.1PO90A000-01	13,211	0
SUBTOTAL DIRECT FROM:				13,211	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
CITY & COUNTY OF DENVER					
COUNTY STIPENDS FOR BILINGUAL STUDENTS		GHD	93.GE01289(1)	1,742	139
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,742	139
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				14,953	139
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration: Research		FAA	93.103	209,364	(30,459)
Food and Drug Administration: Research		BAA	93.103 / 93.223-89-4033	29,189	0
SUBTOTAL DIRECT FROM:				238,553	(30,459)
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				238,553	(30,459)
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
State Children's Insurance Program		UHA	93.767	13,134,956	6,642,047
Medicare: Supplementary Medical Insurance		FAA	93.774	3,466,490	197,766
Health Care Financing Research, Demonstrations and Evaluations		SFA	93.779	209,237	0
Health Care Financing Research, Demonstrations and Evaluations		UHA	93.779 / 93.10-P-14058-01	51	0
Health Care Financing Research, Demonstrations and Evaluations		UHA	93.779 / 93.11-P-90963/8	35,840	0
SUBTOTAL DIRECT FROM:				16,846,574	6,839,813
PASS-THROUGH PROGRAMS FROM:					
Colo Foundation for Med. Care					
Medicare: Supplementary Medical Insurance		FAA	93.774 / 93. 500-96-P611	4,033	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				4,033	0
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				16,850,607	6,839,813
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Model State-Supported Area Health Education Centers		GFE	93.107	164,932	225,493
Maternal and Child Health Federal Consolidated Programs		FAA	93.110	539,830	37,744
Maternal and Child Health Federal Consolidated Programs		GFE	93.110	1,331,191	155,045
Grants for Preventive Medicine		GFE	93.117	73,333	0
Emergency Medical Services for Children		FAA	93.127	43,551	89,590
Primary Care Services: Resource Coordination and Development: Primary Care Offices		FAA	93.130	113,588	171,817
Financial Assistance for Disadvantaged Health Professions Students		GFE	93.139	42,567	0
AIDS Education and Training Centers		GFE	93.145	96,881	75,122
Grants for State Loan Repayment		GFE	93.165	0	72,995
Quentin N. Burdick Programs for Rural Interdisciplinary Training		GFE	93.192	97,120	0
Traumatic Brain Injury: State Demonstartion Grant Program		IIA	93.234	7,196	5,557
Abstinence Education		FAA	93.235	33,234	361,871
State Rural Hospital Flexibility Program		FAA	93.241	169,911	443,575
Health Centers Grants for Migrant and Seasonal Farmworkers		FAA	93.246	507,393	11,824
Nurse Practitioner and Nurse-Midwifery Education Programs		GFE	93.298	13,771	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Advanced Education Nursing Traineeships		GFC	93.358	(364)	0
Advanced Education Nursing Traineeships		GFE	93.358	102,038	0
Advanced Education Nursing Traineeships		GKA	93.358	42,337	0
Basic Nurse Education and Practice Grants		GFE	93.359	190,445	0
Grants for Graduate Training in Family Medicine		GFB	93.379	(3,000)	0
Health Careers Opportunity Program		GFE	93.822	(3,546)	0
Health Careers Opportunity Program		GGB	93.822	(81)	0
Grants for Residency Training in General Internal Medicine and/or General Pediatrics		GFE	93.884	116,070	0
Physician Assistant Training in Primary Care		GFE	93.886	113,470	0
Project Grants for Renovation or Construction of Non-Acute Health Care Facilities and Other Facilities		GKA	93.887 / 93.AC76HF00099-01	26,020	0
Grants for Faculty Development in Family Medicine		GFE	93.895	281,169	42,503
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)		GFE	93.896	330,917	0
Residencies and Advanced Education in the Practice of General Dentistry		GFE	93.897	71,779	83,505
Grants for Faculty Development in General Internal Medicine and/or General Pediatrics		GFE	93.900	74	17,582
Rural Health Medical Education Demonstration Projects		GFB	93.906	7,544	0
Rural Health Medical Education Demonstration Projects		GGJ	93.906	79,297	0
Rural Health Medical Education Demonstration Projects		GHD	93.906	63,433	0
HIV Care Formula Grants		FAA	93.917	549,232	5,693,642
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GFE	93.925	124,705	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GGB	93.925	81,758	0
Scholarships for Health Professions Students from Disadvantaged Backgrounds		GJD	93.925	12,972	0
Healthy Start Initiative		FAA	93.926	153,661	0
Health Administration Traineeships and Special Projects Program		GFD	93.962	29,937	0
Public Health Traineeships		GFE	93.964	9,324	0
Academic Administrative Units In Primary Care		GFE	93.984	119,494	11,320
Maternal and Child Health Services Block Grant to the States		FAA	93.994	2,877,599	4,603,115
SUBTOTAL DIRECT FROM:				8,610,782	12,102,300
PASS-THROUGH PROGRAMS FROM:					
AMERICAN ACADEMY OF PEDIATRICS					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.AAOP 1 MCU-17MHS1	22,273	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				22,273	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				8,633,055	12,102,300
NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Human Genome Research		GFE	93.172	10,134	0
SUBTOTAL DIRECT FROM:				10,134	0
SUBTOTAL NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				10,134	0
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Research Related to Deafness and Communication Disorders		GFE	93.173	37,106	0
SUBTOTAL DIRECT FROM:				37,106	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				37,106	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Applied Toxicological Research and Testing		GGJ	93.114	1,545	0
Research and Training in Complementary and Alternative Medicine		GFB	93.213	20,466	0
Alcohol National Research Service Awards for Research Training		GFB	93.272	22,162	0
Alcohol National Research Service Awards for Research Training		GFE	93.272	210,406	0
Drug Abuse National Research Service Awards for Research Training		GFB	93.278	5,595	0
Drug Abuse National Research Service Awards for Research Training		GFE	93.278	40,196	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	191,926	0
Mental Health National Research Service Awards for Research Training		GFE	93.282	349,740	0
Mental Health National Research Service Awards for Research Training		GGB	93.282	18,797	0
Nursing Research		GFE	93.361	62,542	0
Minority Biomedical Research Support		GGJ	93.375	417,988	0
Cancer Research Manpower		GFE	93.398	346,942	0
Cancer Control		FAA	93.399	74,748	0
NAT'L HUMAN SUB WKSHP		GGJ	93.48328523 589Y	300	0
NAT'L HUMAN SUB WKSHP		GGJ	93.68328524 252Z	5,000	0
Cell Biology and Biophysics Research		GFB	93.821	191,667	0
Cell Biology and Biophysics Research		GFE	93.821	62,862	0
Heart and Vascular Diseases Research		GFB	93.837	199,823	0
Heart and Vascular Diseases Research		GFE	93.837	108,538	121,493
Lung Diseases Research		GFE	93.838	1,094,148	0
Arthritis, Musculoskeletal and Skin Diseases Research		GFE	93.846	164,598	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847	384,665	0
Diabetes, Endocrinology and Metabolism Research		GGB	93.847	21,562	0
Digestive Diseases and Nutrition Research		GFE	93.848	302,864	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849	144,723	0
Biological Basis Research in the Neurosciences		GFE	93.854	262,483	0
Allergy, Immunology and Transplantation Research		GFB	93.855	14,680	0
Allergy, Immunology and Transplantation Research		GFE	93.855	237,151	0
Microbiology and Infectious Diseases Research		GFE	93.856	282,453	0
Pharmacology, Physiology, and Biological Chemistry Research		GFB	93.859	32,680	0
Pharmacology, Physiology, and Biological Chemistry Research		GFE	93.859	691,060	0
Genetics and Developmental Biology Research and Research Training		GFB	93.862	602,110	0
Genetics and Developmental Biology Research and Research Training		GFE	93.862	83,232	0
Population Research		GFE	93.864	32,476	0
Population Research		GGB	93.864	14,232	0
Center for Research for Mothers and Children		GFB	93.865	126,344	0
Center for Research for Mothers and Children		GFE	93.865	182,213	0
Center for Research for Mothers and Children		GGB	93.865	34,161	0
Aging Research		GFB	93.866	67,831	0
Aging Research		GFE	93.866	64,570	0
Medical Library Assistance		GFE	93.879	33,471	0
Minority Access to Research Careers		GFE	93.880	15,650	0
Resource and Manpower Development in the Environmental Health Sciences		GFE	93.894	15,220	0
Special Minority Initiatives		GGJ	93.960	213,098	0
SUBTOTAL DIRECT FROM:				7,448,918	121,493
PASS-THROUGH PROGRAMS FROM:					
AMC Cancer Research Center					
Cancer Control		FAA	93.399 / 93. #753-9305	24,649	0
Cancer Control		FAA	93.399 / 93. PPG-YA1-AMC	132,795	16,191
NATIONAL MIDDLE SCHOOL ASSOCIATION					
Cancer Research Manpower		GFE	93.398 / 93.PN 0012-072	12,603	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SOUTHERN RESEARCH INSTITUTE					
NIH-PUBLICH HEALTH SERVICE NEW		GKA	93.2 R01DA08883-04A1	14,403	0
UNIV OF WASHINGTON					
Drug Abuse Research Programs		IHM	93.279 / 93.596873	62,523	10,409
UNIVERSITY OF ARIZONA					
Drug Abuse Research Programs		GKA	93.279	46,759	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				293,732	26,600
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				7,742,650	148,093
OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Child Support Enforcement		IHA	93.563	12,613,241	35,033,438
SUBTOTAL DIRECT FROM:				12,613,241	35,033,438
SUBTOTAL OFFICE OF CHILD SUPPORT ENFORCEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				12,613,241	35,033,438
OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Community Services Block Grant (CSBG)		NAA	93.569	365,195	4,127,360
Community Services Block Grant Discretionary Awards: Community Food and Nutrition		NAA	93.571	0	47,344
Empowerment Zones Program		IHA	93.585	0	366,488
SUBTOTAL DIRECT FROM:				365,195	4,541,192
PASS-THROUGH PROGRAMS FROM:					
NATIONAL YOUTH SPORTS PROGRAM					
Community Services Block Grant: Discretionary Awards		GKA	93.570 / 93.NCAA 98-502	55,424	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				55,424	0
SUBTOTAL OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				420,619	4,541,192
OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Cooperative Health System		FAA	93.96-7205	226,153	0
SUBTOTAL DIRECT FROM:				226,153	0
SUBTOTAL OFFICE OF DISEASE PREVENTION AND HEALTH PROMOTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				226,153	0
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Cooperative Agreements to Improve the Health Status of Minority Populations		GGJ	93.004	6,601	0
SUBTOTAL DIRECT FROM:				6,601	0
SUBTOTAL OFFICE OF MINORITY HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				6,601	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Social Services Research and Demonstration		GFB	93.647	98,784	0
SUBTOTAL DIRECT FROM:				98,784	0
SUBTOTAL OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES				98,784	0
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Family Planning: Services		FAA	93.217	341,078	2,120,228
SUBTOTAL DIRECT FROM:				341,078	2,120,228
PASS-THROUGH PROGRAMS FROM:					
ARKANSAS DEPARTMENT OF HEALTH					
Family Planning: Services		GFE	93.217 / 93.AR 0019710	40,596	0
STATE OF LOUISIANA,OFFICE OF PUBLIC HEALTH					
Family Planning: Services		GFE	93.217 / 93.LADHH 9906-184	12,258	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				52,854	0
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				393,932	2,120,228
OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Refugee and Entrant Assistance: State Administered Programs		IHA	93.566	1,101,476	1,879,132
Refugee and Entrant Assistance: Discretionary Grants		DAA	93.576	56,556	89,639
Refugee and Entrant Assistance: Discretionary Grants		FAA	93.576	15,006	59,034
Refugee and Entrant Assistance: Discretionary Grants		IHA	93.576	2,149,852	7,679
Refugee and Entrant Assistance: Targeted Assistance		IHA	93.584	323,302	0
SUBTOTAL DIRECT FROM:				3,646,192	2,035,484
SUBTOTAL OFFICE OF REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,646,192	2,035,484
PUBLIC HEALTH SERVICE					
DIRECT FROM:					
PUBLIC HEALTH SERVICE					
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services		IIA	93.119	107,324	0
Vital Statistics PO		FAA	93.DSR95B0055	5,102	0
SUBTOTAL DIRECT FROM:				112,426	0
SUBTOTAL PUBLIC HEALTH SERVICE				112,426	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		IIA	93.104	398,119	388,305
Projects for Assistance in Transition from Homelessness (PATH)		IIA	93.150	13,150	340,227
Demonstration Cooperative Agreements for Development and Implementation of Criminal Justice Treatment Netwo		IHM	93.229	34,928	395,041
Consolidated Knowledge Development and Application (KD&A) Program		FAA	93.230	39,152	6,143
Consolidated Knowledge Development and Application (KD&A) Program		IHM	93.230	102,146	3,802,074
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement		FAA	93.238	113,261	860
Block Grants for Community Mental Health Services		IIA	93.958	319,449	4,874,546
Block Grants for Prevention and Treatment of Substance Abuse		IHM	93.959	1,794,469	18,514,811
SUBTOTAL DIRECT FROM:				2,814,674	28,322,007
PASS-THROUGH PROGRAMS FROM:					
SIGNAL BEHAVIORAL HEALTH NETWORK					
Block Grants for Prevention and Treatment of Substance Abuse		GFE	93.959 / 93.SIGNAL SSPA2-99	1,909,453	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,909,453	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				4,724,127	28,322,007
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				130,689,608	401,664,395
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
DIRECT FROM:					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Retired and Senior Volunteer Program		GKA	94.002	61,440	0
Learn and Serve America: School and Community Based Programs		DAA	94.004	95,298	306,674
Learn and Serve America: Higher Education		GGB	94.005	92,814	0
AmeriCorps		GJA	94.006	2,962,020	0
SUBTOTAL DIRECT FROM:				3,211,572	306,674
PASS-THROUGH PROGRAMS FROM:					
CAMPUS COMPACT NATIONAL CENTER					
Learn and Serve America: Higher Education		GFD	94.005 / 94.97LHEAZ047	(7)	0
UNIVERSITY OF DENVER					
Learn and Serve America: Higher Education		GFB	94.005 / 94.SUB 97LHSC0002	8,028	0
Vermont Dept of Education					
Learn and Serve America: School and Community Based Programs		DAA	94.004 / 94.4430R5449901	7,012	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				15,033	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				3,226,605	306,674
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				3,226,605	306,674

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SOCIAL SECURITY ADMINISTRATION					
SOCIAL SECURITY ADMINISTRATION					
DIRECT FROM:					
SOCIAL SECURITY ADMINISTRATION					
Social Security: Disability Insurance		IHA	96.001	14,614,042	0
Social Security: Research and Demonstration		FAA	96.007	190,563	0
SUBTOTAL DIRECT FROM:				14,804,605	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				14,804,605	0
SUBTOTAL SOCIAL SECURITY ADMINISTRATION				14,804,605	0
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
CONSUMER PRODUCT SAFETY COMMISSION					
DIRECT FROM:					
CONSUMER PRODUCT SAFETY COMMISSION					
Consumer Product Safety		FAA	99.SO1474205	5,012	0
SUBTOTAL DIRECT FROM:				5,012	0
SUBTOTAL CONSUMER PRODUCT SAFETY COMMISSION				5,012	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				5,012	0
SUBTOTAL A-UNCLUSTERED PROGRAMS				744,267,276	755,148,264

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FOOD STAMP PROGRAM - CLUSTER					
DEPARTMENT OF AGRICULTURE					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
Food Stamps		IHA	10.551	40,803,389	97,594,665
State Administrative Matching Grants for Food Stamp Program	*	IHA	10.561	2,993,593	15,868,573
SUBTOTAL DIRECT FROM:				43,796,982	113,463,238
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				43,796,982	113,463,238
SUBTOTAL DEPARTMENT OF AGRICULTURE				43,796,982	113,463,238
SUBTOTAL FOOD STAMP PROGRAM - CLUSTER				43,796,982	113,463,238

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
HIV - CLUSTER					
**********					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
PITON FOUNDATION					
HIV Emergency Relief Project Grants		GFE	93.914 / 93.PN0012-115	15,627	0
HIV Emergency Relief Project Grants		GFE	93.914 / 93.PN9812-087	17	0
HIV Emergency Relief Project Grants		GFE	93.914 / 93.PN9912-070	72,048	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				87,692	0
SUBTOTAL BUREAU OF HEALTH RESOURCES DEVELOPMENT, HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				87,692	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				87,692	0
SUBTOTAL HIV - CLUSTER				87,692	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
MEDICAID - CLUSTER					
**********					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Medical Assistance Program (Medicaid)		FAA	93.778	19,597	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0005C05028	1,059,912,241	0
Medical Assistance Program (Medicaid)		UHA	93.778 / 93.M0005C05048	47,568,972	7,840,680
SUBTOTAL DIRECT FROM:				1,107,500,810	7,840,680
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,107,500,810	7,840,680
HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
State Survey and Certification of Health Care Providers and Suppliers		UHA	93.777	2,104,712	0
SUBTOTAL DIRECT FROM:				2,104,712	0
SUBTOTAL HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,104,712	0
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
State Medicaid Fraud Control Units		LAA	93.775	688,765	0
SUBTOTAL DIRECT FROM:				688,765	0
SUBTOTAL OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				688,765	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				1,110,294,287	7,840,680
SUBTOTAL MEDICAID - CLUSTER				1,110,294,287	7,840,680

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NUTRITION - CLUSTER					
DEPARTMENT OF AGRICULTURE					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE					
School Breakfast Program		DAA	10.553	0	8,660,904
National School Lunch Program (NLSP)		DAA	10.555	0	49,823,188
National School Lunch Program (NLSP)	*	IHA	10.555	4,211,653	0
Special Milk Program for Children		DAA	10.556	0	105,919
Child and Adult Care Food Program (CACFP)		FAA	10.558	925,496	22,310,455
Child and Adult Care Food Program (CACFP)	*	IHA	10.558	101,245	0
Summer Food Service Program for Children		DAA	10.559	56,303	836,148
Summer Food Service Program for Children	*	IHA	10.559	8,381	0
SUBTOTAL DIRECT FROM:				5,303,078	81,736,614
SUBTOTAL FOOD AND CONSUMER SERVICE, DEPARTMENT OF AGRICULTURE				5,303,078	81,736,614
SUBTOTAL DEPARTMENT OF AGRICULTURE				5,303,078	81,736,614
SUBTOTAL NUTRITION - CLUSTER				5,303,078	81,736,614

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
RESEARCH AND DEVELOPMENT - CLUSTER					
AGENCY FOR INTERNATIONAL DEVELOPMENT					
AGENCY FOR INTERNATIONAL DEVELOPMENT					
DIRECT FROM:					
AGENCY FOR INTERNATIONAL DEVELOPMENT					
R&D		GLA	02.93/02/29	14,110	0
SUBTOTAL DIRECT FROM:				14,110	0
SUBTOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT				14,110	0
SUBTOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT				14,110	0
DEPARTMENT OF AGRICULTURE					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.12-25-A-3930	52,200	0
SUBTOTAL DIRECT FROM:				52,200	0
SUBTOTAL AGRICULTURAL MARKETING SERVICE, DEPARTMENT OF AGRICULTURE				52,200	0
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
Agricultural Research: Basic and Applied Research		GFD	10.001	7,967	0
Agricultural Research: Basic and Applied Research		GFE	10.001	120	0
Agricultural Research: Basic and Applied Research		GGB	10.001	1,301,724	0
SUBTOTAL DIRECT FROM:				1,309,811	0
SUBTOTAL AGRICULTURAL RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				1,309,811	0
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE					
Plant and Animal Disease, Pest Control, and Animal Care		GGB	10.025	297,975	0
Wildlife Services		GGB	10.028	37,469	0
SUBTOTAL DIRECT FROM:				335,444	0
SUBTOTAL ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE				335,444	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE					
Grants for Agricultural Research, Special Research Grants		GFB	10.200	22,395	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200	2,107,817	425,931
Cooperative Forestry Research		GGB	10.202	356,789	0
Payments to Agricultural Experiment Stations Under the Hatch Act		GGB	10.203	2,470,767	0
Grants for Agricultural Research: Competitive Research Grants		GFB	10.206	150,856	0
Grants for Agricultural Research: Competitive Research Grants		GFE	10.206	113,943	5,636
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206	886,204	18,908
Grants for Agricultural Research: Competitive Research Grants		GLA	10.206 / 10.2001-35107-10052	5,779	17,853
Grants for Agricultural Research: Competitive Research Grants		GLA	10.206 / 10.2001-35504-10177	60,921	0
Grants for Agricultural Research: Competitive Research Grants		GLA	10.206 / 10.98-35501-6923	2,885	0
Animal Health and Disease Research		GGB	10.207	219,489	0
Food and Agricultural Sciences National Needs Graduate Fellowship Grants		GGB	10.210	42,561	0
Higher Education Challenge Grants		GGB	10.217	15,237	25,717
Initiative for Future Agrigulture and Food Systems		GGB	10.302	247,591	118,709
Integrated Programs		GGB	10.303	120,652	111,645
Cooperative Extension Service		GGB	10.500	4,900	0
R&D		GGB	10.90-CSA-CO1-107	10,000	0
R&D		GLA	10.97-35107-4412	27,431	0
SUBTOTAL DIRECT FROM:				6,866,217	724,399
PASS-THROUGH PROGRAMS FROM:					
Kansas State University					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.S00003	10,303	0
North Carolina State University					
Cooperative Extension Service		GGB	10.500 / 10.99-0465-03	5,921	0
Ohio State University					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.559400A006	12,861	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.738704; PO 842858	31,669	0
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.PO 832786 (PRJ #73821	30,482	0
University of California at Davis					
Integrated Programs		GGB	10.303 / 10.00RA2416-CO	27,399	0
University of Missouri					
Fund for Rural America: Research, Education, and Extension Activities		GGB	10.224 / 10.C-5-36454	25,632	0
University of Nebraska					
Fund for Rural America: Research, Education, and Extension Activities		GGB	10.224 / 10.LWT 62-122-34302	10,412	0
University of Vermont					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.99-38841-7637	4,999	0
University of Wyoming					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.UTSTUNV9055::9055SUBC	17,559	0
Utah State					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.CO19210 AMD 1	9,635	0
Utah State University					
Sustainable Agriculture Research and Education		GGB	10.215 / 10.C019503	44,562	0
Cooperative Extension Service		GGB	10.500 / 10.99-065 AMD 1	2,030	0
Cooperative Extension Service		GGB	10.500 / 10.C020351	7,196	0
Virginia Polytechnic Institute					
Grants for Agricultural Research: Competitive Research Grants		GGB	10.206 / 10.CR-19019-428838	4,815	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) / FEDERAL AGENCY / MAJOR SUBDIVISION OF FEDERAL AGENCY / SOURCE TYPE (DIRECT OR PASS-THROUGH) / ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) / PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Washington State University					
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.G000678; OGRD NO. 813	374	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.G000815 OGRD #91751	3,512	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.G000816 OGRD #91751	562	0
Grants for Agricultural Research, Special Research Grants		GGB	10.200 / 10.G000818 OGRD#91751	3,160	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				253,083	0
SUBTOTAL COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, DEPARTMENT OF AGRICULTURE				7,119,300	724,399
DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.00-35200-9114	90,251	0
R&D		GGB	10.00-9208-0039-CA	87,000	0
R&D		GGB	10.00-CR-11221611-003	51,633	0
R&D		GGB	10.00-CS-11021200-56	11,129	0
R&D		GGB	10.00-JV-11221611-186	19,086	0
R&D		GGB	10.00-JV-11231300-053	867	0
R&D		GGB	10.01-CA-11221319-030	27,780	0
R&D		GGB	10.01-CS-11021300-051	2,005	0
R&D		GGB	10.1247002	2,409	0
R&D		GGB	10.1297503	3,418	0
R&D		GGB	10.23-97-37-RJVA	499	0
R&D		GGB	10.58-1940-0-012	2,391	0
R&D		GGB	10.68-7482-0-591Y	18,395	0
R&D		GGB	10.68-8B05-01-05	10,660	0
R&D		GGB	10.68-8B05-1	15,889	0
R&D		GGB	10.CCS-11020399-11 MOD2	6,749	0
R&D		GGB	10.RBS-00-11	10,983	0
SUBTOTAL DIRECT FROM:				361,144	0
PASS-THROUGH PROGRAMS FROM:					
American Distance Educ Consortium (ADEC)					
R&D		GGB	10.NO: 3.5/00	18,596	0
Northwestern Colorado Council of Govts.					
R&D		GGB	10.NW COLORADO COUNCIL OF G	16,803	0
University of California					
R&D		GGB	10.9102-ETX AMD 14	4,879	0
University of California at Davis					
R&D		GGB	10.00-00298V	3,700	0
R&D		GGB	10.00-01650X	3,922	0
R&D		GGB	10.00-01758X	24,745	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				72,645	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				433,789	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GLA	10.58-0111-0-006	6,647	50,666
SUBTOTAL DIRECT FROM:				6,647	50,666
SUBTOTAL ECONOMIC RESEARCH SERVICE, DEPARTMENT OF AGRICULTURE				6,647	50,666
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE					
Scientific Cooperation and Research		GGB	10.961	7,073	0
International Training: Foreign Participant		GGB	10.962	53,998	0
SUBTOTAL DIRECT FROM:				61,071	0
SUBTOTAL FOREIGN AGRICULTURAL SERVICE, DEPARTMENT OF AGRICULTURE				61,071	0
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
FOREST SERVICE, DEPARTMENT OF AGRICULTURE					
R&D		GGB	10.00-CR-11221611-003	168,714	0
R&D		GGB	10.00-CR-11221611-003 AMD 8	2,497	0
R&D		GGH	10.00-CS-11021300-091	17,435	0
R&D		GGB	10.01-7403-0425 15274-0314	1,950	0
R&D		GGB	10.01-CA-11130152-075	19,351	0
R&D		GGB	10.01-CS-11020000-027	8,435	0
R&D		GGB	10.01-CS-11221616-074	24,320	0
R&D		GGB	10.01-JV-11221607-120	3,255	0
R&D		GGB	10.01-JV-11221610-103	20,744	0
R&D		GGB	10.01-JV-11221616-061	12,881	0
R&D		GGH	10.110213249513	1,481	0
Forestry Research		GFB	10.652	76,864	0
Forestry Research		GFD	10.652	10,506	0
Forestry Research		GGB	10.652	6,745,334	0
Cooperative Forestry Assistance		GGB	10.664	21,356	0
Rural Development, Forestry and Communities		GFD	10.672	31,244	0
R&D		GLA	10.RMRS-98121-RJVA	73,093	0
R&D		GLA	10.RMRS-98158-RJVA	69,923	0
SUBTOTAL DIRECT FROM:				7,309,383	0
PASS-THROUGH PROGRAMS FROM:					
The Nature Conservancy					
Forestry Research		GGB	10.652 / 10.00-LHCCD-07	5,365	0
University of Montana					
Forestry Research		GGB	10.652 / 10.PG-4472-01	15,073	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,438	0
SUBTOTAL FOREST SERVICE, DEPARTMENT OF AGRICULTURE				7,329,821	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
DIRECT FROM:					
NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE					
Soil and Water Conservation		GGB	10.902	81,590	0
SUBTOTAL DIRECT FROM:				81,590	0
PASS-THROUGH PROGRAMS FROM:					
PENNINGTON COUNTY CONSERVATION DIST-S.D.					
R&D		GGH	10.99-0007	573	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				573	0
SUBTOTAL NATURAL RESOURCES CONSERVATION SERVICE, DEPARTMENT OF AGRICULTURE				82,163	0
SUBTOTAL DEPARTMENT OF AGRICULTURE				16,730,246	775,065
DEPARTMENT OF COMMERCE					
BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE					
Census Geography		GFB	11.003	9,142	0
SUBTOTAL DIRECT FROM:				9,142	0
SUBTOTAL BUREAU OF THE CENSUS, DEPARTMENT OF COMMERCE				9,142	0
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE					
Grants for Public Works and Economic Development		GFE	11.300	883,000	0
Grants for Public Works and Economic Development		GGB	11.300	34,006	0
Economic Adjustment Assistance		GFE	11.307	472,177	0
Trade Adjustment Assistance		GFB	11.313	575,274	295,767
SUBTOTAL DIRECT FROM:				1,964,457	295,767
SUBTOTAL ECONOMIC DEVELOPMENT ADMINISTRATION, DEPARTMENT OF COMMERCE				1,964,457	295,767
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE					
R&D		GLA	11.41RANB1B0707	5,650	0
R&D		GLA	11.43RANB0B1993	9,946	0
Calibration Program		GGB	11.601	82,384	0
Measurement and Engineering Research and Standards		GFB	11.609	3,526,362	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Measurement and Engineering Research and Standards		GFD	11.609	6,009	0
Measurement and Engineering Research and Standards		GFE	11.609	24,316	0
Advanced Technology Program		GFB	11.612	105,158	0
R&D		GLA	11.VARIOUS AWARDS	66,403	0
SUBTOTAL DIRECT FROM:				3,826,228	0
PASS-THROUGH PROGRAMS FROM:					
ADA TECHNOLOGIES,INC					
Measurement and Engineering Research and Standards		GFB	11.609 / 11.991059	18,381	0
GLOBAL SOLAR ENERGY, LLC					
R&D		GLA	11.ATP 70NANB8H4070	52,163	0
ITN ENERGY SYSTEMS, INC.					
Advanced Technology Program		GFB	11.612 / 11.70NANBOH3025	35,719	0
Advanced Technology Program		GLA	11.612 / 11.70NANBOH3025	35,035	0
MID-AMERICA MANUFACTURING TECHNOLOGY CENTER					
Measurement and Engineering Research and Standards		GFB	11.609 / 11.PENDING	157,428	549
PROGENITOR INC					
Advanced Technology Program		GFB	11.612 / 11.ATP	(163)	0
Texas Tech University					
Calibration Program		GGB	11.601 / 11.1302/0082-04 MOD #4	12,489	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				311,052	549
SUBTOTAL NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY, DEPARTMENT OF COMMERCE				4,137,280	549
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE					
R&D		GGB	11.1281702	20,917	0
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)		GGB	11.400	8,020,890	0
Coastal Zone Management Estuarine Research Reserves		GFB	11.420	48,457	0
Intergovernmental Climate: Program (NESDIS)		GGB	11.428	58,903	0
Climate and Atmospheric Research		GFB	11.431	491,744	44,249
Climate and Atmospheric Research		GGB	11.431	223,493	0
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GFB	11.432	16,861,992	0
Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes		GGB	11.432	132,367	0
Independent Education and Science Projects and Programs		GFB	11.449	136,786	22,093
Special Oceanic and Atmospheric Projects		GFB	11.460	13,815	0
SUBTOTAL DIRECT FROM:				26,009,364	66,342
PASS-THROUGH PROGRAMS FROM:					
UCAR-NCAR-COMET Atmospheric Tech. Divis.					
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)		GGB	11.400 / 11.S00-19126	21,293	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Sea Grant Support		GFB	11.417 / 11.S94-39976	112	0
UNIVERSITY OF ALASKA					
Undersea Research		GFB	11.430 / 11.UAF 00-0063	50,597	0
Climate and Atmospheric Research		GFB	11.431 / 11.UAF00-0088/FP100948	25,304	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO					
Financial Assistance for National Centers for Coastal Ocean Science		GFB	11.426 / 11.10154344	346	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				97,652	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, DEPARTMENT OF COMMERCE				26,107,016	66,342

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL OCEANOGRAPHIC DATA CENTER, DEPARTMENT OF COMMERCE					
DIRECT FROM:					
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL OCEANOGRAPHIC DATA CENTER, DEPARTMENT OF COMMERCE					
Research in Oceanographic Data Base Management		GFB	11.442	18,282	0
SUBTOTAL DIRECT FROM:				18,282	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL OCEANOGRAPHIC DATA CENTER, DEPARTMENT OF COMMERCE				18,282	0
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY CORP. FOR ATMOSPHER					
Hydrologic Research		GFD	11.462 / 11.S01-24239	1,177	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,177	0
SUBTOTAL NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NATIONAL WEATHER SERVICE, DEPARTMENT OF COMMERCE				1,177	0
SUBTOTAL DEPARTMENT OF COMMERCE				32,237,354	362,658
DEPARTMENT OF DEFENSE					
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE					
Air Force Defense Research Sciences Program		GFB	12.800	3,044,652	0
Air Force Defense Research Sciences Program		GGB	12.800	276,814	0
Air Force Defense Research Sciences Program		GLA	12.800 / 12.F49620-00-1-0043	29,318	0
R&D		GLA	12.F49620-98-1-0483	267,842	25,244
SUBTOTAL DIRECT FROM:				3,618,626	25,244
PASS-THROUGH PROGRAMS FROM:					
AAAA ENERGY ENTERPRISES					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.AGREEMENT	30,589	0
BLACKHAWK GEOMETRICS					
R&D		GLA	12.NOT GIVEN	17,595	0
BOULDER NON-LINEAR SYSTEMS INC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.AGREEMENT	11,717	0
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.1022229	250,909	0
CHARLES STARK DRAPER LAB					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.DL-H-526724	439	0
COMPACT SOFTWARE INC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.96-0112	3,113	0
DATA FUSION CORPORATION					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.OCG4149B	42,334	0
FOSTER-MILLER, INC.					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.TCM-991894	59,986	0
GLOBAL SOLAR ENERGY, LLC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.F29601-99-C-0175	24,688	0
HONEYWELL INTERNATIONAL, INC.					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.PO B09060056	89,590	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
INNOVATIVE SCIENTIFIC SOLUTION					
R&D		GLA	12.F33615-99-C-2904	84,804	0
ISSI					
R&D		GLA	12.F33615-00-C-2037	17,525	0
R&D		GLA	12.F33615-01-C-2126	2,301	0
LOCKHEED MARTIN ASTRONAUTICS					
R&D		GLA	12.F33615-97-C-1097	7,983	0
MATERIALS RESEARCH SOURCE LLC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.A101	57,760	0
METACOMP TECHNOLOGIES, INC.					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.OCG4295B	19,125	0
NAT CENTER MANUFACTURING SCI.					
R&D		GLA	12.NOT GIVEN	(1,854)	0
QEI TECHNOLOGIES, INC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.PO# A100	20,608	0
RESEARCH & DEVELOPMENT LABORAT					
Air Force Defense Research Sciences Program		GFD	12.800 / 12.96-0852	122	0
ROCKWELL SCIENCE CENTER					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.BOU431533	1,201	0
Air Force Defense Research Sciences Program		GFB	12.800 / 12.BOU431587	16,513	0
S&K ELECTRONICS					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.99HOU02	82,188	0
SAIC					
R&D		GLA	12.F08650-99-D-0007	130,789	0
SUPERCONDUCTING CORE TECHNOLOGIES INC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.TUNABLE FILTERS	(604)	0
SVT ASSOCIATES INC					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.1659-607/20005-607	23,477	0
UNIVERSITIES SPACE RESEARCH ASSOCIATION					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.9500-09	47,898	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.DB-F30602-99-C-0174	31,708	0
UNIVERSITY OF DELAWARE					
R&D		GLA	12.F49620-96-1-0039	36,198	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.015608	112,992	0
Air Force Defense Research Sciences Program		GFB	12.800 / 12.030498	114,054	0
UNIVERSITY OF TEXAS AT SAN ANTONIO					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.UCB-1	18	0
YALE UNIVERSITY					
Air Force Defense Research Sciences Program		GFB	12.800 / 12.Y-94-0102	487	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,336,253	0
SUBTOTAL AIR FORCE OFFICE OF SCIENTIFIC RESEARCH, HQ AIR FORCE MATERIAL COMMAND, DEPARTMENT OF THE AIR FORCE, DEPARTMENT OF DEFENSE				4,954,879	25,244
AVIATION APPLIED TECHNOLOGY DIRECTORATE (AATD), AVIATION AND TROOP COMMAND (ATCOM), DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					
PASS-THROUGH PROGRAMS FROM:					
DIAMONDBACK SYSTEMS, INC.					
R&D		GLA	12.DAAH01-00-C-R006	67,215	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				67,215	0
SUBTOTAL AVIATION APPLIED TECHNOLOGY DIRECTORATE (AATD), AVIATION AND TROOP COMMAND (ATCOM), DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				67,215	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE					
Research & Technology Development		GFB	12.910	651,500	78,987
Research & Technology Development		GGB	12.910	350,966	0
Research & Technology Development		GKA	12.910 / 12.F4162295P6236	2,706	0
SUBTOTAL DIRECT FROM:				1,005,172	78,987
PASS-THROUGH PROGRAMS FROM:					
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Research & Technology Development		GFB	12.910 / 12.PC249804	115,888	0
DUPONT					
Research & Technology Development		GFB	12.910 / 12.LOX181126	133,957	0
GIT-Georgia Institute of Technology					
Research & Technology Development		GGB	12.910 / 12.E-21-F89-G1	35,064	0
ILLINOIS INSTITUTE TECHNOLOGY RES INSTITUTE					
Research & Technology Development		GFE	12.910 / 12.241-0-6200-441-007	1,622	0
INDIANA UNIVERSITY					
Research & Technology Development		GFB	12.910 / 12.21509-0002	(264)	0
INTERNATIONAL BUSINESS MACHINES CORP.					
Research & Technology Development		GFB	12.910 / 12.IBM SUBCNTRT #1533	441	0
ITN ENERGY SYSTEMS, INC.					
Research & Technology Development		GFB	12.910 / 12.AGREEMENT/SUB-ARMY	5,874	0
Research & Technology Development		GFB	12.910 / 12.OCG4100B	68,268	0
Research & Technology Development		GFB	12.910 / 12.OCG4107B	130,580	0
RESEARCH & DEVELOPMENT LABORATORIES					
Research & Technology Development		GFB	12.910 / 12.98--0816	9	0
SCIENCE APPLICATIONS INTERN'L					
R&D		GLA	12.DAAE07-98-C-L037	2,042	0
SCIENCE APPLICATIONS INTERNATIONAL CORP					
Defense Technology Conversion, Reinvestment, & Transition Assistance		GFB	12.911 / 12.4400025218	150,450	0
TRW CORP.					
Research & Technology Development		GFB	12.910 / 12.90766ARA6S	(65)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				643,866	0
SUBTOTAL DEFENSE ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE				1,649,038	78,987
DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE					
PASS-THROUGH PROGRAMS FROM:					
ADVANCED TECHNOLOGY INSTITUTE					
R&D		GLA	12.SPO103-01-C-0002	1,110	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,110	0
SUBTOTAL DEFENSE LOGISTICS AGENCY, DEPARTMENT OF DEFENSE				1,110	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE					
Military Medical Research & Development		GFB	12.420	11,629	0
Military Medical Research & Development		GFE	12.420	2,341,498	(7,318)
Military Medical Research & Development		GGB	12.420	95,806	54,531
SUBTOTAL DIRECT FROM:				2,448,933	47,213
PASS-THROUGH PROGRAMS FROM:					
DEFORMATION CONTROL TECH, INC.					
R&D		GLA	12.DAAH10-00-C-0044	79,974	0
NORTHERN ILLINOIS UNVERSITY					
Military Medical Research & Development		GFE	12.420 / 12.NIU DAMD17-98-1-851	5,560	0
UNIVERSITY OF SOUTH CAROLINA					
Military Medical Research & Development		GFE	12.420 / 12.DAMD17-99-1-9480	362	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				85,896	0
SUBTOTAL DEPARTMENT OF ARMY U.S. ARMY RESEARCH AND MATERIAL COMMAND, DEPARTMENT OF DEFENSE				2,534,829	47,213
DEPARTMENT OF DEFENSE					
DIRECT FROM:					
DEPARTMENT OF DEFENSE					
R&D		GGB	12.DAMD17-00-1-0616	47,046	0
R&D		GGB	12.N66001-97-1-8918 P00002	(470)	0
SUBTOTAL DIRECT FROM:				46,576	0
PASS-THROUGH PROGRAMS FROM:					
INNOVATEK, INC.					
R&D		GLA	12.DAAD05-99-D-7014	40,589	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				40,589	0
SUBTOTAL DEPARTMENT OF DEFENSE				87,165	0
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE					
Language Grant Program		GFB	12.900	137,331	0
Information Security Grant Program		GFB	12.902	44,582	0
SUBTOTAL DIRECT FROM:				181,913	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF VIRGINIA					
Mathematical Sciences Grants Program		GFB	12.901 / 12.5-25164	12,494	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				12,494	0
SUBTOTAL NATIONAL SECURITY AGENCY, DEPARTMENT OF DEFENSE				194,407	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
DIRECT FROM:					
OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY					
Basic & Applied Scientific Research		GFB	12.300	6,176,394	594,752
Basic & Applied Scientific Research		GFD	12.300	16,904	0
Basic & Applied Scientific Research		GFE	12.300	37,001	0
Basic & Applied Scientific Research		GGB	12.300	647,844	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-91-J-1267	74,337	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-94-1-0694	60,623	0
Basic & Applied Scientific Research		GLA	12.300 / 12.N00014-95-1-0508	7,263	0
R&D		GLA	12.N00167-01-M-0053	4,953	0
R&D		GLA	12.N00244-01-P-1353	3,922	0
SUBTOTAL DIRECT FROM:				7,029,241	594,752
PASS-THROUGH PROGRAMS FROM:					
BAE SYSTEMS					
Basic & Applied Scientific Research		GFB	12.300 / 12.RL8702	126,471	0
COMPOSITE TECHNOLOGY DEVELOPMENT					
Basic & Applied Scientific Research		GFB	12.300 / 12.PO#1569	1,879	0
DESERT RESEARCH INSTITUTE					
Basic & Applied Scientific Research		GFB	12.300 / 12.95-B26	(254)	0
JOHNS HOPKINS UNIVERSITY					
Basic & Applied Scientific Research		GFB	12.300 / 12.768265	5,196	0
PRAXIS INC					
Basic & Applied Scientific Research		GFB	12.300 / 12.9643-PXI-009	(936)	0
Basic & Applied Scientific Research		GFB	12.300 / 12.SC20000911	22,603	0
SAN DIEGO STATE UNIVERSITY FOUNDATION					
Basic & Applied Scientific Research		GFB	12.300 / 12.50879A P2748 DO-046	10,357	0
Basic & Applied Scientific Research		GFB	12.300 / 12.523038	(3,479)	0
Basic & Applied Scientific Research		GFB	12.300 / 12.DELIVERY ORDER 0034	6,751	0
Basic & Applied Scientific Research		GFB	12.300 / 12.DELIVERY ORDER 0054	358,736	0
STERLING SEMICONDUCTOR, INC.					
Basic & Applied Scientific Research		GFB	12.300 / 12.AGREEMENT	60,982	0
TDA RESEARCH INC.					
Basic & Applied Scientific Research		GFB	12.300 / 12.N00014-01-M-0036	11,818	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Basic & Applied Scientific Research		GFB	12.300 / 12.SA2832-25624	12,287	0
UNIVERSITY OF NEBRASKA LINCOLN					
Basic & Applied Scientific Research		GFB	12.300 / 12.25-1109-0041-002	2,648	0
UTAH STATE UNIVERSITY					
Basic & Applied Scientific Research		GFB	12.300 / 12.CO19252	273,680	0
University of Nottingham, England					
Basic & Applied Scientific Research		GGB	12.300 / 12.RBU: 8490	1,302	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				890,041	0
SUBTOTAL OFFICE OF NAVAL RESEARCH, DEPARTMENT OF THE NAVY				7,919,282	594,752
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE					
Flood Control Projects		GFB	12.106	558	0
Collaborative Research & Development		GFB	12.114	1,236,722	122,055
SUBTOTAL DIRECT FROM:				1,237,280	122,055

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
BATTELLE, COLUMBUS DIVISION					
Collaborative Research & Development		GFB	12.114 / 12.DO#0488	38,423	0
CDM OPTICS					
Collaborative Research & Development		GFB	12.114 / 12.HYBRID IMAGING	11,773	0
Collaborative Research & Development		GFB	12.114 / 12.PENDING	44,476	0
MATERIALS RESEARCH SOURCE LLC					
Collaborative Research & Development		GFB	12.114 / 12.A102	109,795	0
Collaborative Research & Development		GFB	12.114 / 12.P.O.#A100	(64,168)	0
MONTANA STATE UNIVERSITY					
Collaborative Research & Development		GFB	12.114 / 12.291841	12,175	0
RAYTHEON					
Collaborative Research & Development		GFB	12.114 / 12.312502	11	0
Collaborative Research & Development		GFB	12.114 / 12.6-822729-S-17 (N4)	95,133	0
Collaborative Research & Development		GFB	12.114 / 12.LC315776	412	0
TRW CORP.					
Collaborative Research & Development		GFB	12.114 / 12.57861KLV9S	16,964	0
UNIVERSITY OF OREGON					
Collaborative Research & Development		GFB	12.114 / 12.235751A	46,577	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				311,571	0
SUBTOTAL OFFICE OF THE CHIEF OF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE				1,548,851	122,055
OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE					
DIRECT FROM:					
OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE					
Basic, Applied, & Advanced Research in Science and Engineering		GFB	12.630	671,782	2,875
Basic, Applied, & Advanced Research in Science and Engineering		GFC	12.630	91,052	0
Basic, Applied, & Advanced Research in Science and Engineering		GGB	12.630	233,458	0
Basic, Applied, & Advanced Research in Science and Engineering		GLA	12.630 / 12.F49620-99-1-0150	(9)	0
SUBTOTAL DIRECT FROM:				996,283	2,875
PASS-THROUGH PROGRAMS FROM:					
ENSR CORPORATION					
Basic, Applied, & Advanced Research in Science and Engineering		GFC	12.630 / 12.99057	2,278	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,278	0
SUBTOTAL OFFICE OF THE SECRETARY OF DEFENSE, DEPARTMENT OF DEFENSE				998,561	2,875
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
DIRECT FROM:					
U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND					
Basic Scientific Research		GFB	12.431	451,673	22,114
Basic Scientific Research		GFC	12.431	191,637	0
Basic Scientific Research		GGB	12.431	2,585,124	163,677
R&D		GLA	12.DAAD05-00-P-8396	17,442	0
R&D		GLA	12.DAAD05-01-P-0675	12,779	0
R&D		GLA	12.DAAD19-00-1-0149	158,290	0
R&D		GLA	12.DAAD19-01-1-0375	13,873	0
R&D		GLA	12.DAAD19-01-1-0377	18,769	0
R&D		GLA	12.DAAD19-01-1-0590	3,775	0
R&D		GLA	12.DAAD19-99-1-0005	4,082	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
R&D		GLA	12.DAAD19-99-1-0195	43,288	0
R&D		GLA	12.DAAG55-98-1-0085	53,629	0
R&D		GLA	12.DAAG55-98-1-0105	73,096	0
R&D		GLA	12.DAAM01-95-C-0068	1,447	0
SUBTOTAL DIRECT FROM:				3,628,904	185,791
PASS-THROUGH PROGRAMS FROM:					
ACADEMY OF APPLIED SCIENCES					
Basic Scientific Research		GFC	12.431 / 12.DAAD19-991006	4,153	0
BOISE STATE UNIVERSITY					
Basic Scientific Research		GLA	12.431 / 12.DAAG55-98-1-0277	4,743	0
DOD-ARMY-Oregon Natl Guard/Military Dept					
Basic Scientific Research		GGB	12.431 / 12.98-0003 MOD # 1	1	0
PARSONS ENGINEERING SCIENCE					
R&D		GLA	12.DACA72-00-C-0013	12,000	0
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA					
Basic Scientific Research		GFB	12.431 / 12.PENDING	5,421	0
UNIVERSITY OF MICHIGAN					
Basic Scientific Research		GFB	12.431 / 12.F000569	35,623	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				61,941	0
SUBTOTAL U.S. ARMY RESEARCH OFFICE, U.S. ARMY MATERIAL COMMAND				3,690,845	185,791
SUBTOTAL DEPARTMENT OF DEFENSE				23,646,182	1,056,917
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Block Grants/Special Purpose Grants/Technical Assistance Program		GFB	14.227	(250)	0
SUBTOTAL DIRECT FROM:				(250)	0
PASS-THROUGH PROGRAMS FROM:					
CITY OF AURORA					
Community Development Block Grants/Small Cities Program		GFE	14.219 / 14.B-98-SP-CO-0062	368,086	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				368,086	0
SUBTOTAL COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				367,836	0
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Community Development Work-Study Program		GFD	14.512	20,389	0
SUBTOTAL DIRECT FROM:				20,389	0
SUBTOTAL OFFICE OF POLICY DEVELOPMENT AND RESEARCH, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				20,389	0
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				388,225	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF THE INTERIOR					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.CBK00133495; MOD 6	29,916	0
R&D		GLA	15.CMK00000003	97,013	0
SUBTOTAL DIRECT FROM:				126,929	0
SUBTOTAL BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR				126,929	0
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.1422 C950A60009 T06	763	0
R&D		GLA	15.1422 C950A60009; T04	5,339	0
R&D		GGB	15.1422 C950A80010 T01	9,641	0
R&D		GGB	15.1422 C950A80010 T010	12,612	0
R&D		GGB	15.1422 C950A80010 T01	16,284	0
R&D		GGB	15.1422 C950A80010 T011	1,283	0
R&D		GGB	15.1422 C950A80010 T012	18,853	0
R&D		GGB	15.1422 C950A80010 T013	2,640	0
R&D		GGB	15.1422 C950A80010 T014	13	0
R&D		GGB	15.1422 C950A80010 T015	5,816	0
R&D		GGB	15.1422 C950A80010 T07	11,183	0
R&D		GGB	15.1422 C950A80024 T02	13,730	0
R&D		GGB	15.1422 C950A80024 T03	25,151	0
R&D		GGB	15.1422C950A80010 T09	27,612	0
Cooperative Inspection Agreements with States & Tribes		GFB	15.222	5,035	0
Cultural Resource Management		GFB	15.224	5,469	0
R&D		GGB	15.98-FC-40-1320 MOD 001	4,162	0
R&D		GGB	15.JSA001013 TASK ORDER 2	36,602	0
R&D		GGB	15.JSA001013, TASK ORDER 1	86,728	0
SUBTOTAL DIRECT FROM:				288,916	0
PASS-THROUGH PROGRAMS FROM:					
ROCKY MOUNTAIN MASONRY INSTITU					
Non-Sale Disposals of Mineral Material		GFD	15.214 / 15.MT22107NC013	(585)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(585)	0
SUBTOTAL BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR				288,331	0
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.0-FC-40-08910	93,632	0
R&D		GGB	15.0-FC-40-08910 MOD18	162	0
R&D		GGB	15.0-FC-40-08910 MOD30	17,037	0
R&D		GGB	15.0-FC-40-08910 MOD 17	100,688	0
R&D		GGB	15.0-FC-40-08910 MOD 20	56	0
R&D		GGB	15.0-FC-40-08910 MOD 25	71,651	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
R&D		GGB	15.0-FC-40-08910 MOD 30	49,483	0
R&D		GGB	15.0-FC-40-08910, MOD. 17	26,405	0
R&D		GGB	15.00-FC-81-0213	172,779	0
R&D		GGB	15.1425-5-FC-81-20350	12,800	63,853
R&D		GGB	15.1425-7-FC-10-02570	156,816	0
R&D		GGB	15.1425-96-FC-81-05020	4	0
R&D		GGB	15.1425-97-FG-81-35012, MOD	77,231	0
R&D		GGB	15.3-FC-40-14460	83,414	0
Water Reclamation and Reuse Program		GFB	15.504	25,696	0
R&D		GGB	15.6-FC-60-07170 MOD 003	268	0
R&D		GGB	15.7-FC-40-20500 MOD #001	43,121	0
R&D		GGB	15.98-FC-32-0250	41	0
R&D		GGB	15.98-FC-40-0370	50,494	0
R&D		GGB	15.98-FC-40-0440	3,120	0
R&D		GGB	15.98-FC-40-0470 MOD 2	642	0
R&D		GGB	15.98-PG-81-0144	194	0
R&D		GGB	15.98PG10346	314	0
R&D		GGB	15.99-FC-40-2670	23,047	0
R&D		GGB	15.99-FC-60-12120	3,000	0
R&D		GGB	15.99-FC-60-12140, MOD 001	42,189	0
R&D		GGB	15.99FC810156	94,226	0
R&D		GGB	15.CA 00-FC-81-0202	70,843	0
R&D		GGB	15.CA99-FG-81-0164	105,376	0
R&D		GGB	15.IPA00RA810007	27,426	0
SUBTOTAL DIRECT FROM:				1,352,155	63,853
SUBTOTAL BUREAU OF RECLAMATION, DEPARTMENT OF THE INTERIOR				1,352,155	63,853
DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
DEPARTMENT OF THE INTERIOR					
Unclassified Grants and Contracts		GFB	15.000	110	0
R&D		GGB	15.1445-0009-94-1078 SA 24	(1)	0
R&D		GGB	15.8-FC-CU-CS010	39,490	0
R&D		GGB	15.8-FC-CU-CS020, 314 C	13,967	0
R&D		GGB	15.CA 1200-99-009	254	0
R&D		GGB	15.CA 1200-99-009 CSU-05	20,600	42,533
R&D		GGB	15.CA238099001 TO # 01-20	175	0
R&D		GGB	15.IPA-GLENN HAAS	26,202	0
SUBTOTAL DIRECT FROM:				100,797	42,533
PASS-THROUGH PROGRAMS FROM:					
TEXAS A&M REESARCH FOUNDATION					
Unclassified Grants and Contracts		GFB	15.000 / 15.S800117	11,693	0
UNIVERSITY OF ALASKA					
Unclassified Grants and Contracts		GFB	15.000 / 15.FP002959	39,863	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				51,556	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				152,353	42,533

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR					
Assistance to State Water Resources Research Institutes		GFC	15.805	5,362	0
Assistance to State Water Resources Research Institutes		GGB	15.805	418,444	83,888
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808	145,533	0
U.S. Geological Survey: Research & Data Acquisition		GGB	15.808	975,494	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.00CRAG0006	59,017	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.00HQAG0033	21,033	0
U.S. Geological Survey: Research & Data Acquisition		GLA	15.808 / 15.01ERSA0111	19,781	0
SUBTOTAL DIRECT FROM:				1,644,664	83,888
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF SOUTH FLORIDA					
U.S. Geological Survey: Research & Data Acquisition		GFB	15.808 / 15.1245-330-L3-B	26,071	0
University of the Virgin Islands					
Assistance to State Water Resources Research Institutes		GGB	15.805 / 15.HQ-96-GR-02705	255	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				26,326	0
SUBTOTAL GEOLOGICAL SURVEY, DEPARTMENT OF THE INTERIOR				1,670,990	83,888
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.1435-01-99-PO-16166	7,142	0
SUBTOTAL DIRECT FROM:				7,142	0
SUBTOTAL MINERALS MANAGEMENT, DEPARTMENT OF THE INTERIOR				7,142	0
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR					
National Natural Landmarks Program		GFB	15.910	165	0
National Historic Landmark		GFD	15.912	1,880	0
National Register of Historic Places		GFB	15.914	80,657	0
Technical Preservation Services		GKA	15.915 / 15.CA1248-00-007/ROMO R0	58	0
Technical Preservation Services		GKA	15.915 / 15.CA1248-00-007/ROMO R9	28,123	0
Technical Preservation Services		GKA	15.915 / 15.CA1268-1-9012/ROMO R0	7,322	0
Technical Preservation Services		GKA	15.915 / 15.CA1268-1-9012/ROMO R9	98,546	0
Outdoor Recreation: Acquisition, Development and Planning		GFB	15.916	(26)	0
Outdoor Recreation: Acquisition, Development and Planning		GGB	15.916	2,584,409	0
Rivers, Trails, & Conservation Assistance		GFB	15.921	77,995	0
National Center for Preservation Technology and Training (B) -		GFB	15.923	31,028	0
R&D		GGH	15.CA-1268-1-9016	15,221	0
R&D		GLA	15.CA2360-96-002; 00-01	15,253	0
R&D		GLA	15.CA2360-96-002; 00-02	4,330	0
R&D		GLA	15.CA2360-96-002; 00-03	5,000	0
SUBTOTAL DIRECT FROM:				2,949,961	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
JAMES MADISON UNIVERSITY					
Historic Preservation Fund Grants-In-Aid		GFB	15.904 / 15.V00193-02	16,294	0
Northern Arizona University					
National Natural Landmarks Program		GGB	15.910 / 15.CA-1200-99-009 NAU-10	1,205	0
UNIV OF WYOMING					
R&D		GGH	15.UNKNOWN	1,895	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				19,394	0
SUBTOTAL NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR				2,969,355	0
OFFICE OF INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
OFFICE OF INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR					
Economic, Social, & Political Development of the Territories & the Freely Associated States		GFB	15.875	253,241	3,595
SUBTOTAL DIRECT FROM:				253,241	3,595
PASS-THROUGH PROGRAMS FROM:					
AMERICAN COUNCIL ON EDUCATION					
Economic, Social, & Political Development of the Territories & the Freely Associated States		GFB	15.875 / 15.HNE-A-97-00059-00	19,147	23,297
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				19,147	23,297
SUBTOTAL OFFICE OF INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR				272,388	26,892
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR					
Regulation of Surface Coal Mining & Surface Effects of Underground Coal Mining		GFB	15.250	5,837	0
Abandoned Mine Land Reclamation (AMLR) Program		GFB	15.252	888,849	0
SUBTOTAL DIRECT FROM:				894,686	0
SUBTOTAL OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, DEPARTMENT OF THE INTERIOR				894,686	0
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR					
R&D		GGB	15.14-48-0006-95-945 MOD 7	4,911	0
Fish & Wildlife Management Assistance		GFB	15.608	(961)	0
Cooperative Endangered Species Conservation Fund		GFB	15.615	(35)	0
Wildlife Conservation & Appreciation		GFB	15.617	310	0
Wildlife Conservation & Appreciation		GGB	15.617	12,915	0
Disposal of Surplus Wildlife		GGB	15.900	8,980	0
R&D		GGB	15.CA 1448-20181-99-J810	(512)	0
SUBTOTAL DIRECT FROM:				25,608	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
National Fish and Wildlife Foundation					
R&D		GGB	15.00-026-007	6,000	0
UNIVERSITY OF NEVADA AT LAS VEGAS					
Fish & Wildlife Management Assistance		GFB	15.608 / 15.FWS#143208J104	760	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,760	0
SUBTOTAL U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR				32,368	0
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
DIRECT FROM:					
U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR					
R&D		GLA	15.1434-WR-97-AG-00006	121,705	0
R&D		GLA	15.AGREEMENT	1,200	0
R&D		GLA	15.IPA	15,429	0
R&D		GLA	15.PO 00CRSA0002	628	0
SUBTOTAL DIRECT FROM:				138,962	0
PASS-THROUGH PROGRAMS FROM:					
TEXAS ENGR EXPERIMENT STATION					
National Spatial Data Infrastructure Competitive Cooperative Agreements Program		GLA	15.809 / 15.1435-01-99-CA-31003	38,000	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				38,000	0
SUBTOTAL U.S. GEOLOGICAL SURVEY, U.S. DEPARTMENT OF THE INTERIOR				176,962	0
SUBTOTAL DEPARTMENT OF THE INTERIOR				7,943,659	217,166
DEPARTMENT OF JUSTICE					
DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE					
Public Education on Drug Abuse: Information		GFC	16.005	13,712	0
SUBTOTAL DIRECT FROM:				13,712	0
SUBTOTAL DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE				13,712	0
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE					
National Institute of Justice Research, Evaluation, and Development Projects Grants		GGB	16.560	69,287	0
SUBTOTAL DIRECT FROM:				69,287	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF KANSAS					
National Institute of Justice Research, Evaluation, and Development Projects Grants		GFE	16.560 / 16.KU 1999-IJ-CX-0016	25,750	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				25,750	0
SUBTOTAL NATIONAL INSTITUTE OF JUSTICE, DEPARTMENT OF JUSTICE				95,037	0
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE					
Violence Against Women Formula Grants		GFB	16.588	45,439	31,846
SUBTOTAL DIRECT FROM:				45,439	31,846
SUBTOTAL OFFICE OF JUSTICE PROGRAMS, DEPARTMENT OF JUSTICE				45,439	31,846
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
DIRECT FROM:					
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE					
Juvenile Justice & Delinquency Prevention: Special Emphasis		GFB	16.541	1,883,383	1,328,297
National Institute for Juvenile Justice & Delinquency Prevention		GFC	16.542	2,662	0
Weed and Seed Program Fund		GFE	16.725	130,749	44,939
SUBTOTAL DIRECT FROM:				2,016,794	1,373,236
SUBTOTAL OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION, DEPARTMENT OF JUSTICE				2,016,794	1,373,236
SUBTOTAL DEPARTMENT OF JUSTICE				2,170,982	1,405,082
DEPARTMENT OF LABOR					
DEPARTMENT OF LABOR					
DIRECT FROM:					
DEPARTMENT OF LABOR					
R&D		GGB	17.W9F9-0980	182,604	0
SUBTOTAL DIRECT FROM:				182,604	0
SUBTOTAL DEPARTMENT OF LABOR				182,604	0
SUBTOTAL DEPARTMENT OF LABOR				182,604	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF STATE					
BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF UTAH					
College and University Partnerships Program		GFC	19.405 / 19.98-0-13	8,752	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				8,752	0
SUBTOTAL BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS, DEPARTMENT OF STATE				8,752	0
OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE					
PASS-THROUGH PROGRAMS FROM:					
COUNCIL OF STATE GOVERNMENTS					
Fishermen's Guaranty Fund		GFB	19.204 / 19.OCG4094B	676	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				676	0
SUBTOTAL OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, DEPARTMENT OF STATE				676	0
SUBTOTAL DEPARTMENT OF STATE				9,428	0
DEPARTMENT OF TRANSPORTATION					
DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
North Dakota State University					
R&D		GGB	20.12706	2,555	0
R&D		GGB	20.4367	612	0
R&D		GGB	20.58204	5,558	0
R&D		GGB	20.58304	19,045	0
R&D		GGB	20.58404	21,025	0
R&D		GGB	20.58504	14,278	0
R&D		GGB	20.58604	12,792	0
R&D		GGB	20.58705	3,498	0
R&D		GGB	20.DTRS99-G-0008	83,775	0
R&D		GGB	20.MPC-181	5,482	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				168,620	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				168,620	0
FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
UCAR-NCAR-Nat Ctr for Atmospheric Res					
Aviation Education		GGB	20.100 / 20.S00-19852	25,734	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				25,734	0
SUBTOTAL FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				25,734	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Highway Planning & Construction		GFB	20.205	25,638	0
SUBTOTAL DIRECT FROM:				25,638	0
PASS-THROUGH PROGRAMS FROM:					
AMERICAN TRADE INITIATIVES					
Highway Planning & Construction		GFB	20.205 / 20.OCG4279B	15	0
BALL AEROSPACE					
Highway Planning & Construction		GFD	20.205 / 20.Z29000	5,026	0
GEORGIA INSTITUTE OF TECHNOLOGY					
Highway Planning & Construction		GFB	20.205 / 20.E-20-F43-S2	8,117	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				13,158	0
SUBTOTAL FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				38,796	0
FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
PASS-THROUGH PROGRAMS FROM:					
NATIONAL ACADEMY OF SCIENCE					
Transit Planning & Research		GFD	20.514 / 20.ITS-82	20,761	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,761	0
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				20,761	0
NATIONAL HIGHWAY INSTITUTE, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
DIRECT FROM:					
NATIONAL HIGHWAY INSTITUTE, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION					
Highway Training & Education		GFD	20.215	2,750	0
SUBTOTAL DIRECT FROM:				2,750	0
SUBTOTAL NATIONAL HIGHWAY INSTITUTE, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				2,750	0
SUBTOTAL DEPARTMENT OF TRANSPORTATION				256,661	0
OFFICE OF PERSONNEL MANAGEMENT					
OFFICE OF PERSONNEL MANAGEMENT					
DIRECT FROM:					
OFFICE OF PERSONNEL MANAGEMENT					
Intergovernmental Personnel Act (IPA) Mobility Program		GFC	27.011	122,958	0
Intergovernmental Personnel Act (IPA) Mobility Program		GFE	27.011	999,107	0
SUBTOTAL DIRECT FROM:				1,122,065	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,122,065	0
SUBTOTAL OFFICE OF PERSONNEL MANAGEMENT				1,122,065	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
GENERAL SERVICES ADMINISTRATION					
GENERAL SERVICES ADMINISTRATION					
DIRECT FROM:					
GENERAL SERVICES ADMINISTRATION					
Business Services		GFB	39.001	19	0
SUBTOTAL DIRECT FROM:				19	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				19	0
SUBTOTAL GENERAL SERVICES ADMINISTRATION				19	0
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
DIRECT FROM:					
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Aerospace Education Services Program		GFB	43.001	275,565	0
Aerospace Education Services Program		GGB	43.001	1,888,958	74,531
Technology Transfer		GFB	43.002	33,445,527	19,201,869
Technology Transfer		GFC	43.002	94,512	0
R&D		GLA	43.1225220	7,202	0
R&D		GLA	43.NAG 9-1207	109,923	0
R&D		GGB	43.NAG10-0234 SUPPLEMENTAL	85,092	0
R&D		GGB	43.NAG5-10076 #0001	47,260	0
R&D		GGB	43.NAG5-10482	56,843	0
R&D		GGB	43.NAG5-10593	6,210	0
R&D		GGB	43.NAG5-4646 SUPP 0005	300,494	44,122
R&D		GGB	43.NAG5-4749. SUPP 0002	1,307	0
R&D		GGB	43.NAG5-4754. SUPP 0008	19,459	0
R&D		GGB	43.NAG5-4983 0002	2,741	0
R&D		GGB	43.NAG5-6228 0005	69,590	0
R&D		GGB	43.NAG5-6637 0003	100,459	0
R&D		GGB	43.NAG5-7717 0006	104,150	0
R&D		GGB	43.NAG5-7719 0006	64,891	0
R&D		GGB	43.NAG5-7783 SUPPLEMENT 000	9,086	0
R&D		GGB	43.NAG5-9665 #0003	126,770	0
R&D		GLA	43.NAG5-9684	25,379	0
R&D		GGB	43.NAG8-1511 SUPP 02	44,615	0
R&D		GLA	43.NCC3-659	96,143	0
R&D		GGB	43.NCC5-288 SUPP 0007	418,193	0
R&D		GGB	43.NCC5-288 SUPP 0007	121,623	0
R&D		GLA	43.NCCW-0096	1,381,405	1,915,847
SUBTOTAL DIRECT FROM:				38,903,397	21,236,369
PASS-THROUGH PROGRAMS FROM:					
AEROSPACE CORPORATION					
Technology Transfer		GFB	43.002 / 43.4600000895	(15,830)	0
ARIZONA STATE UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.PO#03199200021	1,180	0
BALL AEROSPACE					
Technology Transfer		GFB	43.002 / 43.00DLB10054	11,191	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Technology Transfer		GFB	43.002 / 43.00DLB10063	5,722	0
Technology Transfer		GFB	43.002 / 43.97BSM00005	425,776	162,438
Technology Transfer		GFB	43.002 / 43.98DLB10086	(107)	0
Technology Transfer		GFB	43.002 / 43.99BSM00007	704,240	82,555
Technology Transfer		GFB	43.002 / 43.PO 00DLB10046	10,548	0
BOSTON UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.GC 124827 NGD	(92)	0
Technology Transfer		GFB	43.002 / 43.GC 153276 NGD	15,617	0
CALIFORNIA INSTITUTE OF TECHNOLOGY					
Technology Transfer		GFB	43.002 / 43.1018448	26,350	0
CARNEGIE INSTITUTE OF WASHINGTON					
Technology Transfer		GFB	43.002 / 43.3063	36,215	0
Technology Transfer		GFB	43.002 / 43.SUB NASW-00002	57,721	0
COLUMBIA UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.NCC5-34	109	0
COMPUTATIONAL PHYSICS, INC.					
Technology Transfer		GFB	43.002 / 43.PO# 5106-001-50	188,663	0
FOSTER-MILLER, INC.					
Technology Transfer		GFB	43.002 / 43.59831	93,575	0
GENERAL SCIENCES CORPORATION					
Technology Transfer		GFB	43.002 / 43.GSC-099-011	9,061	0
GLOBAL AEROSPACE CORPORATION					
R&D		GLA	43.NAS5-98051	6,262	0
HONEYWELL INTERNATIONAL, INC.					
Technology Transfer		GFB	43.002 / 43.S00001037	(261)	0
HOWARD HUGHES AIRCRAFT COMPANY					
Technology Transfer		GFB	43.002 / 43.SG-257301-AAJ	34	0
HOWARD UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.633621A	4,315	0
Technology Transfer		GFB	43.002 / 43.633704A	14	0
INTERACTIVE ARCHIVES INC					
Technology Transfer		GFB	43.002 / 43.NASA NAS5-32675	(31,213)	0
JET PROPULSION LABORATORY					
Aerospace Education Services Program		GFB	43.001 / 43.1221055	22,080	0
Technology Transfer		GFB	43.002 / 43.000731761	40	0
Technology Transfer		GFB	43.002 / 43.1204776	4	0
Technology Transfer		GFB	43.002 / 43.1206429	(968)	0
Technology Transfer		GFB	43.002 / 43.1207989	24,171	0
Technology Transfer		GFB	43.002 / 43.1208093	(254)	0
Technology Transfer		GFB	43.002 / 43.1208112	191,236	0
Technology Transfer		GFB	43.002 / 43.1208419	(184)	0
Technology Transfer		GFB	43.002 / 43.1209357	6,477	0
Technology Transfer		GFB	43.002 / 43.1209396	46,706	0
Technology Transfer		GFB	43.002 / 43.1211073	3,620	0
Technology Transfer		GFB	43.002 / 43.1211652	3	0
Technology Transfer		GFB	43.002 / 43.1212042	26,143	0
Technology Transfer		GFB	43.002 / 43.1212551	(140)	0
Technology Transfer		GFB	43.002 / 43.1213326	79,035	0
Technology Transfer		GFB	43.002 / 43.1213765	57,108	0
Technology Transfer		GFB	43.002 / 43.1213791	6,817	0
Technology Transfer		GFB	43.002 / 43.1214025	44,579	0
Technology Transfer		GFB	43.002 / 43.1214727	22,872	0
Technology Transfer		GFB	43.002 / 43.1215205	16,526	0
Technology Transfer		GFB	43.002 / 43.1215248	19,486	0
Technology Transfer		GFB	43.002 / 43.1215271	12,105	0
Technology Transfer		GFB	43.002 / 43.1215476	1,534	0
Technology Transfer		GFB	43.002 / 43.1215811	35,578	0
Technology Transfer		GFB	43.002 / 43.1215862	15,185	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Technology Transfer	GFB	43.002 / 43.1216291	16,336	0
Technology Transfer	GFB	43.002 / 43.1216593	15,623	0
Technology Transfer	GFB	43.002 / 43.1216811	14,667	0
Technology Transfer	GFB	43.002 / 43.1217206	166,357	0
Technology Transfer	GFB	43.002 / 43.1217827	44,201	0
Technology Transfer	GFB	43.002 / 43.1217897	129,822	0
Technology Transfer	GFB	43.002 / 43.1218132	58,462	0
Technology Transfer	GFB	43.002 / 43.1218134	93,048	0
Technology Transfer	GFB	43.002 / 43.1218554	85,014	0
Technology Transfer	GFB	43.002 / 43.1218557	17,028	0
Technology Transfer	GFB	43.002 / 43.1218656	30,000	0
Technology Transfer	GFB	43.002 / 43.1218658	8,486	0
Technology Transfer	GFB	43.002 / 43.1221094	25,623	0
Technology Transfer	GFB	43.002 / 43.1221120	136,009	0
Technology Transfer	GFB	43.002 / 43.1223196	83,498	0
Technology Transfer	GFB	43.002 / 43.1223532	54,050	0
Technology Transfer	GFB	43.002 / 43.1225108	2,949	0
Technology Transfer	GFB	43.002 / 43.1225700	6,058	0
Technology Transfer	GFB	43.002 / 43.1226217	20,982	0
Technology Transfer	GFB	43.002 / 43.1226469	24,302	0
Technology Transfer	GFB	43.002 / 43.1226552	20,847	0
Technology Transfer	GFB	43.002 / 43.1229475	16,740	0
Technology Transfer	GFB	43.002 / 43.957388	8,267	0
Technology Transfer	GFB	43.002 / 43.958119	(376)	0
Technology Transfer	GFB	43.002 / 43.958675	48,777	49,701
Technology Transfer	GFB	43.002 / 43.959322	(1,726)	0
Technology Transfer	GFB	43.002 / 43.959939	2	0
Technology Transfer	GFB	43.002 / 43.960662	(1,273)	0
Technology Transfer	GFB	43.002 / 43.960686	68	0
Technology Transfer	GFB	43.002 / 43.960833	(2)	0
Technology Transfer	GFB	43.002 / 43.960896	(8,794)	0
Technology Transfer	GFB	43.002 / 43.960983	11,447	16,190
Technology Transfer	GFB	43.002 / 43.960998	(986)	0
Technology Transfer	GFB	43.002 / 43.961141	772	0
Technology Transfer	GFB	43.002 / 43.961196	636,392	91,908
Technology Transfer	GFB	43.002 / 43.961226	42,554	0
Technology Transfer	GFB	43.002 / 43.961287	(4)	0
Technology Transfer	GFB	43.002 / 43.961329	(546)	0
Technology Transfer	GFB	43.002 / 43.961452	135,342	0
Technology Transfer	GFB	43.002 / 43.961493	(2)	0
Technology Transfer	GFB	43.002 / 43.961495	359,668	0
Technology Transfer	GFB	43.002 / 43.961571	3,782	0
Technology Transfer	GFB	43.002 / 43.JPL #959550	18,384	0
Technology Transfer	GFB	43.002 / 43.JPL 957488	92	0
Technology Transfer	GFB	43.002 / 43.JPL 958126	1,689	0
Technology Transfer	GFB	43.002 / 43.JPL# 959722	(1)	0
Technology Transfer	GFB	43.002 / 43.JPL-957571	107,178	0
Technology Transfer	GFB	43.002 / 43.PUBLISHING COSTS	(1)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
JOHNS HOPKINS UNIVERSITY					
Technology Transfer		GFB	43.002 / 43.2430-60020	355,507	0
Technology Transfer		GFB	43.002 / 43.2450-60018	133,300	0
Technology Transfer		GFB	43.002 / 43.774017	584,721	0
Technology Transfer		GFB	43.002 / 43.824878	570,378	0
Technology Transfer		GFB	43.002 / 43.826929	3,315	0
Technology Transfer		GFB	43.002 / 43.8601-02305	42,337	0
LEFT HAND DESIGN CORP					
Technology Transfer		GFB	43.002 / 43.PO #00-690	17,920	0
LOCKHEED MARTIN					
Technology Transfer		GFB	43.002 / 43.RF9-116303	2,756	0
Technology Transfer		GFB	43.002 / 43.RF9-116368	3,509	0
R&D		GLA	43.NAS8-00126	62,316	0
LOCKHEED MARTIN ASTRONAUTICS					
R&D		GLA	43.NOT GIVEN	12,576	0
NATIONAL CENTER FOR ATMOSPHERIC RESEARCH					
Technology Transfer		GFB	43.002 / 43.P9678033	1	0
NORTHWEST RESEARCH ASSOCIATES INC					
Technology Transfer		GFB	43.002 / 43.NWRA-99-S-045	15,513	0
OWEN RESEARCH, INC.					
Technology Transfer		GFB	43.002 / 43.101	27,500	0
RESEARCH FND OF CITY UNIVERSITY OF NEW YORK					
Technology Transfer		GFB	43.002 / 43.49589-0001A	355	0
SOUTH DAKOTA SCHOOL OF MINES AND TECHNOLOGY					
Technology Transfer		GFB	43.002 / 43.SDSM&T-UCB 00-13	42,363	0
SPACE HARDWARE OPTIMIZATION TECHNOLOGY INC					
Technology Transfer		GFB	43.002 / 43.AGREE/SEPARATOR	7,806	0
SPACE TELESCOPE SCIENCE INSTITUTE					
Aerospace Education Services Program		GFB	43.001 / 43.HST-HF-01132.01-A	45,540	0
Technology Transfer		GFB	43.002 / 43.AR-08007.01-96A	10,368	0
Technology Transfer		GFB	43.002 / 43.EO-08257.02-97A	15	0
Technology Transfer		GFB	43.002 / 43.GO-08281.02-97A	(498)	0
Technology Transfer		GFB	43.002 / 43.GO-08323.01-97A	55,872	0
Technology Transfer		GFB	43.002 / 43.GO-02379.03-87A	(52)	0
Technology Transfer		GFB	43.002 / 43.GO-06052.03-94A	1,518	0
Technology Transfer		GFB	43.002 / 43.GO-06065.02-94A	31	0
Technology Transfer		GFB	43.002 / 43.GO-06068.01-94A	35	0
Technology Transfer		GFB	43.002 / 43.GO-06434.01-95A	349	0
Technology Transfer		GFB	43.002 / 43.GO-06522.01-95A	6,178	0
Technology Transfer		GFB	43.002 / 43.GO-06586.01-95A	890	0
Technology Transfer		GFB	43.002 / 43.GO-06603.01-95A	12,485	0
Technology Transfer		GFB	43.002 / 43.GO-06780.02-95A	4	0
Technology Transfer		GFB	43.002 / 43.GO-06832.01-95A	3,184	0
Technology Transfer		GFB	43.002 / 43.GO-07263.01-96A	10,465	0
Technology Transfer		GFB	43.002 / 43.GO-07340.01-96A	12,346	0
Technology Transfer		GFB	43.002 / 43.GO-07349.01-96A	10,358	0
Technology Transfer		GFB	43.002 / 43.GO-07437.03-96A	4,811	0
Technology Transfer		GFB	43.002 / 43.GO-07477.02-96A	58	0
Technology Transfer		GFB	43.002 / 43.GO-07890.01-96A	(1,264)	0
Technology Transfer		GFB	43.002 / 43.GO-08125.01-97A	886	0
Technology Transfer		GFB	43.002 / 43.GO-08152.02-97A	5,680	0
Technology Transfer		GFB	43.002 / 43.GO-08157.02-97A	25,907	0
Technology Transfer		GFB	43.002 / 43.GO-08169.01-97A	25,797	0
Technology Transfer		GFB	43.002 / 43.GO-08182.01-97A	33,226	0
Technology Transfer		GFB	43.002 / 43.GO-08243.03-97A	18,110	0
Technology Transfer		GFB	43.002 / 43.GO-08324.01-97A	53,234	0
Technology Transfer		GFB	43.002 / 43.HF-01067.01-A	2	0
Technology Transfer		GFB	43.002 / 43.HST-AR-06387.01-A	395	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Technology Transfer	GFB	43.002 / 43.HST-AR-08003.01-A	5,907	0
Technology Transfer	GFB	43.002 / 43.HST-AR-08376.01-A	1,437	0
Technology Transfer	GFB	43.002 / 43.HST-AR-08747.02A	3,934	0
Technology Transfer	GFB	43.002 / 43.HST-GO-05398.01-A	22	0
Technology Transfer	GFB	43.002 / 43.HST-GO-05504.07-A	4,825	0
Technology Transfer	GFB	43.002 / 43.HST-GO-06593.01-A	42,289	0
Technology Transfer	GFB	43.002 / 43.HST-GO-06783.01-A	190	0
Technology Transfer	GFB	43.002 / 43.HST-GO-06824.01-A	8,540	0
Technology Transfer	GFB	43.002 / 43.HST-GO-06825.01-A	8,436	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07262.01-A	15,992	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07269.01-A	(32,811)	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07344.01-A	9,287	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07367.01-A	2,020	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07381.01-A	4,777	0
Technology Transfer	GFB	43.002 / 43.HST-GO-07448.01-A	25,473	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08178.01-A	6,247	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08257.01-A	92,766	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08280.01-A	134,077	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08571.01-A	7,550	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08577.04-A	6,937	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08580.16-A	8,670	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08623.01-A	4,597	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08648.08-A	5,159	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08653.02-A	2,697	0
Technology Transfer	GFB	43.002 / 43.HST-GO-08889.01-A	3,354	0
Technology Transfer	GFB	43.002 / 43.HST-GO-09109.01-A	3,657	0
Technology Transfer	GFB	43.002 / 43.HST-HF-01113.01-A	27,002	0
SPACEHAB INC				
Technology Transfer	GFB	43.002 / 43.SPACEHAB-STODIECK	6,255	0
SPECTRAL INTERNATIONAL, INC				
R&D	GLA	43.NOT GIVEN	36,397	0
STANFORD UNIVERSITY				
Technology Transfer	GFB	43.002 / 43.PR6331	(1,264)	0
Technology Transfer	GFB	43.002 / 43.PR6335	(39)	0
Technology Transfer	GFB	43.002 / 43.PY-0036	39,996	0
Technology Transfer	GFB	43.002 / 43.STANFORD PR6331	72	0
TELOS CORPORATION				
Technology Transfer	GFB	43.002 / 43.TIS-5025	(2)	0
TEXAS ENGINEERING EXPERIMENT STATION				
Technology Transfer	GFB	43.002 / 43.165625/NAS8-97112	(6)	0
Technology Transfer	GFB	43.002 / 43.960930	(1)	0
Technology Transfer	GFB	43.002 / 43.961028	57	0
Technology Transfer	GFB	43.002 / 43.NASW-4679	36	0
THE BIONETICS CORPORATION				
Technology Transfer	GFB	43.002 / 43.AGREEMENT	(390)	0
UNIVERSITIES SPACE RESEARCH ASSOCIATION				
Technology Transfer	GFB	43.002 / 43.07600-031	1,618	0
Technology Transfer	GFB	43.002 / 43.07600-038	70,971	75,237
Technology Transfer	GFB	43.002 / 43.1500-01	53,604	5,905
Technology Transfer	GFB	43.002 / 43.1500-02	157	0
Technology Transfer	GFB	43.002 / 43.550-79	569	0
Technology Transfer	GFB	43.002 / 43.8500-98-010	(8,160)	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH				
Technology Transfer	GFB	43.002 / 43.S95-59573	(11)	0
Technology Transfer	GFB	43.002 / 43.S96-83543	(360)	0
Technology Transfer	GFB	43.002 / 43.S9784019	92	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
UNIVERSITY OF ALASKA					
Technology Transfer		GFB	43.002 / 43.FP002939	25,787	0
Technology Transfer		GFB	43.002 / 43.UAF 00-0017	17,471	0
UNIVERSITY OF ARIZONA					
Technology Transfer		GFB	43.002 / 43.PO#Y502199	67,494	0
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA					
Technology Transfer		GFB	43.002 / 43.KK8013	55,732	0
UNIVERSITY OF CALIFORNIA BERKLEY					
Technology Transfer		GFB	43.002 / 43.SA2204-23899PG	31,439	0
Technology Transfer		GFB	43.002 / 43.SA2375-26310	18	0
Technology Transfer		GFB	43.002 / 43.SA2543-23239	164,170	0
Technology Transfer		GFB	43.002 / 43.SA2547-23805	19,626	0
UNIVERSITY OF CHICAGO					
Technology Transfer		GFB	43.002 / 43.SUB.NCCS5-151	191	0
Technology Transfer		GFB	43.002 / 43.UCHICAGO NAG 5-2218	324	0
UNIVERSITY OF FLORIDA					
Technology Transfer		GFC	43.002 / 43.PO363384/PO437206	7,678	0
UNIVERSITY OF MARYLAND BALTIMORE COUNTY					
Technology Transfer		GFB	43.002 / 43.CG0041	17,736	0
UNIVERSITY OF MARYLAND COLLEGE PARK					
Aerospace Education Services Program		GFC	43.001 / 43.Q290801	(38)	0
Aerospace Education Services Program		GFC	43.001 / 43.Z353701	7,153	0
Aerospace Education Services Program		GFC	43.001 / 43.Z647001	(140)	0
Aerospace Education Services Program		GFC	43.001 / 43.Z656701	7,641	0
Technology Transfer		GFB	43.002 / 43.Z6093B Z609302	216	0
Technology Transfer		GFB	43.002 / 43.Z628303	6,219	0
Technology Transfer		GFB	43.002 / 43.Z667102	263,046	0
UNIVERSITY OF MINNESOTA					
Technology Transfer		GFB	43.002 / 43.R5336369101	126,510	0
UNIVERSITY OF NEW HAMPSHIRE					
Technology Transfer		GFB	43.002 / 43.97-177	12,327	0
UNIVERSITY OF TEXAS AT AUSTIN					
Technology Transfer		GFB	43.002 / 43.UTA98-0205	66,423	0
UNIVERSITY OF UTAH					
Technology Transfer		GFB	43.002 / 43.2005029/PO#104943	41,074	0
Technology Transfer		GFB	43.002 / 43.9903061	57,270	0
UNIVERSITY OF VIRGINIA					
Technology Transfer		GFB	43.002 / 43.5-28590	(34)	0
Technology Transfer		GFB	43.002 / 43.5-28646	970	0
UNIVERSITY OF WASHINGTON					
Technology Transfer		GFB	43.002 / 43.711568	23,530	0
Univ. of California at Santa Barbara					
R&D		GGB	43.KK8023 MOD #03	51,712	0
University of Nebraska					
Technology Transfer		GGB	43.002 / 43.25-6238-0041-002 AME	21,830	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				8,523,754	483,934
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				47,427,151	21,720,303
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				47,427,151	21,720,303

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NATIONAL ENDOWMENT FOR THE HUMANITIES					
INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF DENVER					
Institute of Museum and Library Services: National Leadership Grants		GLA	45.312 / 45.LL-90094-99	2,481	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				2,481	0
SUBTOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				2,481	0
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
DIRECT FROM:					
NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
Promotion of the Arts: Grants to Organizations and Individuals		GGB	45.024	7,847	0
SUBTOTAL DIRECT FROM:				7,847	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE ARTS, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				7,847	0
NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES					
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Promotion of the Humanities: Seminars and Institutes		GFC	45.163 / 45.KMD5270-17/SUB	(10)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				(10)	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				(10)	0
SUBTOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES				10,318	0
NATIONAL SCIENCE FOUNDATION					
NATIONAL SCIENCE FOUNDATION					
DIRECT FROM:					
NATIONAL SCIENCE FOUNDATION					
Engineering Grants		GFB	47.041	5,141,033	691,088
Engineering Grants		GFC	47.041	15,063	0
Engineering Grants		GFD	47.041	99,955	0
Engineering Grants		GFE	47.041	68,625	3,096
Engineering Grants		GGB	47.041	1,796,989	15,846
Engineering Grants		GLA	47.041 / 47.BES-9870561	5,637	0
Engineering Grants		GLA	47.041 / 47.CMS-0085272	71,951	0
Engineering Grants		GLA	47.041 / 47.CMS-9502409	59,939	0
Engineering Grants		GLA	47.041 / 47.CMS-9877189	27,983	0
Engineering Grants		GLA	47.041 / 47.CTS-0072967	38,464	0
Engineering Grants		GLA	47.041 / 47.CTS-0093611	5,082	0
Engineering Grants		GLA	47.041 / 47.CTS-0093998	25,893	0
Engineering Grants		GLA	47.041 / 47.CTS-0097841	28,387	0
Engineering Grants		GLA	47.041 / 47.CTS-9601964	96,675	0
Engineering Grants		GLA	47.041 / 47.CTS-9711889	26,680	0
Engineering Grants		GLA	47.041 / 47.DMI-0094011	27,246	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Engineering Grants	GLA	47.041 / 47.DMI-9900053	24,272	0
Engineering Grants	GLA	47.041 / 47.EEC-9700775	36,933	0
Engineering Grants	GLA	47.041 / 47.EEC-9729255	7,137	0
Mathematical and Physical Sciences	GFB	47.049	10,307,681	574,858
Mathematical and Physical Sciences	GFC	47.049	86,779	0
Mathematical and Physical Sciences	GFD	47.049	335,322	0
Mathematical and Physical Sciences	GGB	47.049	2,862,200	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMR-0081183	45,896	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMR-0103385	226	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMR-9625293	34,495	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMR-9704780	35,650	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMR-9985178	80,399	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMS-9732069	17,629	0
Mathematical and Physical Sciences	GLA	47.049 / 47.DMS-9912293	31,659	0
Mathematical and Physical Sciences	GLA	47.049 / 47.PHY-0078610	112,611	0
Geosciences	GFB	47.050	7,653,592	274,982
Geosciences	GFD	47.050	105,707	0
Geosciences	GGB	47.050	3,696,519	63,382
Geosciences	GKA	47.050 / 47.ATM-0105279	391	0
Geosciences	GLA	47.050 / 47.EAR-0003470	33,037	0
Geosciences	GLA	47.050 / 47.EAR-0073763	36,403	0
Geosciences	GLA	47.050 / 47.EAR-9909477	80,449	0
Geosciences	GLA	47.050 / 47.EAR-9985234	16,612	0
Computer and Information Science and Engineering	GFB	47.070	1,302,751	147,588
Computer and Information Science and Engineering	GGB	47.070	199,748	0
Computer and Information Science and Engineering	GLA	47.070 / 47.ANI-0073699	74,921	0
Computer and Information Science and Engineering	GLA	47.070 / 47.CCR-9901929	60,946	0
Computer and Information Science and Engineering	GLA	47.070 / 47.CCR-9988338	21,364	0
Biological Sciences	GFB	47.074	2,229,855	0
Biological Sciences	GFD	47.074	3,776	0
Biological Sciences	GFE	47.074	660,348	0
Biological Sciences	GGB	47.074	3,536,153	214,237
Biological Sciences	GLA	47.074 / 47.DBI-0070389	65,186	0
Biological Sciences	GKA	47.074 / 47.DEB-9815925	54,924	7,754
Biological Sciences	GKA	47.074 / 47.DUE-9653190	2,899	0
Biological Sciences	GKA	47.074 / 47.MCB-9904006	68,942	0
Social, Behavioral, and Economic Sciences	GFB	47.075	2,182,174	251,648
Social, Behavioral, and Economic Sciences	GFC	47.075	63,561	0
Social, Behavioral, and Economic Sciences	GFD	47.075	5,156	0
Social, Behavioral, and Economic Sciences	GGB	47.075	229,612	0
Social, Behavioral, and Economic Sciences	GKA	47.075 / 47.BCS-9904389	10,066	0
Social, Behavioral, and Economic Sciences	GKA	47.075 / 47.SES-9973402	31,441	0
Education and Human Resources	GFB	47.076	1,445,700	108,821
Education and Human Resources	GFD	47.076	234	0
Education and Human Resources	GGB	47.076	245,958	0
Education and Human Resources	GLA	47.076 / 47.DUE-9952775	70,803	0
Education and Human Resources	GGH	47.076 / 47.DUE-9980815	33,252	0
Education and Human Resources	GLA	47.076 / 47.DUE-9980866	32,046	0
Education and Human Resources	GLA	47.076 / 47.DUE-9987037	86,001	0
Education and Human Resources	GLA	47.076 / 47.HRD-9979444	70,317	0
Polar Programs (B) -	GFB	47.078	1,070,140	0
R&D	GGB	47.1255802	7,257	0
R&D	GLA	47.ANI-9996156	49,344	0
R&D	GGB	47.ATM-0003171	80,118	0
R&D	GLA	47.BES-9531182	17,708	0
R&D	GLA	47.BES-9753086	(110)	0
R&D	GLA	47.BES-9905569	9,776	0
R&D	GLA	47.BES-9977708	57,252	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
R&D	GGB	47.CHE-9619213	47.514	0
R&D	GLA	47.CHE-9977633	4.552	0
R&D	GLA	47.CMS-9502409	1.985	0
R&D	GLA	47.CMS-9616855	5.212	0
R&D	GLA	47.CMS-9713442	32.124	0
R&D	GLA	47.CTS-512228	13.137	0
R&D	GLA	47.CTS-9502466	4.634	0
R&D	GLA	47.CTS-9634899	29.831	0
R&D	GLA	47.CTS-9700312	361	0
R&D	GLA	47.CTS-9734136	103.916	0
R&D	GLA	47.DAM-9876135	73.946	0
R&D	GLA	47.DGE-9554559	7.580	0
R&D	GGB	47.DGE-9616044/AMD 004	1.500	0
R&D	GLA	47.DMI-9634828	14.747	0
R&D	GLA	47.DMI-9753234	2.469	0
R&D	GLA	47.DMI-9978676	98.412	0
R&D	GLA	47.DMR-0080770	10.000	0
R&D	GLA	47.DMR-9704780	9.040	0
R&D	GLA	47.DMR-9730775	35.098	0
R&D	GLA	47.DMR-9870265	94.132	0
R&D	GLA	47.DMR-9985221	43.205	0
R&D	GLA	47.DMS-9721424	343	0
R&D	GLA	47.DMS-9805827	10.780	0
R&D	GLA	47.DMW-9973393	30.010	0
R&D	GLA	47.DUE-0004087	135.663	0
R&D	GLA	47.DUE-9653726	380	0
R&D	GLA	47.DUE-9850556	14.278	0
R&D	GLA	47.DUE-9851197	3.232	0
R&D	GLA	47.DUE-995-0910	15.644	0
R&D	GLA	47.EAR-9707054	(60)	0
R&D	GLA	47.EAR-9908971	20.741	0
R&D	GLA	47.EEC-0000405	4.370	0
R&D	GLA	47.EEC-9523662	754	0
R&D	GLA	47.EEC-9812842	31.178	0
R&D	GLA	47.EIA-9732601	(2.833)	0
R&D	GLA	47.ESI-0004386	85.536	0
R&D	GLA	47.HRD-0080669	6.405	0
R&D	GGB	47.IBN-0090400	26.026	0
R&D	GGB	47.IBN-0091976	26.570	0
R&D	GGB	47.IBN-0105046	521	0
R&D	GLA	47.IIS-9800899	900	0
R&D	GLA	47.INT-9726212	2.441	0
R&D	GGB	47.OPP 0196345	18.348	0
R&D	GGB	47.PHY-9732498 AMD 004	3.376	0
R&D	GLA	47.S01-24180	62.571	0
SUBTOTAL DIRECT FROM:			48.387.389	2.353.300

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
AMERICAN ECONOMIC ASSOCIATION					
Social, Behavioral, and Economic Sciences		GFD	47.075 / 47.SES-9619670-004	35,928	0
AMERICAN EDUCATIONAL RESEARCH					
Mathematical and Physical Sciences		GFD	47.049 / 47.155 04 026	(17)	0
ARIZONA STATE UNIVERSITY					
Engineering Grants		GFB	47.041 / 47.KMD2414-25-6/SUB	609	0
Biological Sciences		GFB	47.074 / 47.00-134	34,777	0
R&D		GLA	47.HRD-9623615	5,000	0
ASSOC. FOR COMPUTING MACHINERY					
R&D		GLA	47.EIA-9812016	313	0
BELOIT COLLEGE					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.DUE-9455918(NSF)	132,864	0
BOSTON UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.165874	72,779	0
BOULDER MATERIAL SYSTEMS					
Engineering Grants		GFB	47.041 / 47.OCG4232B	15,515	0
CALIFORNIA INST OF TECHNOLOGY					
R&D		GLA	47.DMS-9615858	59,654	0
CARNEGIE MELLON UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.543072-55801	(8,358)	0
DUKE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.99-SC-NSF-1010	(816)	0
GRINNELL COLLEGE					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.NSF PR REC-0087611	7,886	0
HAZEN RESEARCH					
R&D		GLA	47.NOT GIVEN	1,292	0
Harvard University					
Mathematical and Physical Sciences		GGB	47.049 / 47.99018203	63,987	0
INTERNATIONAL COMPUTER SCIENCE INSTITUTE					
Computer and Information Science and Engineering		GFB	47.070 / 47.376-01	14,526	0
Computer and Information Science and Engineering		GFB	47.070 / 47.NSF IRI-9618838	15	0
ITN ENERGY SYSTEMS, INC.					
Mathematical and Physical Sciences		GFB	47.049 / 47.AGREEMENT/SUB-NSF	865	0
Iowa State University					
R&D		GGB	47.404-20-61	18,082	0
KAJ, LLC					
Engineering Grants		GFB	47.041 / 47.PROJECT AGREEMENT	425	0
MARINE BIOLOGICAL LABORATORY					
Geosciences		GFB	47.050 / 47.P.O. 1003	(10)	0
MASSACHUSETTS INSTITUTE OF TECHNOLOGY					
Computer and Information Science and Engineering		GFB	47.070 / 47.5700000142	569	0
MATERIALS RESEARCH GROUP, INC					
R&D		GLA	47.NOT GIVEN	8,429	0
MICHIGAN STATE UNIVERSITY					
Social, Behavioral, and Economic Sciences		GFB	47.075 / 47.632590	139,062	0
Montana State University					
Social, Behavioral, and Economic Sciences		GGB	47.075 / 47.GC010-01-Z1303	17,010	0
NATIONAL RESEARCH COUNCIL					
Social, Behavioral, and Economic Sciences		GLA	47.075 / 47.INT-0002341	3,704	0
NORTHEASTERN UNIVERSITY					
Computer and Information Science and Engineering		GFB	47.070 / 47.530440 - P106062	28,552	0
NORTHERN ARIZONA UNIVERSITY					
Biological Sciences		GFB	47.074 / 47.OCG4274B	18,115	0
NORTHWEST RESEARCH ASSOCIATES INC					
Engineering Grants		GFB	47.041 / 47.NWRA-97-S-022	(116)	0
Mathematical and Physical Sciences		GFB	47.049 / 47.NWRA-99-S-038	23,037	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
National Research Council					
Social, Behavioral, and Economic Sciences		GGB	47.075 / 47.124503	3,825	0
Social, Behavioral, and Economic Sciences		GGB	47.075 / 47.INT-0002342/9911017	7,591	0
OHIO STATE UNIVERSITY					
Geosciences		GFB	47.050 / 47.739204	155,578	3,000
Polar Programs (B) -		GFB	47.078 / 47.735612	4,963	0
Ohio State University					
Geosciences		GGB	47.050 / 47.RF 847415/739204	84,989	0
Oregon State University					
Computer and Information Science and Engineering		GGB	47.070 / 47.SUB NO. S0442A-01	13,753	0
PURDUE UNIVERSITY					
Mathematical and Physical Sciences		GFB	47.049 / 47.503-1384-1	2,419	0
RXKINETIX INC					
Engineering Grants		GFB	47.041 / 47.PO# 8673	44	0
SPIRE CORPORATION					
Geosciences		GFB	47.050 / 47.166740	63	0
SRI INTERNATIONAL					
Engineering Grants		GFB	47.041 / 47.17-000245	94,947	0
Engineering Grants		GFB	47.041 / 47.17-000359	3,016	0
Engineering Grants		GFB	47.041 / 47.SUB/REC 9804930	52,137	0
STATE UNIVERSITY NEW YORK AT STONY BROOK					
Geosciences		GFB	47.050 / 47.431-3860A	175,131	0
TEXAS A&M REESARCH FOUNDATION					
Geosciences		GFB	47.050 / 47.F000906 & F000941	(630)	0
TEXAS A&M RESEARCH FOUNDATION					
Geosciences		GLA	47.050 / 47.OCE-9320477 SUB 8-94	35,761	0
Texas Tech University					
Engineering Grants		GGB	47.041 / 47.1316/0800-01	3,713	0
UCAR-NCAR-Nat Ctr for Atmospheric Res					
R&D		GGB	47.S97-87985	6,954	0
UNIV OF TENNESSEE					
Geosciences		GGH	47.050 / 47.R04-1056-49	4,427	0
UNIV OF WISCONSIN					
Polar Programs (B) -		GLA	47.078 / 47.OPP-0003289	26,211	0
R&D		GGH	47.175A420.144-HD6	37,804	0
UNIV. OF ILLINOIS-SPRINGFIELD					
Education and Human Resources		GLA	47.076 / 47.DUE-9952841	45,566	0
UNIVERSITY CORP. FOR ATMOSPHER					
Mathematical and Physical Sciences		GFD	47.049 / 47.S99-17969	44,059	0
UNIVERSITY CORP. FOR ATMOSPHERIC RESEARCH					
Engineering Grants		GFB	47.041 / 47.S00-19302	81,013	0
Engineering Grants		GFB	47.041 / 47.S01-30958	18,787	0
Engineering Grants		GFB	47.041 / 47.S9156	(3)	0
Engineering Grants		GFB	47.041 / 47.S98-95031	18,016	0
Mathematical and Physical Sciences		GFB	47.049 / 47.S99-11819	3,592	0
Geosciences		GFB	47.050 / 47.S01-13250	8,911	0
UNIVERSITY OF ALABAMA					
Mathematical and Physical Sciences		GFB	47.049 / 47.OPP-9810219	(12,858)	0
Geosciences		GFB	47.050 / 47.47.049/OPP-9813061	30	0
UNIVERSITY OF ALASKA					
Mathematical and Physical Sciences		GFB	47.049 / 47.UAF00-0085/FP101067	54,071	0
Geosciences		GFB	47.050 / 47.PO#78535/UAF97-0021	859	0
UNIVERSITY OF ARIZONA					
Mathematical and Physical Sciences		GFB	47.049 / 47.Y501756	18,425	0
UNIVERSITY OF CALIFORNIA AT SANTA BARBARA					
Engineering Grants		GFB	47.041 / 47.KK8027	310	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
UNIVERSITY OF CALIFORNIA BERKLEY				
Mathematical and Physical Sciences	GFB	47.049 / 47.SA2384JB	27,628	0
Social, Behavioral, and Economic Sciences	GFB	47.075 / 47.SA2174JB	6,911	0
UNIVERSITY OF CALIFORNIA LOS ANGELES				
Engineering Grants	GFB	47.041 / 47.1010-G-7B921	52,726	0
UNIVERSITY OF CHICAGO				
Mathematical and Physical Sciences	GFB	47.049 / 47.OPP-8920223/OCG1027	(22,060)	0
UNIVERSITY OF DELAWARE				
Geosciences	GFB	47.050 / 47.B-444160	3,956	0
UNIVERSITY OF IOWA				
Engineering Grants	GFB	47.041 / 47.4000064934	7,484	0
UNIVERSITY OF MASSACHUSETTS				
Computer and Information Science and Engineering	GFB	47.070 / 47.01S058/22532M276150	26,115	0
UNIVERSITY OF MINNESOTA				
Computer and Information Science and Engineering	GFB	47.070 / 47.V5216145401	(66)	0
UNIVERSITY OF NEW MEXICO				
Engineering Grants	GFB	47.041 / 47.3-19122-7810	55,422	0
Geosciences	GFB	47.050 / 47.3-18131-7820	11,978	0
UNIVERSITY OF OREGON				
Geosciences	GFB	47.050 / 47.SUBGRANT 203361A	16,211	0
UNIVERSITY OF PITTSBURGH				
R&D	GLA	47.EEC-9872498	33,721	0
UNIVERSITY OF SOUTH FLORIDA				
R&D	GLA	47.EIA-9732601	6,130	0
UNIVERSITY OF SOUTHERN CALIFORNIA				
Geosciences	GFB	47.050 / 47.699717	5,111	0
Geosciences	GFB	47.050 / 47.PO 042831	8,940	0
UNIVERSITY OF WASHINGTON				
Geosciences	GFB	47.050 / 47.716650	19,260	0
UNIVERSITY OF WISCONSIN				
Biological Sciences	GFB	47.074 / 47.DEB-0089600	902	0
UNIVERSITY OF WYOMING				
Geosciences	GFB	47.050 / 47.NSFLOC4800/4802SUBC	31,442	0
UTAH STATE UNIVERSITY				
Engineering Grants	GFB	47.041 / 47.EAR-9720134	9	0
University of Alabama				
R&D	GGB	47.97165904	(1,046)	0
University of Alaska at Fairbanks				
Polar Programs (B) -	GGB	47.078 / 47.PO# FP102970	5,990	0
Polar Programs (B) -	GGB	47.078 / 47.UAF-00-0086/FP100092	14,445	0
University of California at Davis				
Biological Sciences	GGB	47.074 / 47.SA6245	106,193	0
University of Hawaii				
Biological Sciences	GGB	47.074 / 47.C990221 & Z518268	33,507	0
University of Puerto Rico				
Biological Sciences	GGB	47.074 / 47.99104102	44	0
Biological Sciences	GGB	47.074 / 47.SS66-0433760	28,262	0
Biological Sciences	GGB	47.074 / 47.SS66-0433760/ DEB-970	31	0
University of Wyoming				
R&D	GGB	47.NSFLOC1323	30,155	0
R&D	GGB	47.NSFLOC4400	1,548	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:			2,198,101	3,000
SUBTOTAL NATIONAL SCIENCE FOUNDATION			50,585,490	2,356,300
SUBTOTAL NATIONAL SCIENCE FOUNDATION			50,585,490	2,356,300

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SMALL BUSINESS ADMINISTRATION					
SMALL BUSINESS ADMINISTRATION					
PASS-THROUGH PROGRAMS FROM:					
IMMUSOL, INC					
Small Business Investment Companies		GFE	59.011 / 59.IMMUSOL PN9910 103	14,258	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				14,258	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				14,258	0
SUBTOTAL SMALL BUSINESS ADMINISTRATION				14,258	0
SMITHSONIAN INSTITUTE					
DIRECT FROM:					
SMITHSONIAN INSTITUTE					
R&D		GFB	60.UNKNOWN	185,707	0
SUBTOTAL DIRECT FROM:				185,707	0
SUBTOTAL SMITHSONIAN INSTITUTE				185,707	0
SUBTOTAL				185,707	0
TENNESSEE VALLEY AUTHORITY					
TENNESSEE VALLEY AUTHORITY					
DIRECT FROM:					
TENNESSEE VALLEY AUTHORITY					
TVA Energy Research and Technology Applications		GFB	62.001	276,353	0
SUBTOTAL DIRECT FROM:				276,353	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				276,353	0
SUBTOTAL TENNESSEE VALLEY AUTHORITY				276,353	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DEPARTMENT OF VETERANS AFFAIRS					
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
DIRECT FROM:					
VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS					
Veterans Prosthetic Appliances		GFD	64.013	26,302	0
Sharing Specialized Medical Resources		GFE	64.018	140,057	0
Veterans Rehabilitation: Alcohol and Drug Dependence		GFB	64.019	(20)	0
SUBTOTAL DIRECT FROM:				166,339	0
SUBTOTAL VETERANS HEALTH ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS				166,339	0
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS				166,339	0
ENVIRONMENTAL PROTECTION AGENCY					
ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
ENVIRONMENTAL PROTECTION AGENCY					
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GFD	66.606	121,461	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GGB	66.606	609,719	46,587
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GLA	66.606 / 66.C X 827973-01-0	37,531	0
Surveys, Studies, Investigations and Special Purpose Grants (B) -		GLA	66.606 / 66.X-98823501	69,138	0
R&D		GLA	66.9L-1176-NTEX	10,546	0
R&D		GLA	66.9W-2158-NALX	(380)	0
R&D		GLA	66.CP998933-01-0	876	0
R&D		GLA	66.MM-98830801-0	8,918	0
R&D		GLA	66.OW-0395-NAEX	15,000	0
R&D		GLA	66.OW-1552-NAEA	48,818	0
R&D		GGB	66.R 826131-01-0	66,375	0
R&D		GLA	66.R 826651-01-0	105,482	18,368
R&D		GGB	66.R 827449-01-0	241,506	0
R&D		GGB	66.R-82861001-0	83,120	0
R&D		GGB	66.X-82883601-0	211,443	0
R&D		GGB	66.X-98834601-0	5,380	0
SUBTOTAL DIRECT FROM:				1,634,933	64,955
PASS-THROUGH PROGRAMS FROM:					
ADA TECHNOLOGIES, INC.					
R&D		GLA	66.EPA 68-D-00-225	16,500	0
American Water Works Assc. Research Fd.					
R&D		GGB	66.97080309	(9,715)	9,492
Carnegie Mellon University					
R&D		GGB	66.1080004-108573	12,243	0
Kansas State University					
R&D		GGB	66.S00022	131,725	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
University of Minnesota					
R&D		GGB	66.1628-189-6191-7901	7,292	0
WASHINGTON UNIVERSITY					
R&D		GLA	66.EPA C R 827881-01-0	35,986	0
Wright State University					
R&D		GGB	66.BC4882 & BE4882 AMEND #3	8,567	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				202,598	9,492
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				1,837,531	74,447
OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Protection Consolidated Grants: Program Support		GFB	66.600	7,085	0
SUBTOTAL DIRECT FROM:				7,085	0
SUBTOTAL OFFICE OF ADMINISTRATION, ENVIRONMENTAL PROTECTION AGENCY				7,085	0
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY					
Air Pollution Control Manpower Training		GFE	66.003	(881)	0
SUBTOTAL DIRECT FROM:				(881)	0
PASS-THROUGH PROGRAMS FROM:					
CARNEGIE MELLON UNIVERSITY					
Air Pollution Control Program Support		GFB	66.001 / 66.1080004-107770	37,092	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				37,092	0
SUBTOTAL OFFICE OF AIR AND RADIATION, ENVIRONMENTAL PROTECTION AGENCY				36,211	0
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Education Grants		GFB	66.951	235	0
Environmental Education Grants		GGB	66.951	60,904	0
SUBTOTAL DIRECT FROM:				61,139	0
SUBTOTAL OFFICE OF ENVIRONMENTAL EDUCATION, ENVIRONMENTAL PROTECTION AGENCY				61,139	0
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY					
Environmental Protection: Consolidated Research		GFB	66.500	918,292	519,603
Environmental Protection: Consolidated Research		GGB	66.500	338,882	67,850
Environmental Protection: Consolidated Research		GLA	66.500 / 66.R 826684-01-0	100,907	0
Environmental Protection: Consolidated Research		GLA	66.500 / 66.R 826733-01-0	92,255	0
Air Pollution Control Research		GGB	66.501	27,393	0
Pesticides Control Research		GGB	66.502	192,190	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Solid Waste Disposal Research		GLA	66.504 / 66.R 825411-01-0	215	0
Water Pollution Control: Research, Development, and Demonstration		GGB	66.505	85,480	0
Water Pollution Control: Research, Development, and Demonstration		GLA	66.505 / 66.R 825398-01-0	33,213	0
SUBTOTAL DIRECT FROM:				1,788,827	587,453
PASS-THROUGH PROGRAMS FROM:					
ARIZONA STATE UNIVERSITY					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.99-116SG	88,694	0
Environmental Protection: Consolidated Research		GFB	66.500 / 66.99-120SG	12,711	0
CORNELL UNIVERSITY MEDICAL COLLEGE					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.29067-5581	251	0
ENVIRONMENTAL SCIENCE AND ENGINEERING INC					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.S68D98112-STEOP-701	309	0
HARDING ESE, INC					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.S68D98112-STEOP-701	4,080	0
Iowa State University					
Water Pollution Control: Research, Development, and Demonstration		GGB	66.505 / 66.429-46-01 AMEND #01	12,975	0
KANSAS STATE UNIVERSITY					
Environmental Protection: Consolidated Research		GLA	66.500 / 66.R 825549-01-0	9,574	0
Environmental Protection: Consolidated Research		GLA	66.500 / 66.R 825550-01	20,741	0
Environmental Protection: Consolidated Research		GLA	66.500 / 66.R825549-01	64,115	0
Environmental Protection: Consolidated Research		GFB	66.500 / 66.S99011	11,927	0
Solid Waste Disposal Research		GFB	66.504 / 66.367-900/KSU# 94-29	1,194	0
Solid Waste Disposal Research		GFB	66.504 / 66.S98016	(992)	0
Kansas State University					
Environmental Protection: Consolidated Research		GGB	66.500 / 66.S00023	650	0
NORTH CAROLINA STATE UNIVERSITY					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.91-0074-12	(162)	0
QST ENVIRONMENTAL INC					
Environmental Protection: Consolidated Research		GFB	66.500 / 66.S68D98112-SITEOP701	(598)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				225,469	0
SUBTOTAL OFFICE OF RESEARCH AND DEVELOPMENT, ENVIRONMENTAL PROTECTION AGENCY				2,014,296	587,453
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
DIRECT FROM:					
OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY					
Water Pollution Control: State and Interstate Program Support		GFD	66.419	8,509	0
Water Quality Management Planning		GFB	66.454	121,947	10,128
SUBTOTAL DIRECT FROM:				130,456	10,128
PASS-THROUGH PROGRAMS FROM:					
Montana State University					
National Estuary Program		GGB	66.456 / 66.GC023-00-Z1054	33,807	0
WATER ENVIRONMENT RESEARCH FOUNDATION					
Water Quality Management Planning		GFB	66.454 / 66.96-IRM-1	(1,461)	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				32,346	0
SUBTOTAL OFFICE OF WATER, ENVIRONMENTAL PROTECTION AGENCY				162,802	10,128
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				4,119,064	672,028

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NUCLEAR REGULATORY COMMISSION					
NUCLEAR REGULATORY COMMISSION					
DIRECT FROM:					
NUCLEAR REGULATORY COMMISSION					
R&D		GGB	77.DR-00-0366/50075108	3,660	0
SUBTOTAL DIRECT FROM:				3,660	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				3,660	0
SUBTOTAL NUCLEAR REGULATORY COMMISSION				3,660	0
DEPARTMENT OF ENERGY					
DEPARTMENT OF ENERGY					
DIRECT FROM:					
DEPARTMENT OF ENERGY					
R&D		GLA	81.00000441-00001	52,407	0
R&D		GLA	81.19X-ST793C; TASK 11	23,960	0
R&D		GLA	81.19X-ST793C; TASK 9	(1,294)	0
R&D		GLA	81.4000000800	89,810	0
R&D		GLA	81.48538	6,588	0
R&D		GLA	81.ACG-8-17106-01	6,053	0
R&D		GLA	81.C96-175954 TO2	56,657	0
R&D		GLA	81.C96-175954 TO#3	12,000	0
R&D		GLA	81.C96-175954 TO#4	29,143	0
R&D		GLA	81.C96-175954 TO#6	6,165	0
R&D		GLA	81.C96-175954; TO #1	57,727	0
R&D		GLA	81.DE-AF26-00FT00150	40,000	0
R&D		GLA	81.DE-AF26-01NT00256	11,196	0
R&D		GLA	81.DE-FC07-00CH11021	140,902	169,053
R&D		GLA	81.DE-FC07-00ID13850	245,441	0
R&D		GGB	81.DE-FC34-01RF02010	6,972	0
R&D		GGB	81.DE-FG03-00ER15084/A000	11,900	0
R&D		GLA	81.DE-FG03-00ER15090	70,039	0
R&D		GGB	81.DE-FG03-93ER14369, A008	109,870	0
R&D		GGB	81.DE-FG03-93ER40788 AMEND	1,043	0
R&D		GGB	81.DE-FG03-93ER40788 AMEND	324,525	0
R&D		GLA	81.DE-FG03-93ER40789	130,664	0
R&D		GGB	81.DE-FG03-94ER61748, A009	296,272	0
R&D		GLA	81.DE-FG03-95ER14568	119,584	0
R&D		GGB	81.DE-FG03-95ER62102 A006	287,982	0
R&D		GLA	81.DE-FG03-96ER45575	158,318	0
R&D		GLA	81.DE-FG03-96ER45600	60,687	0
R&D		GGB	81.DE-FG03-96ER62167 M004	25,531	0
R&D		GGB	81.DE-FG03-97ER14797 A006	21,711	0
R&D		GGB	81.DE-FG03-97ER14808 M003	75,301	0
R&D		GGB	81.DE-FG03-97ER62357 A002	(168)	0
R&D		GLA	81.DE-FG03-98ER14908	224,643	0
R&D		GGB	81.DE-FG03-98ER62569/A003	85,747	0
R&D		GGB	81.DE-FG07-98ER62541 M003	72,645	0
R&D		GLA	81.DE-FG26-99FT40585	56,237	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
R&D		GGB	81.DE-FG34-99RF01865 AMEND	(54)	0
R&D		GGB	81.DE-FG03-96ER14625 A006	104,878	0
R&D		GLA	81.H1801-001-99 9F	16,627	0
R&D		GLA	81.KCQ-0-30600-06	8,619	0
R&D		GLA	81.KCQ-0-30600-07	45,907	0
R&D		GLA	81.KCQ-0-30600-08	16,326	0
R&D		GLA	81.KCQ-0-30600-09	13,735	0
R&D		GLA	81.KCQ-0-30600-10	16,522	0
R&D		GLA	81.KCQ-0-30600-11	4,976	0
R&D		GLA	81.KCQ-0-30600-14	6,857	0
R&D		GLA	81.KCQ-1-30600-12	25,000	0
R&D		GLA	81.KCQ-1-30600-13	6,014	0
R&D		GLA	81.KCR-6-15329-07	6,223	0
R&D		GLA	81.KDJ-0-30600-01	26,270	0
R&D		GLA	81.KDJ-0-30600-02	17,999	0
R&D		GLA	81.KDJ-0-30600-03	67,205	0
R&D		GLA	81.KDJ-0-30600-04	16,814	0
R&D		GLA	81.KDJ-0-30600-05	59,250	0
R&D		GLA	81.PO 12727	32,859	0
R&D		GLA	81.PO 20751	833	0
R&D		GLA	81.PO 7672	11,701	0
R&D		GLA	81.PO 7698	37,437	0
R&D		GLA	81.XAE-3-13442-01	(193)	0
R&D		GLA	81.XAK-8-17619-28	206,486	0
R&D		GLA	81.XAK-8-17619-31	93,617	0
R&D		GLA	81.XCO-0-30088-01	109,478	0
R&D		GLA	81.XDJ-0-30603-01	28,420	0
R&D		GLA	81.XG-2-11036-4	(2,972)	0
R&D		GLA	81.XSX669	115,660	0
SUBTOTAL DIRECT FROM:				4,008,752	169,053
PASS-THROUGH PROGRAMS FROM:					
AMERICAN IRON & STEEL INST.					
R&D		GLA	81.DE-FC07-97ID13554	15,221	0
AMERICAN IRON AND STEEL INST					
R&D		GLA	81.DE-FC07-97ID13554	83,373	0
AMERICAN IRON AND STEEL INST.					
R&D		GLA	81.DE-FC07-97ID13554	177,301	0
Bechtel Corporation					
R&D		GGB	81.PO# 26930	12,595	0
CARGILL DOW POLYMERS, LLC					
Alternative Fuel Transportation Program		GLA	81.111 / 81.DE-FC02-99CH11010	228,611	0
GAS TECHNOLOGY INSTITUTE					
R&D		GLA	81.DE-FC26-00NT40917	108,719	0
GLOBAL SOLAR ENERGY LLC					
R&D		GLA	81.ZAX-8-17647-11	34,021	0
ITN ENERGY STSTEMS, INC.					
R&D		GLA	81.DE-AC36-83CH10093	56,923	0
ITN ENERGY SYSTEMS, INC.					
R&D		GLA	81.DE-FG03-00ER83030	9,269	0
LOCKHEED MARTIN					
Environmental Restoration		GFB	81.092 / 81.19X-SU769V	710	0
LOCKHEED MARTIN ENERGY RESERCH					
R&D		GLA	81.19X-SW314C	35,184	0
Midwest Research Institute - NREL					
R&D		GGB	81.KAK-8-17685-04 MOD #1	4,335	0
R&D		GGB	81.KAK-8-17685-05	8,502	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NISOURCE ENERGY TECHNOLOGIES					
R&D		GLA	81.4500013009	115,042	0
Oak Ridge Associated Universities					
R&D		GGB	81.97193705	20,695	0
PETROLEUM TECHNOLOGY TRANSF CO					
R&D		GLA	81.DE-FC26-98BC15118	78,998	0
Powerlight Corporation					
R&D		GGB	81.491-6355	1,458	0
TDA RESEARCH					
R&D		GLA	81.DE-FG03-00ER83103	19,994	0
Tulane University					
R&D		GGB	81.TUL-066-98/99 MOD #01	44,947	0
University of California at Davis					
R&D		GGB	81.92RA0294-UOC2 AMEND #2	18,345	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,074,243	0
SUBTOTAL DEPARTMENT OF ENERGY				5,082,995	169,053
ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
BATTELLE, COLUMBUS DIVISION					
National Energy Information Center		GFD	81.039 / 81.0900.07.0350	5,000	0
LOCKHEED MARTIN					
National Energy Information Center		GFB	81.039 / 81.87X-SY844V	773	0
STANFORD UNIVERSITY					
National Energy Information Center		GFB	81.039 / 81.SLAC-0000017114	27,747	0
UT BATTELLE LLC					
National Energy Information Center		GFB	81.039 / 81.4500007776	9,856	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				43,376	0
SUBTOTAL ENERGY INFORMATION ADMINISTRATION, DEPARTMENT OF ENERGY				43,376	0
OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
Energy-Related Inventions		GGB	81.036	39,487	0
Conservation Research & Development		GGB	81.086	22,325	0
Conservation Research & Development		GLA	81.086 / 81.DE-FC02-01CH11088	18,230	0
Conservation Research & Development		GLA	81.086 / 81.DE-FC07-01ID13998	233,361	0
Conservation Research & Development		GLA	81.086 / 81.DE-FG07-01ID14008	9,397	0
SUBTOTAL DIRECT FROM:				322,800	0
PASS-THROUGH PROGRAMS FROM:					
TUFTS UNIVERSITY					
Conservation Research & Development		GFB	81.086 / 81.SUB/FG02-98ER62665	43,765	0
UNIV. OF CALIFORNIA, IRVINE					
Conservation Research & Development		GLA	81.086 / 81.DE-FC07-00ID13816	27,189	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				70,954	0
SUBTOTAL OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				393,754	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY					
Renewable Energy Research & Development		GFB	81.087	180,471	16,485
SUBTOTAL DIRECT FROM:				180,471	16,485
PASS-THROUGH PROGRAMS FROM:					
CERAMEM CORPORATION					
Renewable Energy Research & Development		GFB	81.087 / 81.OCG4178B	90,546	0
CONSORTIUM FOR PLANT BIOTECHNOLOGY RESEARCH					
Renewable Energy Research & Development		GFB	81.087 / 81.0R22072-103	4,319	0
LOS ALAMOS NATIONAL LABORATORIES					
Renewable Energy Research & Development		GFB	81.087 / 81.21485-001-2J	45,355	0
MASSACHUSETTS INSTITUTE OF TECHNOLOGY					
Renewable Energy Research & Development		GFB	81.087 / 81.5710001164	42,385	0
NANOMATERIALS RESEARCH CORP.					
Renewable Energy Research & Development		GFB	81.087 / 81.OCG4298B/R83053	14,152	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Renewable Energy Research & Development		GFB	81.087 / 81.162658	442	0
Renewable Energy Research & Development		GFB	81.087 / 81.ACL	2,656	0
Renewable Energy Research & Development		GFB	81.087 / 81.KAK-6-16810-15	1,942	0
Renewable Energy Research & Development		GFB	81.087 / 81.KAK-6-16810-17	40,769	0
Renewable Energy Research & Development		GFB	81.087 / 81.KAK-6-16810-18	41,829	0
Renewable Energy Research & Development		GFB	81.087 / 81.KCQ-9-29638-10	18,616	0
Renewable Energy Research & Development		GFB	81.087 / 81.KDJ-9-29638-07	35,085	0
Renewable Energy Research & Development		GFB	81.087 / 81.KDJ-9-29638-09	42,072	0
Renewable Energy Research & Development		GFB	81.087 / 81.NREL-OCG1001B	1	0
Renewable Energy Research & Development		GFB	81.087 / 81.XAD-7-17622-01	(6,381)	0
Renewable Energy Research & Development		GFB	81.087 / 81.XAM-1-31220-01	6,151	0
Renewable Energy Research & Development		GFB	81.087 / 81.XCD-5-15196-01	15	0
Renewable Energy Research & Development		GFB	81.087 / 81.XCK-5-14318-05	(74)	0
Renewable Energy Research & Development		GFB	81.087 / 81.XCX-9-29204-01	98,112	0
Renewable Energy Research & Development		GFB	81.087 / 81.XCX-9-29204-04	68,561	0
SANDIA NATIONAL LABORATORIES					
Renewable Energy Research & Development		GFB	81.087 / 81.15191	27,383	0
Renewable Energy Research & Development		GFB	81.087 / 81.15268	73,620	0
Renewable Energy Research & Development		GFB	81.087 / 81.16843	6,363	0
STANFORD UNIVERSITY					
Renewable Energy Research & Development		GFB	81.087 / 81.SLAC-0000022547	4,248	0
TULANE UNIVERSITY					
Renewable Energy Research & Development		GFB	81.087 / 81.TUL-109-00/01	2,128	0
UNIVERSITY OF NEBRASKA LINCOLN					
Renewable Energy Research & Development		GFB	81.087 / 81.LWT/62-123-06541	113,725	7
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				774,020	7
SUBTOTAL OFFICE OF ENERGY EFFICIENCY CONSERVATION AND RENEWABLE ENERGY, DEPARTMENT OF ENERGY				954,491	16,492

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY					
DIRECT FROM:					
OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY					
Office of Science Financial Assistance Program		GFB	81.049	5,473,669	5,133
Office of Science Financial Assistance Program		GFE	81.049	269,947	528,610
Office of Science Financial Assistance Program		GGB	81.049	924,915	0
Office of Science Financial Assistance Program		GLA	81.049 / 81.DE-FG03-93ER14363	93,390	0
Office of Science Financial Assistance Program		GLA	81.049 / 81.DE-FG03-95ER54303	44,639	0
Office of Scientific & Technical Information		GFB	81.064	140,417	0
SUBTOTAL DIRECT FROM:				6,946,977	533,743
PASS-THROUGH PROGRAMS FROM:					
BATTELLE MEMORIAL INST PACIFIC NORTHWEST LAB					
Office of Science Financial Assistance Program		GFB	81.049 / 81.353698-AQ5	15	0
FERMI NATIONAL ACCELERATOR LAB					
University-Laboratory Cooperative Program		GFD	81.004 / 81.PO 524631	44,986	0
FERMI NATIONAL ACCELERATOR LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.521463	26,783	0
INDIANA UNIVERSITY					
University-Laboratory Cooperative Program		GFB	81.004 / 81.10807-0234	1,096	450
IOWA STATE UNIVERSITY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.SC-01-289	1,664	0
LAWRENCE LIVERMORE NATIONAL LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.B218772	3,944	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.B347880	722,775	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.B509471	7,156	0
LOS ALAMOS NATIONAL LABORATORIES					
Office of Scientific & Technical Information		GFB	81.064 / 81.10486-001-00-2G	1,777	0
NATIONAL RENEWABLE ENERGY LABORATORY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.ADJ-9-29614-01	59,379	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-6-16810-01	3,417	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-6-16810-02	7,975	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-6-16810-12	578	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-6-16810-13	22,405	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KAK-8-16810-11	8,910	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KCE-8-16810-14	9,622	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KDJ-9-29638-01	23,738	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KDJ-9-29638-02	70,884	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.KDJ-9-29638-04	7,209	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.NREL XG-2-11243-1	(3)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.NREL-OCG1001B	(123)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.XAK-8-18687-01	55,759	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.XAO-2-12236-01	41	0
Pennsylvania State University					
Office of Science Financial Assistance Program		GGB	81.049 / 81.1948-CSU-USDOE-3008	34,700	0
ROCKY FLATS LOCAL IMPACTS INTITATIVE TASK FORCE					
Office of Science Financial Assistance Program		GFB	81.049 / 81.1296.50.1717B	(277)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SANDIA NATIONAL LABORATORIES					
Used Energy-Related Laboratory Equipment Grants		GFB	81.022 / 81.12610	9,982	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.4393	61,840	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.6595	47,488	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.AL-0284	68	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.AP-6350	(1)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.AS-5666	5,033	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.AY-0642	102	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.BB-2621	15,628	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.BC-6501	105,434	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.BF-3574	1,032	0
TULANE UNIVERSITY					
Office of Science Financial Assistance Program		GFB	81.049 / 81.TUL-020-94/95	(1)	0
Office of Science Financial Assistance Program		GFB	81.049 / 81.TUL-032-95/96	272,321	0
Office of Science Financial Assistance Program		GFD	81.049 / 81.TUL08399/00	100,718	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,734,054	450
SUBTOTAL OFFICE OF ENERGY RESEARCH, DEPARTMENT OF ENERGY				8,681,031	534,193
OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY					
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA AT DAVIS					
Office of Science and Technology for Environmental Management		GFB	81.104 / 81.92RA0294-UOC-01	59	0
Office of Science and Technology for Environmental Management		GFB	81.104 / 81.99RA0214-UOC-02	46,103	0
Office of Science and Technology for Environmental Management		GFB	81.104 / 81.W/GEC94-023A	390	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				46,552	0
SUBTOTAL OFFICE OF ENVIRONMENTAL MANAGEMENT, DEPARTMENT OF ENERGY				46,552	0
SUBTOTAL DEPARTMENT OF ENERGY				15,202,199	719,738
DEPARTMENT OF EDUCATION					
DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
STOLAR HORIZON, INC.					
R&D		GLA	84.DE-FC25-01NT41050	6,512	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				6,512	0
SUBTOTAL DEPARTMENT OF EDUCATION				6,512	0
OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
CHILDRENS HOSPITAL					
Star Schools		GFE	84.203 / 84.PN0006-075	60,947	0
Star Schools		GFE	84.203 / 84.PN0101-009	31,929	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				92,876	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				92,876	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
FLORIDA INTERNATIONAL UNIVERSITY					
Civil Rights Training and Advisory Services		GFB	84.004 / 84.541107450-02	1,714	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,714	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				1,714	0
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
International: Overseas: Doctoral Dissertation		GFB	84.022	1,706	0
TRIO: Student Support Services		GGB	84.042	286,321	0
Fund for the Improvement of Postsecondary Education		GFB	84.116	220,168	0
Fund for the Improvement of Postsecondary Education		GFC	84.116	13,476	0
Fund for the Improvement of Postsecondary Education		GFD	84.116	41,317	0
Fund for the Improvement of Postsecondary Education		GGB	84.116	86,513	0
Fund for the Improvement of Postsecondary Education		GLA	84.116 / 84.P116B70050	73,354	0
Graduate Assistance in Areas of National Need		GGB	84.200	38,738	0
Graduate Assistance in Areas of National Need		GLA	84.200 / 84.P200A000447	70,703	0
Graduate Assistance in Areas of National Need		GLA	84.200 / 84.P200A000845-02	86,626	0
SUBTOTAL DIRECT FROM:				918,922	0
PASS-THROUGH PROGRAMS FROM:					
OHIO UNIVERSITY					
Fund for the Improvement of Postsecondary Education		GFC	84.116 / 84.UT 10386	6,689	0
PENNSYLVANIA STATE					
Fund for the Improvement of Postsecondary Education		GLA	84.116 / 84.P116J000044	6,381	0
PRAIRIE VIEW A&M RESEARCH FOUN					
Fund for the Improvement of Postsecondary Education		GFD	84.116 / 84.RF437521	7,346	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				20,416	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				939,338	0
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
National Institute on Disability and Rehabilitation Research		GFB	84.133	(1)	0
National Institute on Disability and Rehabilitation Research		GFD	84.133	94,384	0
National Institute on Disability and Rehabilitation Research		GFE	84.133	194,994	20,908
SUBTOTAL DIRECT FROM:				289,377	20,908
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				289,377	20,908

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
Bilingual Education: Professional Development		GFD	84.195	339,307	0
SUBTOTAL DIRECT FROM:				339,307	0
SUBTOTAL OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				339,307	0
OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION					
National Institute on Student Achievement, Curriculum, and Assessment		GFC	84.305	972	0
National Institute on Early Childhood Development and Education		GFE	84.307	151,034	0
SUBTOTAL DIRECT FROM:				152,006	0
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA LOS ANGELES					
Educational Research and Development		GFB	84.117 / 84.0070-G-7B419	(18,990)	0
Educational Research and Development		GFB	84.117 / 84.0070-G-9H810	(2,263)	0
Educational Research and Development		GFB	84.117 / 84.0070G7B419	(7,948)	0
Educational Research and Development		GFB	84.117 / 84.0070G9H810	303,206	0
Educational Research and Development		GFB	84.117 / 84.UCLA 0070 G29333	(268)	0
Educational Research and Development		GFB	84.117 / 84.UCLA PO#0070G5C490	(26,254)	0
UNIVERSITY OF CALIFORNIA SANTA CRUZ					
National Institute on the Education of At-Risk Students		GFB	84.306 / 84.SC96243-L	75,229	0
National Institute on the Education of At-Risk Students		GFB	84.306 / 84.SC96243-U	25,330	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				348,042	0
SUBTOTAL OFFICE OF EDUCATION RESEARCH AND IMPROVEMENT, DEPARTMENT OF EDUCATION				500,048	0
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Title I Grants to Local Educational Agencies		GFE	84.010 / 84.PN0004-056	131,916	0
Title I Grants to Local Educational Agencies		GFE	84.010 / 84.PN0101-031	149,324	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				281,240	0
SUBTOTAL OFFICE OF ELEMENTARY AND SECONDARY EDUCATION, DEPARTMENT OF EDUCATION				281,240	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION					
Special Education: Innovation and Development		GFD	84.023	91,496	0
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFB	84.324	115,276	0
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFC	84.324	127,181	0
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFD	84.324	272,123	21,596
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GFE	84.324	134,562	1,072
Special Education: Research and Innovation to Improve Services and Results for Children with Disabilities		GKA	84.324 / 84.H324E015001	30,650	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFB	84.325	163,129	0
Special Education: Personnel Preparation to Improve Services and Results for Children with Disabilities		GFD	84.325	256,100	0
SUBTOTAL DIRECT FROM:				1,190,517	22,668
PASS-THROUGH PROGRAMS FROM:					
CHILDRENS HOSPITAL					
Special Education: Program for Severely Disabled Children		GFE	84.086 / 84.PN9711	44,236	0
Special Education: Program for Severely Disabled Children		GFE	84.086 / 84.TCH 97-CO	4,816	0
ERIKSON INSTITUTE					
Special Education: Innovation and Development		GFD	84.023 / 84.41451607	16,328	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				65,380	0
SUBTOTAL OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION				1,255,897	22,668
OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION					
Bilingual Education: Research Programs		GFD	84.292	42,340	0
SUBTOTAL DIRECT FROM:				42,340	0
PASS-THROUGH PROGRAMS FROM:					
DENVER PUBLIC SCHOOLS					
Bilingual Education: Systemwide Improvement Grants		GFD	84.291 / 84.T29000009	96,333	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				96,333	0
SUBTOTAL OFFICE OF THE DIRECTOR FOR BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS, DEPARTMENT OF EDUCATION				138,673	0
SUBTOTAL DEPARTMENT OF EDUCATION				3,844,982	43,576
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Head Start		GFE	93.600	555,365	3,000
SUBTOTAL DIRECT FROM:				555,365	3,000

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
CHILDRENS HOSPITAL					
Welfare Reform Research, Evaluations and National Studies (B) -		GFE	93.595 / 93.PN 9806-034	75,023	0
MATHEMATICA POLICY RESEARCH INC					
Head Start		GFE	93.600 / 93.MPR 8300-96-12	47,291	0
OKLAHOMA STATE DEPARTMENT OF HEALTH					
Family Violence Prevention and Services/Grants for Battered Women's Shelters: Grants to States and Indian		GFE	93.671 / 93.OKDOH R054996	15,393	8,100
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				137,707	8,100
SUBTOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				693,072	11,100
ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
DUKE UNIVERSITY					
Special Programs for the Aging: Title VII, Chapter 2: Long Term Care Ombudsman Services for Older Individua		GFB	93.042 / 93.97-SC-NIA-1028	(498)	0
MATHEMATICA POLICY RESEARCH INC					
Special Programs for the Aging: Title IV: Training, Research and Discretionary Projects and Programs		GFE	93.048 / 93.MPR 8667-99-30	45,886	0
VETERANS MEDICAL RESEARCH FOUNDATION					
Special Programs for the Aging: Title III, Part F: Disease Prevention and Health Promotion Services		GFE	93.043 / 93.MH55253-01A2 1 R01	143,203	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				188,591	0
SUBTOTAL ADMINISTRATION ON AGING, OFFICE OF THE SECRETARY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				188,591	0
AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Research on Health Care Outcomes and Quality		GFE	93.180	11,775	0
Research on Healthcare Costs, Quality and Outcomes		GFB	93.226	6,024	0
Research on Healthcare Costs, Quality and Outcomes		GFE	93.226	569,560	76,230
SUBTOTAL DIRECT FROM:				587,359	76,230
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF MICHIGAN					
Research on Healthcare Costs, Quality and Outcomes		GFB	93.226 / 93.M000108	107,204	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				107,204	0
SUBTOTAL AGENCY FOR HEALTH CARE POLICY AND RESEARCH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				694,563	76,230
AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Human Health Studies: Applied Research and Development		GFE	93.206	923,453	0
SUBTOTAL DIRECT FROM:				923,453	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
UNIVERSITY OF CALIFORNIA BERKLEY					
Human Health Studies: Applied Research and Development		GFB	93.206 / 93.SA1796JB	1,287	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,287	0
SUBTOTAL AGENCY FOR TOXIC SUBSTANCES AND DISEASE REGISTRY, DEPARTMENT OF HEALTH AND HUMAN SERVICES				924,740	0
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		GFB	93.116	28,390	0
Acquired Immunodeficiency Syndrome (AIDS) Activity		GFE	93.118	(479)	0
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFB	93.135	(58)	0
Centers for Research and Demonstration for Health Promotion and Disease Prevention		GFE	93.135	1,039,545	50,697
Injury Prevention and Control Research and State and Community Based Programs		GGB	93.136	925,460	0
Health Program for Toxic Substances and Disease Registry		GGB	93.161	142,984	0
Occupational Safety and Health Research Grants		GFB	93.262	20,613	0
Occupational Safety and Health Research Grants		GFE	93.262	137,205	56,625
Occupational Safety and Health Research Grants		GGB	93.262	1,129,195	0
Occupational Safety and Health: Training Grants		GGB	93.263	73,078	0
Immunization Grants		GFE	93.268	1,110,862	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283	374,427	152,442
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGB	93.283	204,118	0
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		GFD	93.944	16,121	0
R&D		GLA	93.U60/CCU816929-01	306,296	1,500
R&D		GLA	93.U60/CCU816929-02	723,392	16,500
SUBTOTAL DIRECT FROM:				6,231,149	277,764
PASS-THROUGH PROGRAMS FROM:					
ASSOC OF TEACHERS OF PREVENTAT					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFD	93.283 / 93.TS270-13/13	(1,074)	0
Battelle Columbus Division					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GGB	93.283 / 93.PO 151852 CHANGE #06	63,348	0
COLUMBIA UNIVERSITY					
Injury Prevention and Control Research and State and Community Based Programs		GFB	93.136 / 93.R49/CC4212753	(2,920)	0
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFB	93.283 / 93.465719	2,664	0
DENVER HEALTH AND HOSPITAL					
Centers for Disease Control and Prevention: Investigations and Technical Assistance		GFE	93.283 / 93.PN0009-025	6,003	0
University of Washington					
Occupational Safety and Health Research Grants		GGB	93.262 / 93.196938	109,486	0
WESTAT, INC					
HIV Prevention Activities: Non-Governmental Organization Based		GFE	93.939 / 93.WESTAT N01HD33162	643,635	8,288
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				821,142	8,288
SUBTOTAL CENTERS FOR DISEASE CONTROL AND PREVENTION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				7,052,291	286,052
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
R&D		GGB	93.5 R01 HL49330-10	338,423	0
SUBTOTAL DIRECT FROM:				338,423	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
Northwestern University					
R&D		GGB	93.0600 370 A519 CSU	33,649	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				33,649	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				372,072	0
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Food and Drug Administration: Research		GFE	93.103	1,854	0
Food and Drug Administration: Research		GGB	93.103	64,517	0
SUBTOTAL DIRECT FROM:				66,371	0
SUBTOTAL FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				66,371	0
HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
CENTER FOR HEALTH POLICY RESEARCH					
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.CHPR 17-C-90435/801	173	0
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.CHPR 500 94 0054	97,055	0
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.CHPR 500 96 0004/TO	183,129	0
COLORADO FOUNDATION MEDICAL CARE					
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.CFMC 500-99-CO01	262,443	0
NEW YORK DEPARTMENT OF HEALTH					
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.NYDOH C-015111	127,015	0
POLICY CENTER INCORPORATED					
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.CHPR 18C90617/8-03	123,183	0
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.POLICY 882 94	104,286	0
Health Care Financing Research, Demonstrations and Evaluations		GFE	93.779 / 93.POLICY 898 38(1)	16,493	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				913,777	0
SUBTOTAL HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				913,777	0
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Maternal and Child Health Federal Consolidated Programs		GFB	93.110	68,026	7,200
Maternal and Child Health Federal Consolidated Programs		GFE	93.110	395,285	30,399
AIDS Education and Training Centers		GFE	93.145	401,080	401,042
Coordinated HIV Servcies and Access to Research for Children, Youth, Women, and Families		GFE	93.153	286,655	487,336
Advanced Education Nursing Traineeships		GFC	93.358	28,300	0
Project Grants for Renovation or Construction of Non-Acute Health Care Facilities and Other Facilities		GFE	93.887	5,078,311	0
Grants for Faculty Development in General Internal Medicine and/or General Pediatrics		GGB	93.900	(302)	0
Healthy Start Initiative		GFE	93.926	46,392	0
SUBTOTAL DIRECT FROM:				6,303,747	925,977

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
ASSOC OF TEACHERS OF PREVENTATIVE MEDICINE					
Grants for Preventive Medicine		GFE	93.117 / 93.ATPM TS 252-13/14	116,750	4,033
CHILDRENS HOSPITAL					
Maternal and Child Health Federal Consolidated Programs		GFE	93.110 / 93.PN0001-117	5,647	0
COLUMBIA UNIVERSITY					
AIDS Education and Training Centers		GFE	93.145 / 93.4HA HA00037	41,900	0
AIDS Education and Training Centers		GFE	93.145 / 93.5H4A HA00037-02	26,545	0
Public Health Training Centers		GFB	93.188 / 93.465719	(487)	0
NATIONAL MARROW DONOR PROGRAM					
Grants to Increase Organ Donations		GFE	93.134 / 93.NMDP PN9908 068	108,086	0
STATE OF MISSOURI					
Maternal and Child Health Services Block Grant to the States		GFE	93.994 / 93.MO A0C8000274	114	0
UNIVERSITY OF MISSOURI-COLUMBIA					
Maternal and Child Health Services Block Grant to the States		GFE	93.994 / 93.UMOCO 00113271	75,409	0
University of Texas at Austin					
Maternal and Child Health Federal Consolidated Programs		GGB	93.110 / 93.UTA96-0009 AMD 7	170,691	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				544,655	4,033
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				6,848,402	930,010
HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
ABT ASSOCIATES INC					
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.ABT 500 94 0061	(141)	0
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.ABT 500 95 0062	243,456	0
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.ABT 500 96 3(6)	123,095	0
RESEARCH TRIANGLE INSTITUTE					
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.RTI 4-53U-6613-01	344,172	0
URBAN INSTITUTE					
State Survey and Certification of Health Care Providers and Suppliers		GFE	93.777 / 93.UI 100-97-0010-01	26,437	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				737,019	0
SUBTOTAL HEALTH STANDARDS AND QUALITY BUREAU, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				737,019	0
NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Human Genome Research		GFB	93.172	(1,599)	0
SUBTOTAL DIRECT FROM:				(1,599)	0
SUBTOTAL NATIONAL HUMAN GENOME RESEARCH INSTITUTE, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				(1,599)	0
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Research Related to Deafness and Communication Disorders		GFB	93.173	273,213	53,035
Research Related to Deafness and Communication Disorders		GFE	93.173	1,408,739	260,888
Research Related to Deafness and Communication Disorders		GGB	93.173	218,812	0
SUBTOTAL DIRECT FROM:				1,900,764	313,923

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
LOUISIANA STATE UNIVERSITY					
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.LSU R187697A	136,527	0
SMITH COLLEGE					
Research Related to Deafness and Communication Disorders		GFB	93.173 / 93.636026	36,852	0
Research Related to Deafness and Communication Disorders		GFB	93.173 / 93.636026-1	8,810	0
UNIVERSITY OF PITTSBURG					
Research Related to Deafness and Communication Disorders		GFE	93.173 / 93.UPITTS 102947-1	9,621	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				191,810	0
SUBTOTAL NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS, NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,092,574	313,923
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Biological Response to Environmental Health Hazards		GFD	93.113	168,668	0
Biological Response to Environmental Health Hazards		GFE	93.113	1,406,996	25,469
Biological Response to Environmental Health Hazards		GGB	93.113	312,537	0
Biological Response to Environmental Health Hazards		GKA	93.113 / 93.1 R15 ES/0D08818-01	7,726	0
Applied Toxicological Research and Testing		GFE	93.114	115,947	0
Applied Toxicological Research and Testing		GGB	93.114	147,626	106,205
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GFE	93.115	337,983	0
Biometry and Risk Estimation: Health Risks from Environmental Exposures		GGB	93.115	802	0
Oral Diseases and Disorders Research		GFB	93.121	207,017	0
Oral Diseases and Disorders Research		GFE	93.121	1,077,708	0
NIEHS Superfund Hazardous Substances: Basic Research and Education		GGB	93.143	213,178	0
R&D		GGB	93.2 R01 GM40525-10A2	135,713	41,410
Mental Health Research Grants		GFB	93.242	2,104,661	75,606
Mental Health Research Grants		GFC	93.242	33,148	0
Mental Health Research Grants		GFD	93.242	9,543	0
Mental Health Research Grants		GFE	93.242	4,790,545	316,698
Mental Health Research Grants		GGB	93.242	296,695	0
Alcohol Research Career Development Awards for Scientists and Clinicians		GFB	93.271	191,550	0
Alcohol Research Career Development Awards for Scientists and Clinicians		GFE	93.271	200,633	0
Alcohol Research Career Development Awards for Scientists and Clinicians		GGB	93.271	30,691	0
Alcohol National Research Service Awards for Research Training		GFE	93.272	14,883	0
Alcohol Research Programs		GFB	93.273	1,528,732	0
Alcohol Research Programs		GFE	93.273	2,857,739	0
Alcohol Research Programs		GGB	93.273	341,355	0
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awar		GFB	93.277	289,627	0
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awar		GFE	93.277	155,902	0
Drug Abuse Research Programs		GFB	93.279	637,926	77,825
Drug Abuse Research Programs		GFD	93.279	329,998	0
Drug Abuse Research Programs		GFE	93.279	4,346,881	1,323,806
Drug Abuse Research Programs		GGB	93.279	2,641,983	259,677
Mental Health Research Career/Scientist Development Awards		GFB	93.281	164,954	0
Mental Health Research Career/Scientist Development Awards		GFE	93.281	392,796	0
Mental Health National Research Service Awards for Research Training		GFB	93.282	30,721	0
Mental Health National Research Service Awards for Research Training		GFD	93.282	(331)	0
Mental Health National Research Service Awards for Research Training		GGB	93.282	22,789	0
Comparative Medicine		GFB	93.306	72	0
Comparative Medicine		GFE	93.306	21,919	0
Comparative Medicine		GGB	93.306	25,734	0
Clinical Research		GFE	93.333	2,733,825	3,415,985
Nursing Research		GFE	93.361	414,370	34,078
Biomedical Technology		GFB	93.371	302,462	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Biomedical Technology	GFE	93.371	478,754	0
Research Infrastructure	GFE	93.389	35,262	0
Research Infrastructure	GGB	93.389	15,354	0
Academic Research Enhancement Award	GKA	93.390 / 93.1 R15 GM55889-01	49,176	0
Cancer Cause and Prevention Research	GFB	93.393	(29,467)	0
Cancer Cause and Prevention Research	GFE	93.393	2,199,794	28,420
Cancer Cause and Prevention Research	GGB	93.393	1,709,015	140,479
Cancer Detection and Diagnosis Research	GFE	93.394	1,791,183	545,909
Cancer Detection and Diagnosis Research	GGB	93.394	113,441	0
Cancer Treatment Research	GFB	93.395	117,979	0
Cancer Treatment Research	GFE	93.395	1,399,660	5,172
Cancer Treatment Research	GGB	93.395	821,686	0
Cancer Biology Research	GFB	93.396	295,331	0
Cancer Biology Research	GFE	93.396	2,389,464	0
Cancer Biology Research	GGB	93.396	5,214	0
Cancer Centers Support	GFE	93.397	4,583,597	371,915
Cancer Research Manpower	GFE	93.398	727,702	24,900
Cancer Research Manpower	GGB	93.398	577,457	0
Cancer Control	GFB	93.399	155,068	8,138
Cancer Control	GFD	93.399	312,732	29,951
Cancer Control	GFE	93.399	806,198	25,489
Cell Biology and Biophysics Research	GFB	93.821	4,164,503	51,134
Cell Biology and Biophysics Research	GFE	93.821	1,308,640	0
Cell Biology and Biophysics Research	GGB	93.821	1,269,009	217,325
Heart and Vascular Diseases Research	GFB	93.837	754,534	0
Heart and Vascular Diseases Research	GFE	93.837	4,275,577	332,047
Heart and Vascular Diseases Research	GGB	93.837	282,534	0
Lung Diseases Research	GFE	93.838	6,565,437	924,952
Lung Diseases Research	GGB	93.838	74,659	0
Blood Diseases and Resources Research	GFB	93.839	262,630	0
Blood Diseases and Resources Research	GFE	93.839	411,526	13,420
Blood Diseases and Resources Research	GGB	93.839	23,773	0
Arthritis, Musculoskeletal and Skin Diseases Research	GFB	93.846	423,927	0
Arthritis, Musculoskeletal and Skin Diseases Research	GFE	93.846	1,725,023	56,862
Arthritis, Musculoskeletal and Skin Diseases Research	GGB	93.846	31,930	0
Diabetes, Endocrinology and Metabolism Research	GFB	93.847	68,574	0
Diabetes, Endocrinology and Metabolism Research	GFE	93.847	9,578,239	129,794
Diabetes, Endocrinology and Metabolism Research	GGB	93.847	198,810	0
Digestive Diseases and Nutrition Research	GFE	93.848	3,491,546	19,983
Kidney Diseases, Urology and Hematology Research	GFE	93.849	4,605,227	142,698
Kidney Diseases, Urology and Hematology Research	GGB	93.849	160,995	0
Extramural Research Programs in the Neurosciences and Neurological Disorders	GFE	93.853	642,394	0
Extramural Research Programs in the Neurosciences and Neurological Disorders	GGB	93.853	15,654	0
Biological Basis Research in the Neurosciences	GFB	93.854	493,110	0
Biological Basis Research in the Neurosciences	GFE	93.854	4,623,120	300,600
Biological Basis Research in the Neurosciences	GGB	93.854	1,861,707	0
Allergy, Immunology and Transplantation Research	GFB	93.855	289,502	0
Allergy, Immunology and Transplantation Research	GFE	93.855	2,374,123	87,954
Microbiology and Infectious Diseases Research	GFB	93.856	1,035,365	0
Microbiology and Infectious Diseases Research	GFE	93.856	6,666,621	534,354
Microbiology and Infectious Diseases Research	GGB	93.856	6,735,787	655,760
Pharmacology, Physiology, and Biological Chemistry Research	GFB	93.859	1,410,306	49,695
Pharmacology, Physiology, and Biological Chemistry Research	GFC	93.859	175,346	0
Pharmacology, Physiology, and Biological Chemistry Research	GFE	93.859	1,888,017	0
Pharmacology, Physiology, and Biological Chemistry Research	GGB	93.859	786,059	0
Genetics and Developmental Biology Research and Research Training	GFB	93.862	2,921,853	48,206
Genetics and Developmental Biology Research and Research Training	GFE	93.862	3,494,432	0
Genetics and Developmental Biology Research and Research Training	GGB	93.862	691,394	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Population Research		GFE	93.864	763,485	0
Population Research		GGB	93.864	417,569	0
Center for Research for Mothers and Children		GFB	93.865	2,025,163	589,335
Center for Research for Mothers and Children		GFE	93.865	4,138,545	455,151
Center for Research for Mothers and Children		GGB	93.865	235,889	0
Aging Research		GFB	93.866	1,938,808	63,937
Aging Research		GFC	93.866	5,537	0
Aging Research		GFE	93.866	2,903,205	492,938
Aging Research		GGB	93.866	796,246	0
Aging Research		GKA	93.866 / 93.1 R15 AG12263-01 & 01	5,150	0
Vision Research		GFB	93.867	138,613	85,250
Vision Research		GFE	93.867	1,047,755	0
Medical Library Assistance		GFE	93.879	670,671	28,035
Alcohol Research Center Grants		GFB	93.891	83,816	37,844
Alcohol Research Center Grants		GFE	93.891	1,233,025	543,938
Resource and Manpower Development in the Environmental Health Sciences		GGB	93.894	263,303	0
Center for Medical Rehabilitation Research		GFE	93.929	86,191	0
Center for Medical Rehabilitation Research		GGB	93.929	56,475	0
Fogarty International Research Collaboration Award		GFE	93.934	124,229	7,020
Fogarty International Research Collaboration Award		GGB	93.934	205,085	0
SUBTOTAL DIRECT FROM:				140,518,947	12,725,364
PASS-THROUGH PROGRAMS FROM:					
AMC CANCER RESEARCH CENTER					
Cancer Cause and Prevention Research		GFE	93.393 / 93.AMC 738-8202	26,306	0
Cancer Detection and Diagnosis Research		GFD	93.394 / 93.1RO1CA81028	18,090	0
Cancer Research Manpower		GFE	93.398 / 93.AMC 738 - 7241	227	0
AMC Cancer Research Center					
Cancer Cause and Prevention Research		GGB	93.393 / 93.727-9104	76,818	0
AMERICAN COLLEGE OF RADIOLOGY					
Cancer Treatment Research		GFE	93.395 / 93.ACOR CA21661	16,501	0
AMERICAN COLLEGE OF SURGEONS ONCOLGY GROUP					
Cancer Treatment Research		GFE	93.395 / 93.ACSOG 99-565	4,861	0
BAYLOR COLLEGE OF MEDICINE					
Research Infrastructure		GFB	93.389 / 93.4600065934	19,656	0
Cancer Biology Research		GFE	93.396 / 93.BAYLOR PO 794774	85,815	0
BRIGHAM AND WOMENS HOSPITAL					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.1P01AI46518-01	7,172	0
CASE WESTERN RESERVE UNIVERSITY					
Center for Research for Mothers and Children		GFE	93.865 / 93.HD11089-23 5 P01	12,538	0
CLEVER SYSTEMS, INC					
Mental Health Research Grants		GFE	93.242 / 93.CLEVER 9807-096	785	0
Mental Health Research Grants		GFE	93.242 / 93.CLEVER MH58964	7,076	0
COLUMBIA UNIVERSITY					
Center for Research for Mothers and Children		GFE	93.865 / 93.HD38652-02 1 R01	100,917	0
CORNELL UNIVERSITY MEDICAL COL					
Population Research		GFD	93.864 / 93.352156078	16,610	0
Case Western Reserve Univ (Use YUCA09)					
Lung Diseases Research		GGB	93.838 / 93.5 R01 HL55967-05	13,888	0
Case Western Reserve University					
Microbiology and Infectious Diseases Research		GGB	93.856 / 93.74004	23,516	15,085
City of Hope National Medical Center					
Cancer Treatment Research		GGB	93.395 / 93.20.6692.911703	49,786	0
Cytomation GTX, Inc.					
Cancer Cause and Prevention Research		GGB	93.393 / 93.99013505	23,370	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
DARTMOUTH COLLEGE					
Cancer Control		GFE	93.399 / 93.DARTMOUTH 5-30292	84,921	0
Cancer Control		GFE	93.399 / 93.DARTMOUTH 5-30370	26,231	0
DUKE UNIVERSITY					
Genetics and Developmental Biology Research and Research Training		GFB	93.862 / 93.96-SC-NIA-1027	482	0
Aging Research		GFB	93.866 / 93.98-SC-NIH-1032	415	0
Duke University					
Cancer Treatment Research		GGB	93.395 / 93.DS 639 303-2990	271,884	0
Cancer Treatment Research		GGB	93.395 / 93.DS303 16829 5P01 CA42	15,179	0
Cancer Treatment Research		GGB	93.395 / 93.DS304 16829 5P01CA427	19,288	0
Cancer Treatment Research		GGB	93.395 / 93.DS639 303-2994	43,878	0
ELEANOR ROOSEVELT INSTITUTE CANCER RESEARCH					
Center for Research for Mothers and Children		GFE	93.865 / 93.ERICR HD17449	52,920	0
Center for Research for Mothers and Children		GFE	93.865 / 93.ERICR HD17449-17	62,924	0
Center for Research for Mothers and Children		GFE	93.865 / 93.ERICR HD17449-18	117,477	0
EPIMMUNE, INC					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.EPIM AI48238	186,843	0
GEORGE WASHINGTON UNIVERSITY					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.AC21086	37,602	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GWU AC21084	(10,468)	0
GONEX INC					
Cancer Treatment Research		GFE	93.395 / 93.GONEX PN 9904 033	9,628	0
Gonex, Inc					
Cancer Treatment Research		GGB	93.395 / 93.R42 CA75662	116,035	0
HENRY FORD HEALTH SCIENCES CENTER					
Aging Research		GFE	93.866 / 93.HFHS AG15286	765	0
Harvard University					
Cancer Cause and Prevention Research		GGB	93.393 / 93.PRIME 2 R01 CA71993-0	26,841	0
Arthritis, Musculoskeletal and Skin Diseases Research		GGB	93.846 / 93.735263 5 P01 AR44750-	10,124	0
JOSLIN DIABETES CENTER INC					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.JOSLIN DK46601-07	147,205	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.PN9806-001	10	0
KAISER FOUNDATION					
Heart and Vascular Diseases Research		GFE	93.837 / 93.KAISER 115-9350B	101,485	0
LAYTON BIOSCIENCE					
Biological Basis Research in the Neurosciences		GFE	93.854 / 93.NS36502-03 5 R44	31,922	0
MASSACHUSETTS GENERAL HOSPITAL					
Mental Health Research Grants		GFE	93.242 / 93.N01 MH80001	69,236	0
Heart and Vascular Diseases Research		GFE	93.837 / 93.HL56893-03 2R01	17,930	0
NANOMATERIALS RESEARCH CORPORATION					
Biomedical Technology		GFB	93.371 / 93.S10739	16,132	0
NATIONAL DEVELOPMENT AND RESEARCH INST. INC.					
Drug Abuse Research Programs		GFE	93.279 / 93.NDRI DA09522-03	6	0
NATL JEWISH HOSPITAL					
Lung Diseases Research		GFE	93.838 / 93.HL60792-02 5 U01	10,328	0
Lung Diseases Research		GFE	93.838 / 93.NJH HL56263-05	24,175	0
Lung Diseases Research		GFE	93.838 / 93.NJH HL56263-06	19,207	0
Lung Diseases Research		GFE	93.838 / 93.NJH HL56556-05	11,205	0
Lung Diseases Research		GFE	93.838 / 93.NJH N01-HR-76111	37,178	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.NJH DK48845-05 R01	5,855	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.NJH AG13983	36,376	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.NJH AI20519	33,159	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.NJH AI36676	(112)	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.NJH AI39773	12,380	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.PN00008-095	71,079	0
NORTHERN ILLINOIS UNVERSITY					
Heart and Vascular Diseases Research		GFE	93.837 / 93.NIU HL56893 R01	(11)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
NSABP FOUNDATION, INC					
Cancer Treatment Research		GFE	93.395 / 93.NSABP TFED30-340	36,936	0
RAND CORPORATION					
Aging Research		GFB	93.866 / 93.12281298.50.15	25,076	0
SOCIAL AND SCIENTIFIC SYSTEMS					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS 01IC002	342,354	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS 200VC005	251,968	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS 96VC005	(31)	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS AI38858 U01	32,072	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS AI38858-02	(1,631)	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS AI38858-05	215,287	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.SSS AI38858-06	182,417	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.U01 AI38858	9,113	0
SOUTHWEST ONCOLOGY CANCER THERAPY RESEARCH					
Cancer Treatment Research		GFE	93.395 / 93.CA79099 1R01	7,433	0
Cancer Treatment Research		GFE	93.395 / 93.SWO 98075	37,389	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 00005	7,366	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 00030	2,211	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 00039	34,841	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 01004	7,481	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 01038	28,074	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 99028	237	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG 99031	164	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG IMED0004	30,821	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG-00033	356	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG-01029	2,254	0
Cancer Treatment Research		GFE	93.395 / 93.SWOG-01032	1,897	0
Cancer Control		GFE	93.399 / 93.SWOG CCOP-00013	778,877	0
Cancer Control		GFE	93.399 / 93.SWOG PCPT9310	5,871	0
STANFORD UNIVERSITY					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.USTAN PR-1111	174,497	0
STATE UNIVERSITY NEW YORK AT STONY BROOK					
Biological Basis Research in the Neurosciences		GFE	93.854 / 93.SUNYSB 431-Z008A	145,450	0
Texas A & M					
R&D		GGB	93.S900220	82,962	0
UNIVERSITY OF ALABAMA					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.UAB NO1-AI65306	2,654	0
UNIVERSITY OF ARIZONA					
Cancer Cause and Prevention Research		GFE	93.393 / 93.V399468	44,493	0
Cancer Control		GFE	93.399 / 93.UOFAZ M392632	6,057	0
UNIVERSITY OF ARKANSAS					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UARK 0018382	17,395	0
UNIVERSITY OF CALIFORNIA AT IRVINE					
Cancer Treatment Research		GFE	93.395 / 93.UCIR NO1-CN-70519	33,087	0
UNIVERSITY OF CALIFORNIA AT SAN DIEGO					
Mental Health Research Grants		GFB	93.242 / 93.10196808	816	0
UNIVERSITY OF CALIFORNIA AT SAN FRANCISCO					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GRU0023FGS-N-01	28,924	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.GRU0023FGS-N-02	61,371	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.UCSF SUB#1856SC	(6)	0
UNIVERSITY OF CHICAGO					
Clinical Research		GFE	93.333 / 93.N01 AI 95380	34,624	0
Kidney Diseases, Urology and Hematology Research		GFE	93.849 / 93.DK55357	78,888	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.PN0003-047	113,250	0
UNIVERSITY OF CINCINNATI					
Lung Diseases Research		GFE	93.838 / 93.UC CA76293-02	103,397	0
Lung Diseases Research		GFE	93.838 / 93.UC CA76293-03	34,463	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
UNIVERSITY OF IOWA					
Biological Basis Research in the Neurosciences		GFE	93.854 / 93.UIOWA 1934	16,771	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.UIOWA P17832-4	8,598	0
UNIVERSITY OF KANSAS					
Digestive Diseases and Nutrition Research		GFE	93.848 / 93.KU DK49181-04 5 R01	104,671	0
UNIVERSITY OF KENTUCKY					
Aging Research		GFB	93.866 / 93.4-29853-96-254	(3)	0
UNIVERSITY OF MIAMI					
Drug Abuse Research Programs		GFE	93.279 / 93.UMIAMI M585784	2,317	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UMIAMI DK/AI46639-4	72	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UMIAMI H662623	19,420	0
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UMIAMI H662890	88,003	0
UNIVERSITY OF MICHIGAN					
Heart and Vascular Diseases Research		GFE	93.837 / 93.HL68345-01 1 R01	3,455	0
UNIVERSITY OF NORTH CAROLINA					
Cancer Treatment Research		GFE	93.395 / 93.UNC CA62476-04	9,737	0
UNIVERSITY OF PITTSBURG					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UPITTS 5801-1	(7,314)	0
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.UPITTS AI43664	230,642	0
UNIVERSITY OF ROCHESTER					
Mental Health Research Grants		GFE	93.242 / 93.MH61428-01 1 R01	69,649	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.UROCH NS37167(1)	(25)	0
UNIVERSITY OF SOUTH CAROLINA					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.USC AI47469	93,282	0
Aging Research		GFE	93.866 / 93.0008-054-LC	10,310	0
UNIVERSITY OF SOUTH FLORIDA					
Aging Research		GFE	93.866 / 93.AG04418-17 5 P01	244	0
UNIVERSITY OF SOUTHERN CALIFORNIA					
Cancer Cause and Prevention Research		GFE	93.393 / 93.USC H08021-01	266,780	234,306
Cancer Detection and Diagnosis Research		GFE	93.394 / 93.USC PO H10318	(15)	0
Cancer Detection and Diagnosis Research		GFE	93.394 / 93.USC PO H15525	95	0
UNIVERSITY OF TENNESSEE					
Diabetes, Endocrinology and Metabolism Research		GFE	93.847 / 93.UTENN R07-3316-57	8,679	0
UNIVERSITY OF TEXAS SW MEDICAL CENTER					
Cancer Centers Support		GFE	93.397 / 93.UTSMC CA70907	182,542	27,403
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.AI42772-03 5 R01	11,100	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.GAMMA AI42772	26,194	0
UNIVERSITY OF UTAH					
Cancer Cause and Prevention Research		GFE	93.393 / 93.UTAH 9709055	338,770	0
UNIVERSITY OF VERMONT					
Heart and Vascular Diseases Research		GFC	93.837 / 93.HL61346-01A1	7,137	0
Allergy, Immunology and Transplantation Research		GFC	93.855 / 93.1P01AI45666-02SI	6,125	0
Allergy, Immunology and Transplantation Research		GFC	93.855 / 93.1P01 A145666-01	31,300	0
UNIVERSITY OF WASHINGTON					
Cell Biology and Biophysics Research		GFB	93.821 / 93.423249	2,513	0
Cell Biology and Biophysics Research		GFB	93.821 / 93.573427	(705)	0
Cell Biology and Biophysics Research		GFB	93.821 / 93.763778	(1,593)	0
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.UWASH 933841	10,390	0
UNIVERSITY OF WISCONSIN					
Blood Diseases and Resources Research		GFE	93.839 / 93.HL65217-01 R01	81,652	0
University of California-Los Angeles					
R&D		GGB	93.1554 G 9B989	25,719	0
University of Miami					
R&D		GGB	93.M457989 1P01DC03013-01 A	(1,814)	0
R&D		GGB	93.PO M640104: 665235	183,686	0
VIRGINIA COMMONWEALTH UNIVERSITY					
Mental Health Research Grants		GFB	93.242 / 93.526999:REG #343242	(1)	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
VIRGINIA MASON RESEARCH CENTER					
Allergy, Immunology and Transplantation Research		GFE	93.855 / 93.VMRC 1733.02	53,875	0
WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE					
Cancer Treatment Research		GFB	93.395 / 93.R01 CA83953	36,747	0
Extramural Research Programs in the Neurosciences and Neurological Disorders		GFE	93.853 / 93.WFUSM NS34447	78,855	0
WASHINGTON UNIVERSITY IN ST LOUIST					
Drug Abuse Research Programs		GFE	93.279 / 93.UWASH 29196X	18,784	0
WESTAT, INC					
Microbiology and Infectious Diseases Research		GFE	93.856 / 93.WESTAT N01HD-3-3162	269,605	0
Washington University, Missouri					
Lung Diseases Research		GGB	93.838 / 93.WU-98-76 MOD#1 5R01HL	1,030	0
YALE UNIVERSITY					
Heart and Vascular Diseases Research		GFE	93.837 / 93.YALE HL55007-04	(2,801)	0
Heart and Vascular Diseases Research		GFE	93.837 / 93.YALE HL55007-05	11,805	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				7,519,084	276,794
SUBTOTAL NATIONAL INSTITUTES OF HEALTH, DEPARTMENT OF HEALTH AND HUMAN SERVICES				148,038,031	13,002,158
OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Community Services Block Grant Discretionary Awards: Community Food and Nutrition		GGB	93.571	35,512	0
SUBTOTAL DIRECT FROM:				35,512	0
SUBTOTAL OFFICE OF COMMUNITY SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES				35,512	0
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Social Services Research and Demonstration		GFE	93.647	133,473	0
SUBTOTAL DIRECT FROM:				133,473	0
SUBTOTAL OFFICE OF POLICY AND EVALUATION, ADMINISTRATION FOR CHILDREN AND FAMILIES DEPARTMENT OF HEALTH AND HUMAN SERVICES				133,473	0
OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
PASS-THROUGH PROGRAMS FROM:					
ALPHA-BETA TECHNOLOGY					
Family Planning: Services		GFE	93.217 / 93.ABT 278-C-0059-00	286,285	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				286,285	0
SUBTOTAL OFFICE OF PUBLIC HEALTH AND SCIENCE, DEPARTMENT OF HEALTH AND HUMAN SERVICES				286,285	0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Consolidated Knowledge Development and Application (KD&A) Program		GGB	93.230	401,911	179,086
Consolidated Knowledge Development and Application (KD&A) Program		GKA	93.230 / 93.5 UD1 SP08328-02&03	276,874	180,062
Mental Health Clinical and AIDS Service-Related Training Grants		GFB	93.244	214,631	0
SUBTOTAL DIRECT FROM:				893,416	359,148

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
PASS-THROUGH PROGRAMS FROM:					
ARAPAHOE HOUSE					
Consolidated Knowledge Development and Application (KD&A) Program		GFD	93.230 / 93.0399.12.133D	1,079	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				1,079	0
SUBTOTAL SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				894,495	359,148
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				169,969,669	14,978,621
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
DIRECT FROM:					
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
Learn and Serve America: Higher Education		GGB	94.005	1,862	0
SUBTOTAL DIRECT FROM:				1,862	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				1,862	0
SUBTOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				1,862	0
FEDERAL AGENCIES NOT USING CFDA NUMBERS					
OTHER FEDERAL AGENCIES					
DIRECT FROM:					
OTHER FEDERAL AGENCIES					
R&D		GFB	99.UNKNOWN	(8,134)	0
SUBTOTAL DIRECT FROM:				(8,134)	0
SUBTOTAL OTHER FEDERAL AGENCIES				(8,134)	0
SUBTOTAL FEDERAL AGENCIES NOT USING CFDA NUMBERS				(8,134)	0
SUBTOTAL RESEARCH AND DEVELOPMENT - CLUSTER				376,500,453	44,307,454

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
SECT 8 - CLUSTER					
**********					
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
DIRECT FROM:					
PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Section 8 Rental Voucher Program		IHH	14.855	9,843,178	0
Section 8 Rental Voucher Program		NAA	14.855	6,960,528	596,391
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		IHH	14.856	49,783	0
Lower Income Housing Assistance Program: Section 8 Moderate Rehabilitation		NAA	14.856	279,419	21,736
Section 8 Rental Certificate Program		IHH	14.857	687,851	0
Section 8 Rental Certificate Program		NAA	14.857	977,972	85,043
SUBTOTAL DIRECT FROM:				18,798,731	703,170
SUBTOTAL PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				18,798,731	703,170
SUBTOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				18,798,731	703,170
SUBTOTAL SECT 8 - CLUSTER				18,798,731	703,170

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
STUDENT FINANCIAL AID - CLUSTER					
**********					
DEPARTMENT OF EDUCATION					
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Federal Supplemental Educational Opportunity Grants		GFB	84.007	1,138,422	0
Federal Supplemental Educational Opportunity Grants		GFC	84.007	199,924	0
Federal Supplemental Educational Opportunity Grants		GFE	84.007	174,119	0
Federal Supplemental Educational Opportunity Grants		GGB	84.007	894,451	0
Federal Supplemental Educational Opportunity Grants		GGH	84.007	143,215	0
Federal Supplemental Educational Opportunity Grants		GGJ	84.007	471,713	0
Federal Supplemental Educational Opportunity Grants		GHB	84.007	145,580	0
Federal Supplemental Educational Opportunity Grants		GHC	84.007	140,294	0
Federal Supplemental Educational Opportunity Grants		GHD	84.007	468,205	0
Federal Supplemental Educational Opportunity Grants		GJB	84.007	59,639	0
Federal Supplemental Educational Opportunity Grants		GJC	84.007	72,240	0
Federal Supplemental Educational Opportunity Grants		GJD	84.007	152,004	0
Federal Supplemental Educational Opportunity Grants		GJE	84.007	218,745	0
Federal Supplemental Educational Opportunity Grants		GJF	84.007	15,991	0
Federal Supplemental Educational Opportunity Grants		GJH	84.007	53,001	0
Federal Supplemental Educational Opportunity Grants		GJJ	84.007	179,336	0
Federal Supplemental Educational Opportunity Grants		GJK	84.007	96,395	0
Federal Supplemental Educational Opportunity Grants		GJL	84.007	64,912	0
Federal Supplemental Educational Opportunity Grants		GJR	84.007	36,949	0
Federal Supplemental Educational Opportunity Grants		GJT	84.007	19,026	0
Federal Supplemental Educational Opportunity Grants		GKA	84.007	258,617	0
Federal Supplemental Educational Opportunity Grants		GLA	84.007	171,873	0
Federal Supplemental Educational Opportunity Grants	*	GHE	84.007	97,500	0
Federal Family Education Loans		GDA	84.032	56,099,667	0
Federal Family Education Loans		GGH	84.032	330,248	0
Federal Family Education Loans		GKA	84.032	758,694	0
Federal Family Education Loans		GRA	84.032	10,186,273	0
Federal Family Education Loans	*	GFC	84.032	243,775	0
Federal Work-Study Program		GFB	84.033	1,800,328	0
Federal Work-Study Program		GFC	84.033	455,568	0
Federal Work-Study Program		GFE	84.033	342,005	0
Federal Work-Study Program		GGB	84.033	1,110,784	0
Federal Work-Study Program		GGH	84.033	198,702	0
Federal Work-Study Program		GGJ	84.033	441,343	0
Federal Work-Study Program		GHB	84.033	289,320	0
Federal Work-Study Program		GHC	84.033	224,642	0
Federal Work-Study Program		GHD	84.033	603,718	0
Federal Work-Study Program		GHE	84.033	172,436	0
Federal Work-Study Program		GJB	84.033	104,228	0
Federal Work-Study Program		GJC	84.033	67,975	0
Federal Work-Study Program		GJD	84.033	207,226	0
Federal Work-Study Program		GJE	84.033	242,384	0
Federal Work-Study Program		GJF	84.033	33,344	0
Federal Work-Study Program		GJG	84.033	32,347	0
Federal Work-Study Program		GJH	84.033	63,964	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Federal Work-Study Program		GJJ	84.033	236,499	0
Federal Work-Study Program		GJK	84.033	195,145	0
Federal Work-Study Program		GJL	84.033	106,017	0
Federal Work-Study Program		GJM	84.033	1,612,734	0
Federal Work-Study Program		GJR	84.033	87,861	0
Federal Work-Study Program		GJT	84.033	26,057	0
Federal Work-Study Program		GKA	84.033	478,134	0
Federal Work-Study Program		GLA	84.033	139,062	0
Federal Perkins Loan Program: Federal Capital Contributions		GFB	84.038	37,612	0
Federal Perkins Loan Program: Federal Capital Contributions		GFC	84.038	61,210	0
Federal Perkins Loan Program: Federal Capital Contributions		GFE	84.038	123,670	0
Federal Perkins Loan Program: Federal Capital Contributions		GGB	84.038	145,864	0
Federal Perkins Loan Program: Federal Capital Contributions		GGH	84.038	32,746	0
Federal Perkins Loan Program: Federal Capital Contributions		GHB	84.038	4,615	0
Federal Perkins Loan Program: Federal Capital Contributions		GHC	84.038	22,107	0
Federal Perkins Loan Program: Federal Capital Contributions		GHD	84.038	184,498	0
Federal Perkins Loan Program: Federal Capital Contributions		GKA	84.038	15,444	0
Federal Perkins Loan Program: Federal Capital Contributions		GLA	84.038	46,163	0
Federal Perkins Loan Program: Federal Capital Contributions	*	GHE	84.038	64,284	0
Federal Direct Loan		GFB	84.268	71,887,040	0
Federal Direct Loan		GFE	84.268	21,143,945	0
Federal Direct Loan		GGB	84.268	68,329,657	0
SUBTOTAL DIRECT FROM:				244,261,486	0
PASS-THROUGH PROGRAMS FROM:					
FEDERAL COLLEGE W/S PROGRAM					
Federal Work-Study Program		GFD	84.033 / 84.P033A000750	473,127	0
FFEL LOAN GUARANTEES					
Federal Work-Study Program	*	GFD	84.033	420,982	0
MOWD					
Federal Work-Study Program		GJD	84.033 / 84.GE10195	19,606	0
PELL GRANT PROGRAM					
Federal Work-Study Program		GFD	84.033 / 84.P063P002282	2,989,590	0
PERKINS LOAN PROG - FCC					
Federal Perkins Loan Program: Federal Capital Contributions		GFD	84.038 / 84.P038A000750	57,458	0
SUPPLEMENTAL EDUC. OPP. GRANT					
Federal Supplemental Educational Opportunity Grants		GFD	84.007 / 84.P007A000750	278,130	0
Various State and Private Lenders					
Federal Family Education Loans		GHE	84.032	211,380	0
SUBTOTAL PASS-THROUGH PROGRAMS FROM:				4,450,273	0
SUBTOTAL OFFICE OF ASSISTANT SECRETARY FOR POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				248,711,759	0
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
DIRECT FROM:					
OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION					
Federal Pell Grant Program		GFB	84.063	6,392,940	0
Federal Pell Grant Program		GFC	84.063	2,513,782	0
Federal Pell Grant Program		GFE	84.063	246,471	0
Federal Pell Grant Program		GGB	84.063	7,063,316	0
Federal Pell Grant Program		GGH	84.063	2,497,178	0
Federal Pell Grant Program		GGJ	84.063	3,706,051	0
Federal Pell Grant Program		GHB	84.063	2,108,127	0
Federal Pell Grant Program		GHC	84.063	3,728,785	0
Federal Pell Grant Program		GHD	84.063	7,613,689	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED)
FEDERAL AGENCY
MAJOR SUBDIVISION OF FEDERAL AGENCY
SOURCE TYPE (DIRECT OR PASS-THROUGH)
ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY)
PROGRAM NAME

	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
Federal Pell Grant Program		GHE	84.063	1,125,966	0
Federal Pell Grant Program		GJB	84.063	1,267,478	0
Federal Pell Grant Program		GJC	84.063	1,109,798	0
Federal Pell Grant Program		GJD	84.063	3,573,044	0
Federal Pell Grant Program		GJE	84.063	3,515,580	0
Federal Pell Grant Program		GJF	84.063	741,218	0
Federal Pell Grant Program		GJG	84.063	774,330	0
Federal Pell Grant Program		GJH	84.063	1,145,138	0
Federal Pell Grant Program		GJJ	84.063	4,361,985	0
Federal Pell Grant Program		GJK	84.063	3,811,053	0
Federal Pell Grant Program		GJL	84.063	1,294,067	0
Federal Pell Grant Program		GJR	84.063	923,553	0
Federal Pell Grant Program		GJT	84.063	435,265	0
Federal Pell Grant Program		GKA	84.063	3,744,675	0
Federal Pell Grant Program		GLA	84.063	855,012	0
SUBTOTAL DIRECT FROM:				64,548,501	0
SUBTOTAL OFFICE OF POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION				64,548,501	0
SUBTOTAL DEPARTMENT OF EDUCATION				313,260,260	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
DIRECT FROM:					
HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		GFE	93.342	4,637	0
Nursing Student Loans		GFE	93.364	27,055	0
Scholarships for Students of Exceptional Financial Need		GFE	93.820	55,809	0
SUBTOTAL DIRECT FROM:				87,501	0
SUBTOTAL HEALTH RESOURCES AND SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES				87,501	0
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				87,501	0
SUBTOTAL STUDENT FINANCIAL AID - CLUSTER				313,347,761	0

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

PROGRAM TYPE (UNCLUSTERED OR CLUSTERED) FEDERAL AGENCY MAJOR SUBDIVISION OF FEDERAL AGENCY SOURCE TYPE (DIRECT OR PASS-THROUGH) ASSISTANCE PROVIDER (MAJOR SUBDIVISION OF FEDERAL AGENCY OR PASS-THROUGH ENTITY) PROGRAM NAME	NONCASH INDICATOR	STATE[1] AGENCY	CFDA / OTHER ID NUMBER	DIRECT EXPENDITURES	PASSED TO SUBRECIPIENTS
TRANSIT CAPITAL GRANTS - CLUSTER ********** DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION DIRECT FROM: FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION Federal Transit: Formula Grants		HAA	20.507	0	3,675,580
SUBTOTAL DIRECT FROM:				0	3,675,580
SUBTOTAL FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION				0	3,675,580
SUBTOTAL DEPARTMENT OF TRANSPORTATION				0	3,675,580
SUBTOTAL TRANSIT CAPITAL GRANTS - CLUSTER				0	3,675,580
TOTAL				2,612,396,260	1,006,875,000

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the State of Colorado agencies and institutions of higher education. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Under A-133, an award is considered expended when certain events related to the award occur. These include:

- Expenditure/expense transactions associated with grants, cost reimbursement contracts, cooperative agreements, and direct appropriations. The State of Colorado recognizes expenditures/expenses on the modified accrual or full accrual basis depending on the fund used. See note I-c of the General Purpose Financial Statements for additional information.
- Disbursement of amounts entitling the state to an interest subsidy
- Use of loan proceeds under loan and loan guarantee programs
- Distribution or consumption of food commodities
- Receipt of property or surplus property
- Disbursement of funds to subrecipients
- The period when insurance is in force
- Receipt or use of program income

As a result of these criteria, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2. Organization of the Schedule

Assistance reported in the Schedule of Expenditures of Federal Awards is grouped first by program clusters as defined in the Compliance Supplement then by federal agency and then by major subdivision of federal agency. Programs not included in clusters are reported under Catalog of Federal Domestic Assitance (CFDA) numbers or other identifying numbers at the front of the Schedule in a section titled Unclustered Programs. In order to determine the total assistance provided to the State of Colorado by an individual federal agency, amounts provided by the federal agency must be identified in individual clusters as well as in the Unclustered Programs section.

Note 3. Other Assistance

Most noncash assistance is reported in the Schedule of Expenditures of Federal Awards and indicated by an asterisk in the column titled Noncash Indicator. The following provides additional information related to items that federal agencies may consider to be assistance.

A. The State Department of Labor and Employment expended $197,494,724 of state funds as the required match for grant 17.225-Unemployment Insurance. The $31,092,814 shown in the attached schedule is the federal portion of that grant, and it is not included in the $197,494,724 mentioned above.

Note 4. Subrecipients

All amounts passed-through to subrecipients are identified in the Schedule of Expenditures of Federal Awards under the column titled Passed to Subrecipients.

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Note 5. State Agency Codes and Names

AGENCY CODE	AGENCY NAME	AGENCY CODE	AGENCY NAME	AGENCY CODE	AGENCY NAME
AMA	COLO INFO TECHNOLOGY SVCS	GJB	ARAPAHOE COMMUNITY COLLEGE	ILD	VET NURSING HOME AT RIFLE
BAA	DEPARTMENT OF AGRICULTURE	GJC	COMMUNITY COLLEGE OF AURORA	ILE	WALSENBURG VET NURSING HOME
CAA	CORRECTIONS ADMINISTRATION	GJD	COMMUNITY COLLEGE OF DENVER	JAA	JUDICIAL
CFB	SURPLUS PROPERTY	GJE	FRONT RANGE COMMUNITY COLLEGE	KAA	DEPT OF LABOR AND EMPLOYMENT
DAA	DEPARTMENT OF EDUCATION	GJF	LAMAR COMMUNITY COLLEGE	LAA	DEPARTMENT OF LAW
EAA	OFFICE OF THE GOVERNOR	GJG	MORGAN COMMUNITY COLLEGE	NAA	DEPARTMENT OF LOCAL AFFAIRS
EDA	OFFICE OF ECONOMIC DEVELOPMENT	GJH	OTERO JUNIOR COLLEGE	OAA	DIVISION OF NATIONAL GUARD
EFA	OFFICE OF ENERGY CONSERVATION	GJJ	PIKES PEAK COMMUNITY COLLEGE	PAA	DNR - EXECUTIVE DIRECTOR
FAA	DEPT OF PUB HLTH & ENVIRONMENT	GJK	PUEBLO COMMUNITY COLLEGE	PBA	DIVISION OF WILDLIFE
GAA	COLO COMMISSION ON HIGHER ED	GJL	RED ROCKS COMMUNITY COLLEGE	PDA	WATER CONSERVATION BOARD
GBA	COLORADO COUNCIL ON THE ARTS	GJM	TRINIDAD STATE JUNIOR COLLEGE	PEA	DIVISION OF WATER RESOURCES
GCA	STATE HISTORICAL SOCIETY	GJR	NORTHEASTERN JUNIOR COLLEGE	PFA	SOIL CONSERVATION BOARD
GDA	COLORADO STUDENT LOAN	GJT	NORTHWESTERN COMMUNITY COLLEGE	PHA	OIL AND GAS CONSERVATION COMM
GFB	CU - BOULDER	GKA	UNIVERSITY OF NORTHERN COLO	PIA	COLORADO GEOLOGICAL SURVEY
GFC	CU - COLORADO SPRINGS	GLA	COLORADO SCHOOL OF MINES	PJA	PARKS AND OUTDOOR RECREATION
GFD	CU - DENVER	GMA	AURARIA HIGHER EDUCATION CTR	PKA	MINED LAND RECLAMATION DIV
GFE	CU - HEALTH SCIENCE CENTER	GRA	CO STUDENT OBLIGATION BOND AUT	RAA	DEPARTMENT OF PUBLIC SAFETY
GGB	COLORADO STATE UNIVERSITY	HAA	COLO DEPT OF TRANSPORTATION	SDA	CIVIL RIGHTS DIVISION
GGH	FORT LEWIS COLLEGE	IHA	DEPARTMENT OF HUMAN SERVICES	SFA	DIVISION OF INSURANCE
GGJ	UNIVERSITY OF SOUTHERN COLO	IHH	PUBLIC HOUSING AUTHORITY	SGA	PUBLIC UTILITIES COMMISSION
GHB	ADAMS STATE COLLEGE	IHM	ALCOHOL AND DRUG ABUSE DIV	TAA	REVENUE - ADMINISTRATION
GHC	MESA STATE COLLEGE	IIA	OHR - ADMINISTRATIVE OFFICES	UHA	DEPT OF HLTH CARE POLICY & FIN
GHD	METROPOLITAN STATE COLLEGE	IKA	DIV OF YOUTH CORRECTIONS	WBA	TREASURY - OPERATING
GHE	WESTERN STATE COLLEGE	ILB	STATE VET CENTER AT HOMELAKE		
GJA	COLO COMM COLL & OCC ED SYS	ILC	VET NURSING HOME AT FLORENCE		

[1] - See *Note 5* for a listing of State agency codes and agency names.

STATE OF COLORADO

JOANNE HILL, CPA
Acting State Auditor

OFFICE OF THE STATE AUDITOR
(303) 866-2051
FAX(303)866-2060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

October 25, 2001

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Members of the Legislative Audit Committee:

We have audited the general purpose financial statements of the State of Colorado, as of and for the year ended June 30, 2001, and have issued our report thereon dated October 25, 2001. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the State of Colorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Colorado's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Colorado's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Recommendation Nos. 3, 6-7, 9, 11, 13-16, 19, 23-24, 35-37.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose the reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

STATE OF COLORADO

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200 East 14th Avenue
Denver, Colorado 80203-2211

October 25, 2001

Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Members of the Legislative Audit Committee:

Compliance

We have audited the compliance of the State of Colorado, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The State of Colorado'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 of Colorado's management. Our responsibility is to express an opinion on the State of Colorado'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 State, 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 of Colorado'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 of Colorado's compliance with those requirements.

In our opinion, the State of Colorado, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 Recommendation Nos. 38-52, 54-56, 58-66, 69-70, 83, 89, and 90-91.

Internal Control Over Compliance

The management of the State of Colorado, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Colorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the State of Colorado's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as Recommendation Nos. 15-16, 38-40, 43-48, 51-65, 80-88, and 91.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

APPENDIX A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Department of Agriculture				
1	28	Complete a review of employee personnel files and reconfirm that withholding documentation is accurate and complete.	N/A	Agree	12/31/2001	N/A
		Department of Corrections				
2	32	Review the policy on communicating employee status changes with department supervisors.	N/A	Agree	1/1/2002	N/A
		Department of Health Care Policy and Financing				
3	37	Ensure all accounts receivable balances are reconciled on a periodic basis and all federal receivables not subsequently collected are resolved within one year.	N/A	Agree	6/30/2001	N/A
		Department of Health Care Policy and Financing and Department of Human Services				
4	40	Work together to assign responsibilities for overall cost control over Medicaid funding for Department of Human Services programs.	N/A	Agree	12/31/2001	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
5	40	Operate within their fixed budgets when possible, and identify and request approval for unavoidable overexpenditures in a timely manner.	N/A	Agree	8/6/2001	N/A
6	43	Improve coordination and communication to ensure that expenditures are appropriately and consistently charged and that expenditures are transferred timely.	N/A	Agree	12/31/2001	N/A
7	47	Institute a quarterly process for reviewing and reconciling Medicaid expenditures for Department of Human Services programs recorded at the Department of Health Care Policy and Financing.	N/A	Agree	1/31/2002	N/A
		Department of Human Services				
8	47	Improve management of Medicaid funds by (a) establishing monthly reconciliation processes within Medicaid-funded programs and (b) implementing an analytical review process over Medicaid activity.	N/A	Agree	1/31/2002	N/A
9	48	Follow generally accepted accounting principles related to accounts payable by (a) calculating appropriate year-end estimates and (b) reviewing expenditures charged to accounts payable after year-end.	N/A	Agree	8/6/2001	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Department of Health Care Policy and Financing				
38	133	Ensure payments are made only for allowable costs by (a) requiring current Electronic Data Interchange agreements for every provider, (b) establishing procedures to test providers' compliance with established requirements, (c) ensuring transportation payments are made only to authorized providers, and (d) establishing reviews of the Medicaid claims process.	93.777, 93.778 (A) DHHS	Agree	Part a: 6/30/2005 Part b: 6/30/2002 Part c: 7/1/2002 Part d: 4/30/2002	Joe Keebaugh (303)866-2487
39	135	Ensure adequate controls are in place over automated systems for the Medicaid program by (a) performing and documenting the required biennial risk analysis for the Medicaid Management Information System (MMIS) and (b) implementing a regular, systematic, independent assessment of controls over MMIS.	93.777, 93.778 (N) DHHS	Agree	Part a: 6/30/2002 Part b: 12/31/2002	Joe Keebaugh (303)866-2487
40	138	Strengthen controls over the eligibility process by (a) working with the Department of Human Services to ensure all county departments of social services are maintaining adequate files for Medicaid-eligible beneficiaries, (b) establishing control procedures to ensure claims are not paid for an individual who is ineligible for benefits, and (c) performing periodic random testing of eligibility claims.	93.777, 93.778 (E) DHHS	Agree	Parts a and c: 8/31/2002 Part b: 12/31/2002	Joe Keebaugh (303)866-2487

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
41	141	Improve controls over provider eligibility by (a) requiring that the fiscal agent ensure each file includes documentation of a current provider agreement and applicable provider licenses and registrations, (b) ensuring expenditures are made only to eligible providers, and (c) formalizing a five-year strategic plan for provider reenrollment.	93.777, 93.778 (N) DHHS	Agree	Part a: 6/30/2005 Part b: 8/31/2002 Part c: Implemented	Joe Keebaugh (303)866-2487
42	142	Improve documentation of program integrity cases by (a) ensuring all cases are handled consistently and timely and (b) requiring that case files contain all required supporting documentation and approvals.	93.777, 93.778 (N) DHHS	Agree	Part a: Implemented Part b: 4/30/2001	Joe Keebaugh (303)866-2487
43	144	Require a periodic review of eligibility determination for the Children's Basic Health Plan to ensure proper enrollment.	93.767 (E) DHHS	Agree	6/30/2002	Joe Keebaugh (303)866-2487
44	145	Modify the Interagency Agreement with the Department of Human Services for single entry point (SEP) subrecipient monitoring by (a) conducting risk assessments for each SEP to evaluate the need for an on-site financial review and (b) requiring that all SEPs receive an on-site financial review within a reasonable period of time.	93.777, 93.778 (M) DHHS	Agree	Part a: 7/1/2002 Part b: 7/1/2004 (pending legislative approval)	Joe Keebaugh (303)866-2487
45	149	Ensure claims processed through MMIS are accurate and allowable under the Medicaid program by (a) establishing performance measures for claims processing, (b) conducting regular claims audits, (c) reporting all errors and problems identified in the claims audit, and (d) ensuring corrective action plans are developed and implemented in a timely manner.	93.777, 93.778 (B) DHHS	Agree	Part a: 6/30/2001 Parts b and c: 9/15/2001 Part d: 9/30/2001 and ongoing	Joe Keebaugh (303)866-2487

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
46	152	Ensure claims processed are accurate and allowable by requiring the fiscal agent to (a) expand quality assurance procedures for testing the accuracy of data entry on paper claims, (b) conduct regular audits of paid claims on a defined percentage of processed claims, and (c) increase oversight of edit resolution claim technicians and reassess production requirements to ensure suspended claims are appropriately resolved.	93.777, 93.778 (B) DHHS	Agree	Parts a and b: 9/1/2001 Part c: 8/1/2001	Joe Keebaugh (303)866-2487
47	154	Establish the review of MMIS edits, edit dispositions, and edit resolution text as a high priority.	93.777, 93.778 (B) DHHS	Agree	8/31/2001	Joe Keebaugh (303)866-2487
48	156	Develop and implement adequate controls over the provider database in MMIS by establishing formal policies, procedures, and time frames for (a) routine reenrollment of Medicaid providers, (b) deactivation of providers who have not submitted claims to the Medicaid program for specified lengths of time, and (c) periodic data matches on provider credential information with other state agencies that regulate Medicaid providers.	93.777, 93.778 (B) DHHS	Agree	8/31/2001	Joe Keebaugh (303)866-2487
49	158	Establish routine communication on disciplinary actions taken by other state agencies that regulate Medicaid providers.	93.777, 93.778 (B) DHHS	Agree	8/31/2001	Joe Keebaugh (303)866-2487
50	159	Implement edits in MMIS to review laboratory claims for compliance with CLIA requirements in accordance with state Medicaid policy.	93.777, 93.778 (B) DHHS	Agree	6/30/2001	Joe Keebaugh (303)866-2487

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
51	169	Work with the General Assembly to develop more appropriate service limits for HCBS and home health services.	93.777, 93.778 (B) CMS	Agree	10/1/2001	Joe Keebaugh (303)866-2487
52	170	Routinely monitor the overall costs of skilled and unskilled care for individuals in community settings.	93.777, 93.778 (B) CMS	Agree	10/1/2001	Joe Keebaugh (303)866-2487
53	174	Monitor the implementation of the home health rules.	93.777, 93.778 (P) CMS	Agree	Ongoing	Joe Keebaugh (303)866-2487
54	177	Increase the value added by its Program Integrity Unit.	93.777, 93.778 (B) CMS	Agree	7/1/2002	Joe Keebaugh (303)866-2487
55	181	Work with the State's Fiscal Agent to implement additional system edits and controls. Further, the Department should perform ongoing reviews of the edits in place.	93.777, 93.778 (B) CMS	Agree	8/1/2001	Joe Keebaugh (303)866-2487
56	183	Evaluate the costs and benefits of combining assessment and eligibility determination, and establish an independent review of these processes.	93.777, 93.778 (E) CMS	Agree	3/1/2002	Joe Keebaugh (303)866-2487

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
57	185	Include enforcement actions in the SEP contracts.	93.777, 93.778 (P) CMS	Agree	6/30/2002	Joe Keebaugh (303)866-2487
		Department of Higher Education				
		Colorado Historical Society				
10	51	Ensure the Byers-Evans House submits cash register tapes with all revenue remittances.	N/A	Agree	12/31/2001	N/A
		University of Colorado at Boulder				
58	189	Ensure that review of audit reports of subrecipient monitoring activity addresses proper review and resolution of findings noted in the reports.	12.114, 12.300 (M) DOD	Agree	12/31/2001	Judd Hurd (303)492-1449

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		University of Southern Colorado				
59	192	Should (a) ensure the promissory notes addendum is provided to students and included in their files, (b) ensure timely contact with borrowers during grace periods, (c) obtain adequate documentation from students for loan deferments or cancelled loans, (d) ensure contact with borrowers in default is performed as required, (e) conduct exit counseling with borrowers, (f) ensure those responsible for the federal Perkins Loan Program are properly trained, and (g) consider outsourcing the federal Perkins loan database administration and collection functions.	84.038 (N) DOE	Agree	Part a: Implemented Parts b, c, d, e, f: 6/30/2002 Part g: 1/31/2002	Don Ortega (719)549-2133
60	194	Implement procedures to ensure that returns of Title IV funds are calculated accurately for all students, and returned to Title IV programs on a timely basis.	84.063, 84.007, 84.037, 84.038, 84.032 (N) DOE	Agree	12/31/2001	Don Ortega (719)549-2133
		University of Northern Colorado				
61	196	Change the beginning of the grace period for Perkins loan borrowers who withdraw from the University or drop to less than half-time enrollment.	84.038 (N) DOE	Agree	10/1/2001	Mickey Mendez (970)351-1825

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Colorado School of Mines				
62	198	Ensure subrecipient files are properly maintained, and provide documentation for the subrecipient monitoring that has occurred.	Various CFDA Nos.- See full text comment for a listing of numbers (M) DOD, DOEN, DHHS, EPA, NASA, OSHRC, USDA	Agree	12/31/2001	Steven Bridgeman (303)273-3262
63	198	Ensure counseling sessions are performed and documented.	84.032 (N) DOE	Agree	1/31/2002	Steven Bridgeman (303)273-3262
		Department of Human Services				
11	56	Record expenditures within the proper appropriations and reverse unused accounts payable accruals.	N/A	Agree	7/1/2001	N/A
12	58	Improve controls over fixed assets by (a) completing quarterly reconciliations between fixed asset expenditures and additions to fixed assets and (b) correcting identified errors on COFRS prior to fiscal year-end.	N/A	Agree	3/31/2002	N/A
13	59	Ensure securities held as retainage for construction projects are recorded in COFRS accurately and in a timely manner.	N/A	Agree	12/30/2001	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
64	204	Develop a formalized process for on-site monitoring of county activities for the TANF program to ensure that federal and state requirements are met, including a time frame for conducting county reviews and specific steps for performing follow-up.	93.558 (M) DHHS	Agree	4/1/2002 and ongoing	Danelle Young (303)866-3904
65	205	Ensure adequate controls over fraud and abuse in the TANF program by counties by (a) requiring counties to submit standards and procedures, (b) reviewing these standards and procedures for compliance to the State Plan, (c) developing a formal process that includes a monitoring schedule for reviews of county fraud procedures and cases, and (d) following up on problems identified during county reviews.	93.558 (M) DHHS	Agree	Part a: 4/15/2002 Part b: 6/15/2002 Part c: 6/15/2002 and ongoing Part d: 5/15/2002 and ongoing	Danelle Young (303)866-3904
66	209	Ensure federal funds are drawn down in a timely manner for all federal programs.	10.551, 10.561, 10.555, 84.126, 93.558, 93.563, 93.568, 93.575, 93.596, 93.658, 93.659, 93.667, 93.959, 96.001 (C) DHHS, USDA, DOE, SSA	Agree	3/31/2002	Dick Taylor (303)866-2732
67	212	Improve inventory controls for the Food Distribution Program by (a) resolving identified discrepancies and (b) developing formal procedures for tracking commodities.	10.550, 10.555, 10.558, 10.559 (M) USDA	Agree	11/1/2001	Mark Tandberg (303)866-2535

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
68	213	Segregate duties within the Food Distribution Program.	10.550, 10.555, 10.558, 10.559 (A), (B) USDA	Agree	11/1/2001	Mark Tandberg (303)866-2535
69	215	Improve controls over the Vocational Rehabilitation program to ensure compliance with federal and state regulations by (a) reinstating on-site quality assurance reviews and (b) documenting supervisory review procedures.	84.126 (A), (B), (E) DOE	Agree	7/1/2001	Diana Huerta (720)884-1221
70	217	Strengthen fiscal controls and accounting procedures over reporting for the Vocational Rehabilitation Program by (a) maintaining adequate documentation, (b) reviewing reports prior to submission, and (c) documenting procedures for preparation of the reports.	84.126 (L) DOE	Agree	3/31/2002	Diana Huerta (720)884-1221
71	220	Should (a) develop and/or formalize policies and procedures for all CFMS functional areas, (b) perform a comprehensive review of existing policies and procedures, (c) perform periodic review of policies and procedures, and (d) establish a process to monitor compliance with policies and procedures.	10.550, 10.551, 10.555, 10.558, 10.559, 10.560, 10.561, 10.565, 10.568, 17.249, 93.043, 93.556, 93.558, 93.563, 93.566, 93.568, 93.575, 93.576, 93.584, 93.596, 93.603, 93.645, 93,652, 93.659, 93.667, 93.669, 93.674 (P) DHHS, DOL, USDA	Agree	12/31/2000	Richard D. Taylor (303)866-2732

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
72	223	Require DynCorp to review the current database access structure for appropriate segregation of duties. The Department should establish procedures that require appropriate authorization of logical access and change database passwords periodically.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	12/31/2000	Richard D. Taylor (303)866-2732
73	225	Modify the agreement with DynCorp to include responsibility for application change management.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	12/31/2000	Richard D. Taylor (303)866-2732
74	225	Require DynCorp to strengthen adherence to application change management policies and procedures.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	12/31/2000	Richard D. Taylor (303)866-2732
75	226	Develop, formalize, and monitor policies and procedures related to database administration.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	6/30/2001	Richard D. Taylor (303)866-2732
76	227	Designate a UNIX administrator.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	9/1/2000	Richard D. Taylor (303)866-2732

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
77	228	Consider utilization of database audit functionality.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	10/31/2000	Richard D. Taylor (303)866-2732
78	230	Should (a) strengthen adherence to application user access setup policies, (b) eliminate all generic user IDs with published passwords, and (c) review user access periodically.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	12/31/2000	Richard D. Taylor (303)866-2732
79	232	Review positions and responsibilities to ensure all critical duties are performed in a timely manner while maintaining an appropriate segregation of duties.	See Rec No. 71 for CFDA Numbers (P) DHHS, DOL, USDA	Agree	9/30/2000	Richard D. Taylor (303)866-2732
80	235	Work with the Department of Health Care Policy and Financing to identify the most cost-effective methods for having financial compliance reviews completed more frequently.	93.777, 93.778 (P) CMS	Agree	Ongoing	Rita Berreras (303)866-2663
		Department of Labor and Employment				
14	62	Isolate and identify the indirect allocation charges for federal grants and perform a reconciliation to the State's financial reporting system periodically.	N/A	Agree	6/30/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
81	240	Improve coordination efforts between Welfare-to-Work, Temporary Assistance to Needy Families, and other employment programs in the State.	17.253 (P) DOL	Agree	12/31/2001	Les Shenefelt (303)620-4718
82	244	Identify and implement solutions to ensure timely delivery of payroll documents to Welfare-to-Work clients.	17.253 (P) DOL	Partially Agree	12/31/2001	Les Shenefelt (303)620-4718
83	250	Improve how the State's Welfare-to-Work programs are monitored.	17.253 (M) DOL	Agree	10/31/2001	Les Shenefelt (303)620-4718
84	253	Ensure that workforce regions maintain complete and accurate records on Welfare-to-Work clients.	17.253 (P) DOL	Agree	12/31/2001	Les Shenefelt (303)620-4718
		Department of Military Affairs				
15	64	Improve oversight of financial activity and ensure controls over accounting functions are adequate.	12.400, 12.404, 12.401 (P) DOD	Partially Agree	Partially Implemented	Carol Mentone (303)677-8723
16	68	Reduce delays in processing transactions.	12.400, 12.404, 12.401 (P) DOD	Partially Agree	Partially Implemented	Carol Mentone (303)677-8723

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Department of Natural Resources				
		Oil and Gas Conservation Commission				
17	74	Ensure that all certificates of deposit are in compliance with statutory and other legal requirements by (a) determining whether they are being held in eligible public depositories, (b) notifying operators of the need to move existing certificates of deposit, (c) enforcing the transfer of all certificates of deposit to eligible public depositories, and (d) working with the Attorney General's Office to determine who should be designated as the official custodian of the certificates of deposit.	N/A	Agree	7/1/2002	N/A
		Division of Wildlife				
18	79	Improve controls to reduce the number of cancelled payments by (a) ensuring applicant information is correct, (b) cross-checking between returned limited license refund checks and returning applicants, (c) following up on returned limited license refunds, (d) documenting the reason for a duplicate payment, and (e) documenting the reason for cancelling a warrant.	N/A	Agree	Parts a and c: Implemented Part b: 3/31/2003 Parts d and e: 2/1/2002	N/A
		Division of Minerals and Geology				
19	82	Perform a monthly reconciliation between internal databases and the State's accounting system for (a) mined land reclamation deposits and (b) cash receipts.	N/A	Agree	Part a: 2/8/2002 Part b: 2/20/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Department of Personnel and Administration				
20	88	Monitor sick and annual leave on a statewide basis by (a) reviewing the adequacy of leave tracking systems and (b) establishing a project schedule and deadlines for implementing a statewide automated leave system.	N/A	Part a: Agree Part b: Agree	Part a: 6/1/2002 and ongoing Part b: 6/30/2003	N/A
21	90	Should ensure that (a) the payroll process duties are segregated and (b) all divisions receive and review their payroll expense reports, and payroll staff review and verify that each division confirms the accuracy of its monthly and biweekly payroll in a timely manner.	N/A	Agree	3/1/2002	N/A
22	91	Implement procedures to review Central Collections' supporting documentation prior to approval of payments.	N/A	Agree	3/1/2002	N/A
		State Controller's Office				
23	94	Assess ongoing problems identified during audits, and assist agencies in addressing and resolving high priority problems.	N/A	Agree	6/30/2002 and ongoing	N/A
24	97	Record write-offs of uncollectible accounts receivable as a current year expense in the year in which the determination is made, unless evidence exists that attributes the adjustment to a prior period.	N/A	Partially Agree	6/30/2002	N/A
25	98	Eliminate the prenotification requirement or reduce the time period to ensure initial EFT payments to vendors are made in a timely manner.	N/A	Agree	6/30/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		State Archives				
26	102	Work with the General Assembly to establish standards for records management.	N/A	Agree	6/30/2003	N/A
27	103	Require the submission of inventory listings of records stored and storage space used from each agency.	N/A	Agree	6/30/2003	N/A
28	103	Improve communication regarding records management requirements among state agencies by creating a users group, which should include records liaison officers from each agency, should meet on a regular basis, and should address (a) records management policies and procedures, (b) purging and destroying records, and (c) maintenance and storage of records.	N/A	Agree	7/15/2002	N/A
29	104	Investigate the various options available and convert the current cataloging system from a paper to an electronic format.	N/A	Agree	6/30/2003	N/A
30	105	Ensure that training is available to all agencies by (a) taking steps to publicize the type and nature of training that is available and (b) conducting general training sessions for all agency records officers.	N/A	Agree	8/1/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
		Central Services				
31	107	Ensure that there is (a) proper segregation of duties and limited access to necessary functions by employees and (b) backups of application files and master data files stored off-site in case of a disaster.	N/A	Agree	6/30/2001	N/A
		Department of Public Health and Environment				
		Health Facilities Division				
85	262	Improve the home health and HCBS survey process by (a) requiring supervisors to review survey documents, (b) ensuring that surveyor performance evaluations include performance measures, and (c) improving record-keeping.	93.777, 93.778 (P) CMS	Agree	Parts a and b: Implemented Part c: 12/31/2001	Ellen Mangione (303)692-2613
86	265	Ensure that providers are surveyed timely and efficiently by (a) adding a cycle to the survey scheduling and tracking database, (b) requiring surveyors to document reasons for assigning survey cycles, (c) performing regular reviews of assigned cycles for appropriateness, and (d) resurveying new HCBS providers after the providers admit clients.	93.777, 93.778 (P) CMS	Agree	Part a: 12/31/2001 Parts b and c: Implemented Part d: 10/31/2001	Ellen Mangione (303)692-2613
87	267	Ensure that adequate documentation is maintained when changes are made to providers' deficiency lists.	93.777, 93.778 (P) CMS	Agree	12/31/2001	Ellen Mangione (303)692-2613

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
88	268	Work with the federal Health Care Financing Administration to clarify whether scope and severity coding is appropriate for home health deficiencies.	93.777, 93.778 (P) CMS	Agree	10/31/2001	Ellen Mangione (303)692-2613
		Department of Revenue				
32	113	Ensure that only eligible individuals claim and receive TABOR credits by (a) identifying and billing individuals that were ineligible, (b) ensuring that taxpayers are eligible for the credits taken, and (c) processing only complete returns, or evaluating methods of ensuring that accurate credits are claimed should the taxpayer fail to submit the required schedules.	N/A	Agree	12/31/2002	N/A
33	116	Resolve outstanding check issues to ensure that taxpayers receive their personal property tax refunds in a timely manner.	N/A	Agree	1/31/2002	N/A
34	118	Enhance personal property tax refund procedures by (a) ensuring all the information furnished by the counties will be entered correctly and encouraging counties to file the report electronically and (b) providing additional training and assistance to counties.	N/A	Agree	Implemented	N/A
		Office of the State Treasurer				
35	121	Ensure that all custodial funds receive the proper amount of interest due by (a) identifying the custodial funds that should receive interest, (b) determining how much interest should have been paid to custodial funds for the past three fiscal years, and (c) determining the TABOR effect.	N/A	Agree	6/30/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
89	272	Comply with CMIA regulations by maintaining proper documentation to support the State's direct cost claim.	10.553, 10.555, 84.010, 84.027, 84.340, 93.767, 93.778, 10.551, 10.558, 10.561, 84.126, 93.558, 93.563, 93.568, 93.575, 93.596, 93.658, 93.667, 93.959, 96.001, 17.207, 17.225, 17.253, 17.258, 17.259, 17.260, 14.228, 10.557, 66.802, 20.205 (C) DOE, DOL, DOT, DHHS, EPA, HUD, SSA, USDA	Agree	12/31/2001	Doug Windes (303)866-3253
		Department of Transportation				
36	128	Create a standard template to complete reconciliations of the Note proceeds bank accounts, and assign and train one individual to perform the reconciliations.	N/A	Agree	12/31/2001	N/A
37	129	Should (a) ensure that leases are properly classified as operating or capital, (b) evaluate the completeness and accuracy of the operating lease summary, and (c) review the operating lease summary for accuracy at year-end.	N/A	Agree	6/30/2002	N/A

FEDERAL SINGLE AUDIT RECOMMENDATION LOCATOR

Rec. No.	Page No.	Recommendation Summary	CFDA No. / Compliance Requirement / Federal Entity	Agency Response	Implementation Date	Contact for Corrective Action Plan
90	274	Require field engineers to provide written communication of the number of interviews performed, as well as anticipated future interviews.	20.205 (D) FHWA	Agree	6/30/2002	George McCullar (303)757-9557
91	275	Monitor and review entries to the pay system and payments made to contractors.	20.205 (A),(B),(I) FHWA	Agree	12/31/2001	George McCullar (303)757-9557

Compliance Requirements

(A) Activities allowed or unallowed
(B) Allowable costs/cost principles
(C) Cash Management
(D) Davis - Bacon Act
(E) Eligibility
(I) Procurement and Suspension and Debarment
(L) Reporting
(M) Subrecipient monitoring
(N) Special tests and provisions
(P) Other

Federal Entities

CMS - Centers for Medicare and Medicaid Services
DHHS - Department of Health and Human Services
DOD - Department of Defense
DOE - Department of Education
DOEN - Department of Energy
DOL - Department of Labor
DOT - Department of Transportation
EPA - Environmental Protection Agency
FHWA - Federal Highway Administration
HUD - Department of Housing and Urban Development
NASA - National Aeronautics and Space Administration
OSHRC - Occupational Safety and Health Review Commission
SSA - Social Security Administration
USDA - United States Department of Agriculture

Net Passed Audit Adjustments by Agency
For The Fiscal Year Ended June 30, 2001
Increase (Decrease)

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	$ 257,920	$ 196,853	$ 228,541	$ (17,182)	$ 150,292
Corrections	-	197,014	-	-	197,014
Education	-	-	-	-	-
Governor	-	-	-	-	-
Health Care Policy and Financing	-	-	-	15,880,218	15,880,218
Higher Education	(2,058,136)	209,815	(2,654,333)	(1,024,758)	(1,411,140)
Human Services	18,957	-	-	(326)	(19,283)
Judicial	(1,512,612)	(1,512,612)	-	-	-
Labor and Employment	(416,989)	1,367,819	-	-	1,784,808
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	(407)	354,206	-	(354,613)	-
Military Affairs	(2,558,729)	-	-	58,810	2,617,539
Natural Resources	140,021	65,717	-	74,304	-
Personnel and Administration	5,597,534	5,597,534	-	-	-
Public Health and Environment	-	-	-	-	-
Public Safety	-	116,351	-	-	116,351
Regulatory Agencies	-	-	-	-	-
Revenue	(157,664)	-	-	-	157,664
State	-	-	-	-	-
Transportation	471,681	471,681	-	-	-
Treasury	-	-	-	-	-
Net Increase (Decrease)	$ (218,424)	$ 7,064,378	$ (2,425,792)	$ 14,616,453	$ 19,473,463

Gross Passed Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2001

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	$ 450,830	$ 406,853	$ 228,541	$ 699,658	$ 150,292
Corrections	-	197,014	-	-	197,014
Education	-	-	-	-	-
Governor	-	-	-	-	-
Health Care Policy and Financing	-	-	-	15,880,218	15,880,218
Higher Education	20,736,916	5,499,646	6,834,405	11,519,206	25,955,797
Human Services	143,331	-	-	207,618	19,283
Judicial	1,512,612	4,996,140	-	-	-
Labor and Employment	416,989	2,201,797	-	-	1,784,808
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	557	361,824	-	362,231	-
Military Affairs	2,676,349	-	-	58,810	2,617,539
Natural Resources	231,859	155,717	-	74,304	-
Personnel and Administration	5,597,534	5,597,534	-	-	-
Public Health and Environment	-	-	-	-	-
Public Safety	-	116,351	-	-	116,351
Regulatory Agencies	-	-	-	-	-
Revenue	157,664	5,281,288	-	5,281,288	157,664
State	-	-	-	-	-
Transportation	471,681	471,681	-	-	-
Treasury	-	-	-	499,102	-
	$ 32,396,322	$ 25,285,845	$ 7,062,946	$ 34,083,333	$ 46,878,966

Net Posted Audit Adjustments by Agency
For The Fiscal Year Ended June 30, 2001
Increase (Decrease)

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	$ (190,033)	$ -	$ -	$ (190,033)	$ -
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	79,939	-	-	79,939	-
Health Care Policy and Financing	2,070,005	-	(15,880,218)	2,070,005	(15,880,218)
Higher Education	3,197,853	10,931,990	(11,414,676)	(20,857,134)	(24,537,673)
Human Services	(5,811,706)	(5,811,706)	-	6,016,986	6,016,986
Judicial	-	-	-	-	-
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	42,408	-	-	42,408	-
Natural Resources	-	-	-	-	-
Personnel andAdministration	1,619,904	11,406,530	-	(9,784,363)	2,263
Public Health and Environment	-	-	-	-	-
Public Safety	-	-	-	-	-
Regulatory Agencies	-	-	-	-	-
Revenue	-	-	-	-	-
State	-	-	-	-	-
Transportation	(71,456)	5,574,611	-	1,778,544	7,424,611
Treasury	-	-	-	-	-
Net Increase (Decrease)	$ 936,914	$ 22,101,425	$ (27,294,894)	$ (20,843,648)	$ (26,974,031)

Gross Posted Audit Adjustments by Agency
For Fiscal Year Ended June 30, 2001

Agency Name	Assets	Liabilities	Fund Balance	Revenue	Expenditures
Agriculture	$ 190,033	$ -	$ -	$ 190,033	$ -
Corrections	-	-	-	-	-
Education	-	-	-	-	-
Governor	79,939	-	-	153,845	-
Health Care Policy and Financing	33,830,441	-	15,880,218	2,070,005	24,160,236
Higher Education	16,399,755	16,739,814	11,414,676	36,181,009	26,934,325
Human Services	5,839,534	5,839,534	-	6,016,986	6,016,986
Judicial	-	-	-	-	-
Labor and Employment	-	-	-	-	-
Law	-	-	-	-	-
Legislative	-	-	-	-	-
Local Affairs	-	-	-	-	-
Military Affairs	42,408	-	-	42,408	-
Natural Resources	-	-	-	-	-
Personnel and Administration	28,560,956	13,406,530	-	16,547,737	1,297,109
Public Health and Environment	-	-	-	-	-
Public Safety	-	-	-	-	-
Regulatory Agencies	-	-	-	-	-
Revenue	-	-	-	8,018	-
State	-	-	-	-	-
Transportation	6,237,282	9,274,611	-	4,387,282	7,424,611
Treasury	259,438	3,000,000	-	360,398	8,018
	$ 91,439,786	$ 48,260,489	$ 27,294,894	$ 65,957,721	$ 65,841,285

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